1 Comparative public management reform: an introduction to the key debates

We've got a government in a box, ready to roll in.

(General Stanley A. McChrystal, senior American commander in Afghanistan, speaking at the beginning of an offensive to retake territory from the Taliban in southern Afghanistan, February 2010—quoted in Filkins, 2010)

1.1 Purpose

We think General McChrystal was sadly mistaken. No government can be instantly rolled out from a box, not even in far less adverse circumstances than obtained in southern Afghanistan in 2010. In this book we are looking, not at Afghanistan, but at the relatively stable and prosperous democracies of Australasia, Europe, and North America—and yet we remain less optimistic about what can be achieved (and how it can be done) than the American commander. Understanding what is and is not possible in public management reform (which is, of course only one part of government reform) and seeing over what timescales changes of different types may be hoped for, should be valuable knowledge. We cannot offer a six-steps-to-success cookbook (and we rather doubt if anybody can), but we can draw out an international map of the debates and the events of the last generation. From this we may elicit some cautious conclusions about what has and has not been achieved under widely varying circumstances. Our aim is thus to provide a comparative analytic account of public management thinking and reform in twelve developed countries over a period of thirty years.

Lest our opening scepticism be interpreted as cynicism or 'negativity', we should also affirm that such a broad perspective actually provides plenty of evidence of beneficial change, and that we certainly think that good management can and does make a big difference to the impacts and legitimacy of governments. Examples of successful reforms will be cited as we go along. It is just that the imagery of conjuring good government out of a box finds no resonance at all in the massive corpus of evidence that we are about to review. For good reasons, that we will explain, it can never be that simple—or that quick.

1.2 **Scope**

We focus on public management reform, defined for our purposes as:

Deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better.

This is a deliberately open and wide definition which clearly leaves all sorts of important questions still to be answered. For example, 'structures or processes' could be the organizational structures of ministries and agencies, or the processes by which public servants are recruited, trained, promoted, and (if necessary) dismissed, or the legal and administrative relationships between the citizens using public services and the organizations providing them (as in a 'citizens' charter, for example). And 'getting them to run better' could mean getting these organizations to run more efficiently, or ensuring that they are more responsive to the citizens who used them, or focusing more strongly on achieving their official objectives (reducing poverty, promoting exports, etc.). It should be obvious that these different kinds of objective will sometimes trade off against each other, for example a more Spartan, efficient service that minimizes the taxpayers' money spent on each of its activities may not simultaneously be able to increase its responsiveness to citizens or effectiveness in achieving policy goals. So the phrase 'in some sense' may stand for some difficult choices and decisions about what the priorities really are. Reforms and 'modernization' almost always necessitate some awkward choices of this kind—decision-makers are obliged to decide what they think is most important—they can seldom hope to have everything at the same time.

The empirical area (locus) to which we apply this definition of reform is very broad, but yet it is still much less than the total field of public management. In brief, we have chosen to apply ourselves mainly to *central government in twelve specific countries, plus the management of the European Commission*. Thus, obviously, we do not deal with reforms in the hundreds of other countries, or with reforms at regional or local level, or with reforms in international organizations other than the European Union (EU), Commission. Central government, however, means much more than ministries and 'high politics'. It includes vital-but-unobtrusive services like registering births and deaths (central in some countries, local in others), or issuing driving licences. It includes both regulatory and executive agencies, which may be at arm's length from ministries and ministers, often with a degree of statutory independence. It involves major services such as national police forces, and public hospitals, schools and universities. In most countries these services employ far more staff and spend much more money than do the ministries themselves. However, the qualifying phrase 'in most countries' is important. The split of services between central governments (our focus) and subnational governments varies a lot between countries, and also somewhat over time. Thus, for example, central government is responsible for a much bigger share of services in New Zealand or the UK than in Germany, Finland, or the USA (OECD, 2009*a*, p. 57).

Yet this broad sweep still leaves a lot out. In all countries, governments seek to achieve many of their purposes through contracts or partnerships with non-governmental organizations (NGOs). In some countries (such as the USA) this zone of 'contracted out' yet

still public activity is truly enormous, and some critics have begun to write of the 'hollow state' (e.g. Milward and Provan, 2000). It includes the work of charitable organizations and other 'non-profit' bodies that form part of civil society, as well as for-profit companies that inhabit the market sector. Some of these contractors and partners are quite small, local organizations, while others are large and multinational. In other countries, such as Germany or Belgium, religious and social foundations ('civil associations') continue to play an important role in providing key social, health care, and educational services. Thus this zone embraces both purely commercial contracting and sub-contracting, and more close and intimate 'public private partnerships' (PPPs—Bovaird and Tizzard, 2009), or long-standing charitable provision. We will not focus directly on most of this activity. We do note the shifts towards contracting out and partnerships, and we observe that this has been pursued to different degrees and in different ways in different countries, but we do not study these hybrid organizations per se. However, the growth of this penumbra to the core public sector is a key feature of 'governance' and 'network' approaches, and we will need to return to it at various points in the book.

Figure 1.1 should help clarify our focus. Our book is concerned with reform in the right-hand side of the inner circle—where it is marked as 'management'. Indeed, it is mainly concerned with only the upper quartile of that circle—the shaded part that relates to *central* government rather than sub-national governments.

Yet Figure 1.1 is itself far from perfect—like most diagrams it clarifies some issues while raising others. For example, it shows a 'borderzone' between the public and private sector (this is a zone that most scholars accept has grown over the past few decades). In this zone, for example, a private company may be contracted by government to provide a public service, or government may lay down regulations to govern safety in civil associations such as sports clubs or even churches. In a way the idea of a border*zone* may not be the most
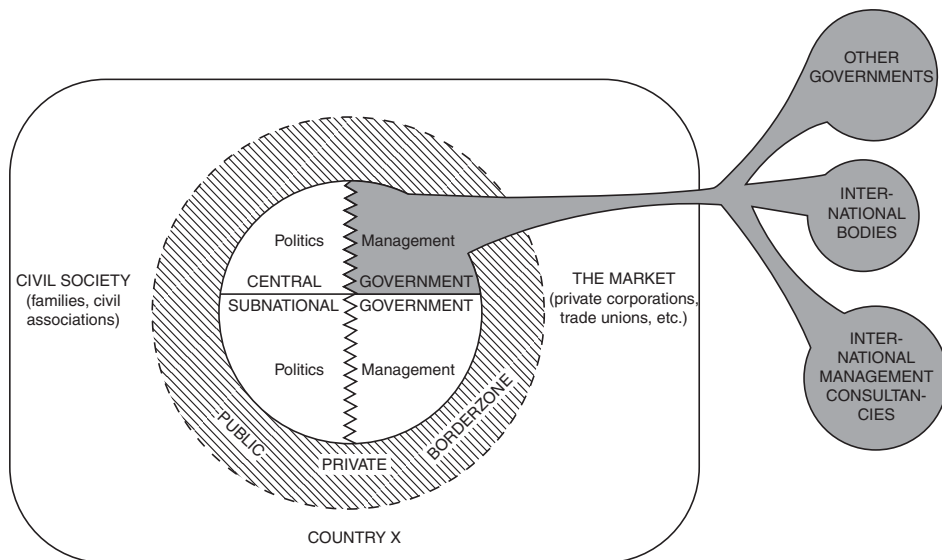
Figure 1.1 The focus of this book

realistic graphic representation. It is perhaps a bit too neat for what are in practice a myriad of complex, overlapping public 'tentacles' which reach out deep into both civil society and the business sector. Similarly the tentacles of the private sector reach into the heart of government. Government offices may be cleaned by private sector contractors. Government computers may be supplied and maintained by private sector companies, and so on. However, rather than attempt a potentially confusing figure that involved overlapping spiders' webs, we chose a simple and static representation—just to get started.

A second noteworthy feature of Figure 1.1 is the jagged line between 'politics' and 'management' that crosses the inner circle of the government system (both at national and subnational levels). The jaggedness is our rather feeble attempt to represent another set of relationships that are probably too complex to be entirely captured in a simple graphic. Suffice it to say here that the sensitive relationship between the political and the managerial has been a perennially debated issue within the academic field of public administration and management (see, e.g. Peters and Pierre, 2004). It will be touched on again in almost every chapter, but particularly in Chapter 6. Our focus is on management, but the insights of many previous scholars tell us that we cannot understand *public* management without also paying attention to political structures and processes.

A third feature of the figure is the channel connecting public management *within* the government system with 'other governments', 'international bodies', and 'international management consultancies', all of which lie *outside* the particular country which may be under consideration. Once more, this is a form of graphical shorthand. It is intended to depict the fact that—increasingly—reform ideas circulate round international networks, not just national ones. Governments copy other governments. Ministers and civil servants also swap ideas at meetings of the OECD, or the EU Council of Ministers, or the World Bank. Governments in many countries have also made increasing use of advice from management consultants, and the big management consultancies are multinational companies (Saint Martin, 2005). We will have a lot more to say about the emergence of this international community for reform later.

It is important to realize that the main borderlines between the different elements in Figure 1.1 may shift over time. For example, new powers may be devolved from central government to subnational authorities, or powers may be taken away from subnational authorities and centralized at the national level. The public–private borderzone—as mentioned above—may expand, with private corporations taking over more and more of the running of public services (as they have done in both the UK and the USA). These dynamics will be noted and discussed throughout the book, but we begin here with this relatively simple, static representation. Later we will shift to 'moving pictures', especially in the final chapter, where we will reconsider these basic elements in the light of the considerable amount of empirical information which the book will deliver.

1.3 Recent debates in the field

Of course, in one chapter we cannot cover *all* the different arguments and debates that a growing and increasingly international community of public management scholars have

spawned over even the past ten years, let alone a longer period. We have had to be quite selective, so in the following sections we pick out what we consider to be the most important or interesting topics, and attempt to summarize the arguments. Those who wish to go deeper are urged to consult the references that we supply as a starting point for further study.

These are the issues we have chosen:

- Why has public management reform become a much more prominent issue than it was in the 1950s or 1960s? (Section 1.4)

- What has been the main direction of reform? (Section 1.5)

- Has there been a global convergence on one particular way of managing the public sector, or are there a variety of models? (Section 1.6)

- Internationally, how successful has the New Public Management (NPM) been? (Section 1.7)

- What other models—apart from the NPM—have been influential? (Section 1.8)

- What, in particular, are we to make of 'networks'? (Section 1.9)

- And what is the significance of the so-called shift from government to 'governance'? (Section 1.10)

- What are the implications for public management reform of the global economic crisis which began in the second half of 2008? (Section 1.11)

Finally, we also introduce some more epistemological or methodological issues:

- What kind of answers should we be looking for—models and menus? (Section 1.12)

- What kinds of methods are used in comparative research? (Section 1.13)

- Reflections and conclusions: management reforms caught between 'is' and 'ought'? (Section 1.14)

Most of these issues are closely interconnected, so one section leads into the next. All these issues will—as indicated earlier—reappear at various levels of detail as you move through the later chapters of the book.

1.4 Why has public management reform become a much more prominent issue than it was in the 1950s or 1960s?

Back in the 1950s, public management reform was different in two particular but funda-mental ways. First, it was generally treated as a technical or legal, rather than a political or economic matter—it was usually a question of rather dull organizational and procedural changes. It was not normally something that party leaders or the mass media made much public fuss about. There was nothing like the stream of reform white papers and glossy brochures which we have become accustomed to more recently in many European

countries and in North America. Second, it was an essentially national or even sectoral matter. Germans made their reforms in the light of German circumstances and history, as did the French, the British, the Americans, and so on. There was little *international* debate about such issues, and the usual assumption was that each country ploughed its own furrow. This attitude was reinforced—in many countries—by the important role constitutional and administrative law played in administrative reform. The relevant framework of law was very different in France from that in the UK, and in the USA it was different again—therefore the reforms themselves were likely to be different. International *fora* such as the OECD Public Management Committee or the United Nations Public Administration Network (UNPAN)—which subsequently became influential talking shops for public management reform—did not then exist. Neither did the multi-national management consultancies which, since the late 1980s, have come to play such an influential role in the reforms of many countries. The enormous subsequent growth of institutionalized, international management networks had not yet taken place (Sahlin-Andersson and Engwall, 2002; Saint-Martin, 2005). Similarly, in the academic world, we know of no group of scholars who at that time made *comparative* public administration (as it would then have been called) a consistent focus for debate, research, and publication. As far as the developed world was concerned, there were a few isolated works, frequently of a predominantly legal/constitutional nature, and that was all (Pollitt, 2011). There was, however, a considerable body of comparative 'development' administration pertaining mainly to the developing world, and frequently setting up Western models as the ideal towards which developing countries should aspire.

With the advantage of hindsight, we can see that this began to change in some countries in the late 1960s and early 1970s, and then began to affect many more from the late 1970s/early 1980s. The first wave—which was principally concerned with more rational strategic policymaking and evaluation—took place mainly in the USA, the UK, and France (Premchand, 1983; Pollitt, 1984; Wildavsky, 1979). It coincided with, and was part of, a period of 'high modernism' when rapid advances in science and technology, combined with a huge growth in the university-based study of the social sciences, seemed to hold out the promise of a more rational 'designed' set of public policies and institutions (see, e.g. Dror, 1971 or *The reorganization of central government*, Cmnd 4506, 1970).

The second wave seems to have been connected to the global economic disturbances of the 1970s, and the spreading belief that governments had become 'overloaded' and that Western welfare states had become unaffordable, ineffective, and overly constraining on employers and citizens alike (e.g. King, 1976; Held, 1984; O'Connor, 1973). One might say that the modernist optimism of the 1960s had been replaced as a spur to reform by the dismal prospect of fiscal crisis and governmental over-reach. At any event, there arose a fast-spreading desire to make government more businesslike—to save money, increase efficiency, and simultaneously oblige public bureaucracies to act more responsively towards their citizen-users (e.g. Boston et al., 1996; Pollitt, 1990). This time the trend was more widely felt so that, for example, among our selected countries, Australia, Canada, the Netherlands, New Zealand, Sweden, the UK, and the USA all launched major programmes of central government reform during the 1980s. It later became known as the New Public Management (NPM). It is a term which has (rather confusingly) come to be used to cover a very wide range of reforms in an equally broad spread of countries.

This second wave began during times of global economic downturn, but continued through the subsequent upturn. The drive for greater efficiency and improved service quality spread to more and more countries and lasted through the 1980s and well into the 1990s. (Its character is elaborated in the following section.) But, as the 1990s progressed, its 'personality' began to change. Reforms stayed high on many political agendas, but the talk turned to 'governance', 'partnerships', 'joined-up government'/'whole of government', and then to 'trust' and 'transparency'. In other words, the agenda seemed to shift. This was a complex process, proceeding faster and further in some countries than in others (as had the earlier reform waves). Efficiency and quality did not disappear from view—both remained as persistent concerns—but they tended to be overshadowed by these newer totems. Precisely *why* the agenda changed in this way is not yet entirely clear. To some extent there was a reaction against some of the unwanted or unpopular effects of the earlier, second wave of reform. The reforms of the 1980s and early 1990s had tended to fragment public sector organizations, producing fewer large, multi-purpose forms and more single- or few-purpose organizations, each pursuing more explicitly defined sets of goals and targets (Bouckaert et al., 2010). What is more, these new agencies were often deliberately positioned at arm's length from ministers, partly in order to give the managers greater freedom to manage (Pollitt et al., 2004). But as more and more such organizations came into existence governments began to realize that there were both coordination problems (getting many different public sector organizations cooperatively to pursue the same overall policy objective) and problems of political accountability (the arm's length agencies were harder for ministers to control, but in most cases, if they did unpopular things, it was still ministers who got the blame from the media and the public). For these reasons, therefore, 'strategy', 'joining up', and 'inter-service coordination' all rose up political agendas.

Another slogan that achieved very wide circulation was 'e-government'. There was no shortage of ideas about how the rapidly developing information technologies could revolutionize public sector productivity, provide citizens with faster, better information and access to services, and even usher in a new wave of participatory democracy. Governments in many countries made large investments in new computer systems and web-based communications systems. Sometimes these did indeed bring substantial benefits, but there were also many cases of spiralling costs and systems which under-performed or failed to work altogether (Committee of Public Accounts, 2000; Dunleavy et al., 2006*a*; OECD, 2005*a*). Whilst we will mention some of these projects as we go through the book, and while there is no question but that developments in Information and Communications Technologies (ICTs) have been very important for governments, the point to make here is that e-government is not a model in itself. Neither does it line up exclusively with any one of the models mentioned in this chapter (NPM, networks, governance etc). In effect, there are many versions of e-government: an e-government that reinforces traditional bureaucratic hierarchies, an e-government that facilitates the NPM, an e-government that is designed to promote networking and wider concepts of governance. A great deal depends on the particular context in which a given e-technology is introduced, with what purposes, and so on (Bekkers and Homburg, 2005).

It is hard to know whether this shifting agenda—governance, partnerships, e-government, and so on—constituted a 'third wave', or, if it did, quite how to characterize that wave. (Indeed, it should be emphasized that writing in terms of 'waves' is no more than a

general heuristic—the detail of public sector reforms often turns out to be more like geological sedimentation, where new layers overlie but do not replace or completely wash away the previous layer.) Since the late 1990s, different commentators have favoured very different emphases—some have given pride of place to 'governance', some to 'networks and partnerships', some to 'transparency' and 'participation', some use the general term 'post NPM', and some just refer to 'globalization'. Here we will simply make a very brief note of some of these 'big ideas', continuing to a more detailed treatment of them later in the book.

In addition to strategy and 'joining up', the late 1990s and early 2000s brought a rising political awareness that governments appeared to be losing public trust. To some extent politicians themselves exacerbated this by exploiting the 'politics of fear'—playing on the fear of terrorism, but also the fear of the collapse of the pensions system or the health care system or some other key state system. The idea that this apparent loss of trust could be restored by offering the public more transparent and responsive services began to appear in speeches and official documents (although, as we shall see later, it is not clear at all that trust in the political system can be restored by such an approach—Van de Walle et al., 2008). Parallel to this—and related to it—this was also a time when many countries adopted new freedom of information legislation. In 1986 only eleven countries had freedom of information legislation, but by 2004 the number was fifty-nine (OECD, 2005b; Roberts, 2006).

Perhaps even more important, this was a period when 'globalization' became a subject for widespread political and media discussion. This seemed to have major implications for public administrations, for at least two reasons. First, governments needed to develop the capacity to represent themselves effectively in the ever-expanding international networks of international institutions (Held, 2004). The 'Little Englander' (or 'Little German' or 'Little Australian') option of just looking after one's own domestic business and ignoring international organizations and networks began to look more and more costly and unrealistic, even if some populist political fringe groups could still win attention by aspiring to withdraw from the EU or the United Nations or whatever. Second, on the economic front, governments, through their own efficiency or inefficiency, and through a variety of regulatory arrangements, helped sustain—or handicap—national economic competitiveness.

These different pressures each appeared to point towards reform in the basic machinery of the state. One might even say that, as national governments became less dominant, and less authoritative actors in their own territories (because of, inter alia, globalization, decentralization, the rise of an active citizenry, and a more aggressive mass media), so the spotlight fell even more harshly upon public management. Public management became one of the most politically popular answers to a range of these challenges—here, at least, was something ministers in national governments seemingly could fashion and control—their own organizations and staff. When, in 2008, the world was suddenly engulfed in a global financial and economic crisis, sure enough, public management was soon to the fore. Politicians and other commentators in various countries demanded new systems of national and international regulation for financial institutions. Ministers, who had radically unbalanced public finances by using huge sums of public money to prop up failing banks and commercial firms, were soon to be found promising that yet more

reforms would ensure that the now-necessary public spending cuts would focus on 'waste' and would not lead to real quality reductions in basic services such as education and health care. Instead, even more 'productivity' would be squeezed out of services that, in some cases, had already officially been raising productivity for the past quarter century. After some months of this kind of rhetoric, however, it became increasingly clear that 'waste-bashing' and productivity improvement alone would not do the trick. These were important components, but the sheer scale of expenditure reductions that were needed meant that 'real' cuts in 'real' services were unavoidable (Pollitt, 2010a). By the autumn of 2010 there were large-scale demonstrations against public service cuts all over Europe.

Thus public management reform has come far from the dusty, technical, and legalistic days of the 1950s. It has become a key element in many party manifestos, in many countries. It has internationalized. It has acquired a body of doctrine, and a set of competing models and approaches. In short, it has 'arrived'.

1.5 What has been the main direction of reform?

As indicated above, the period from the mid 1960s to the late 1970s is frequently regarded as the golden age of planning. But our book begins its review from 1980, and by that time the planners were already well in retreat. Neither Mrs Thatcher, the then British Prime Minister 1979–89, nor Ronald Reagan, the US President 1980–8 were any friends of planning. They, and many of their advisers, favoured a more 'business-like' approach. Gradually, partly through doctrine and partly through trial and error, this general attitude crystallized into a more specific set of recipes for public sector reform. By the early 1990s, a number of influential commentators appeared to believe that there was one clear direction—at least in the anglophone world. This general direction was soon labelled as the New Public Management (NPM) or (in the USA) Re-inventing Government (a seminal article here was Hood, 1991). A pair of American management consultants, who wrote a best-seller entitled *Reinventing Government* and then became advisers to the US vice president on a major reform programme, were convinced that the changes they saw were part of a global trend. They claimed that 'entrepreneurial government' (as they called it) was both worldwide and 'inevitable' (Osborne and Gaebler, 1992, pp. 325–8). At about the same time the financial secretary of the UK Treasury (a junior minister) made a speech claiming that the UK was in the forefront of a global movement:

All around the world governments are recognising the opportunity to improve the quality and effectiveness of the public sector. Privatisation, market testing and private finance are being used in almost every developing country. Its not difficult to see why.   (Dorrell, 1993)

The increasingly influential Public Management Committee of the OECD came out with a series of publications that seemed to suggest that most of the developed world, at least, was travelling along roughly the same road. This direction involved developing performance management, introducing more competition to the public sector, offering quality and choice to citizens, and strengthening the strategic, as opposed to the operational role of the centre (see, e.g. OECD, 1995).

There have been many definitional disputes and ambiguities about exactly what the key elements of this general direction were supposed to be: 'There is now a substantial branch industry in defining how NPM should be conceptualized and how NPM has changed' (Dunleavy et al., 2006*a*, p. 96; see also Hood and Peters, 2004). For the purposes of this book we will assume that the NPM is a two-level phenomenon. At the higher level, it is a general theory or doctrine that the public sector can be improved by the importation of business concepts, techniques, and values. This was very clearly seen, for example, when the then US vice president personally endorsed a popular booklet entitled *Businesslike Government: Lessons Learned from America's Best Companies* (Gore, 1997). Then, at the more mundane level, NPM is a bundle of specific concepts and practices, including:

- greater emphasis on 'performance', especially through the measurement of outputs
- a preference for lean, flat, small, specialized (disaggregated) organizational forms over large, multi-functional forms
- a widespread substitution of contracts for hierarchical relations as the principal coordinating device
- a widespread injection of market-type mechanisms (MTMs) including competitive tendering, public sector league tables, and performance-related pay
- an emphasis on treating service users as 'customers' and on the application of generic quality improvement techniques such as Total Quality Management (TQM) (see Pollitt, 2003*a*, chapter 2)

Dunleavy et al. have usefully summarized this as 'disaggregation + competition + incentivization' (Dunleavy et al., 2006*a*). However, it would be wrong to assume that this formula was necessarily internally consistent. As a number of commentators have noted, there is some tension between the different intellectual streams that feed into the NPM, particularly between the economistic, principal-and-agent way of thinking, which is essentially low trust, and the more managerial way of thinking which is more concerned with leadership and innovation—and more trusting of the inherent creativity of staff, if only they are properly led and motivated (Pollitt, 2003*a*, pp. 31–2). The former stream emphasizes the construction of rational systems of incentives and penalties to 'make the managers manage'. The latter emphasizes the need to 'let the managers manage' by facilitating creative leadership, entrepreneurship, and cultural change. Other writers have drawn a distinction between 'hard' and 'soft' versions of NPM (Ferlie and Geraghty, 2005). The hard version emphasizes control through measurement, rewards, and punishment, while the soft prioritizes customer-orientation and quality, although nevertheless incorporating a shift of control away from service professionals and towards managers. This seems to map quite closely onto the low-trust/high-trust tensions mentioned above.

Consistent or not, the NPM was soon controversial. To begin with, it was perceived as having cultural, ethical, and political features which did not 'fit' certain countries (particularly France, Germany, and the Mediterranean states). In France and in the European Commission, for example, it was commonplace to hear NPM concepts disparagingly referred to as 'Anglo-Saxon ideas'. Furthermore, by the late 1990s it was coming under increasing attack, even in those countries where it had started earliest and gone furthest

Table 1.1 Three waves of reform thinking

Period	Characteristics of Dominant Discourse
Mid 1960s to late 1970s	Rational, hierarchical planning and cost-benefit analysis. Science and expertise will produce progress.
Late 1970s to late 1990s	New Public Management. Business techniques to improve efficiency. Rise of 'better management' as the solution to a wide range of problems.
Late 1990s–2010	No dominant model. Several key concepts, including governance, networks, partnerships, 'joining up', transparency, and trust

(i.e. Australia, New Zealand, the UK, and the USA). This did not mean that it suddenly 'stopped'—not at all. Indeed NPM-type reforms are still going forward in quite a few countries, even as this third edition is being written. But it did mean that other models—alternatives—were frequently being advocated and discussed, and that NPM reforms themselves were no longer seen as *the* solution to a wide range of public sector problems. As noted above, there was a 'third wave' of ideas, which embraced the concepts of globalization, governance, networks, partnerships, transparency, and trust.

The discussions of this section and the previous one are summarized in Table 1.1. It should be emphasized once more that these periods and categories are very broad-brush—the real detail of public management reform over the past three decades does not, unfortunately, separate into three neat waves. What is more, both the rhetoric and the practice around each wave was more dominantly present in some countries than in others (Australasia, the US, and the UK tended to be the most enthusiastic, and to try to 'export' these ideas to other countries).

Finally, it could be added that our reform waves were probably related to deeper currents, such as macro-economic changes, technological developments, ideological shifts, and so on. However, these inter-relationships were complex, and, fascinating though they are, are not our principal focus in this book.

1.6 Has there been a global convergence on one particular way of managing the public sector?

We must immediately begin to elaborate the over-simple picture portrayed by Table 1.1. We have already seen that some voices claimed that there was convergence, and that that convergence was towards the NPM model. Here are just two examples of that—the first a leading American professor and the second an equally influential Australian:

The movement has been so striking because of the number of nations that have taken up the reform agenda in such a short time and because of how similar their basic strategies have been.   (Kettl, 2005, p. 1)

There are various ideas of what is involved in public management reforms. However, as the process has continued there has been convergence as to what is involved in the reforms.   (Hughes, 2003, p. 51)

Yet this was far from a universal view. One group argued that NPM had not delivered what it promised, and they will be dealt with in the next subsection. More pertinently here, another group brought forward a more subtle argument—that the 'reach' and penetration of NPM ideas had been greatly exaggerated, especially by the early enthusiasts such as Osborne and Gaebler. This developed into quite an extensive scholarly argument about what was the real degree of 'convergence' in public management reforms, internationally. Were all countries heading in the same direction and, if not, was there some other sort of pattern? We (Pollitt and Bouckaert) cannot claim to be neutral bystanders in this debate because, both in previous editions of this book and in other works, we have argued that there *has* been an undue focus on NPM, and this has missed a lot of other reforms and combinations of reforms that have been launched. In the Mediterranean countries, for example, while there have been some NPM elements, a focus on them alone gives a very distorted picture of what has been going on over the last quarter century (see Ongaro, 2009). A plausible case can also be made for the idea that the countries with strong Napoleonic traditions were busy with other kinds of reform and attempted reform, and only followed the NPM in limited and selective ways (Kickert, 2007). In Germany, while some NPM-type reforms certainly took place in subnational governments, the federal government has never adopted NPM on a large scale (Bach et al., 2010; Jann et al., 2006; Wollmann, 2001). And even right next door to the UK, in Belgium, the NPM 'flavour' has been quite weak (Brans and Hondeghem, 2005; Broucker et al., 2010; Pollitt and Bouckaert, 2009). In short, national histories and characteristic national patterns of institutions have had a tremendous influence (Lynn, 2006). We will see much more of this variety later in the book.

Another important point—and another one that adds to the complexity of the picture—is that even where a particular new model is adopted, it is rather unlikely that it will simply replace all previous ideas and practices. In public management reform, new brooms hardly ever sweep entirely clean. Rather they shift some of the dust away but then deposit new dust on top of remaining traces of the old. Overall:

Defining periods in the evolution of any complex system, such as public management systems in advanced industrial countries, is a tricky task. New developments accrete and accumulate while older trends are still playing out and apparently flourishing.   (Dunleavy et al., 2006*b*, p. 468)

However, even if we accept that the true picture is far more varied than the convergence enthusiasts suggest, we are left with the question of how and why many leading academics and politicians came to believe that 'a similar process is underway throughout the developed world' (Osborne and Gaebler, 1992, p. 325). We suggest there are several reasons, and they are worth rehearsing here because they also function as general warnings about the generic difficulties of international comparisons.

First, there is a language issue. All the leading NPM countries are predominantly anglophone (Australia, New Zealand, the UK, and the USA). Much of the NPM literature has been anglophone. Many politicians and academics from these countries listen and read predominantly or exclusively anglophone sources. So it is easy to get an exaggerated impression of how prevalent these types of reform are elsewhere in the world. (One healthy development over the past decade or so is that the academic community discussing these issues has broadened so that we are hearing more and more from scholars in

countries such as Brazil, China, Italy, Japan, Korea, Mexico, or Spain—who can speak English even if the mother-tongue anglophones can only occasionally speak their languages.)

Second, individuals from these same anglophone countries seem to have been able to colonize key positions in the main international agencies that 'spread the word' about what was going on—especially the OECD and the World Bank. The influence of these agencies was wide: it was not just the 'Anglo-Saxon' states where they got a favourable hearing, but, eventually, such initially resistant administrations as France (Bezes, 2010) and Norway (Christensen et al., 2007, pp. 28–30).

Third, there is a major issue about the types of evidence employed in the debate. As we will see in the next section (and throughout the book) there are many gaps, diversions, and outright failures that stand between the *announcement* of a reform policy and the success-ful *implementation* of that policy. In fact in the public management field it is very common for officially announced reforms only partly to reach their objectives, or to fade away altogether. Some scholars have even shown a pattern where essentially the same rational-istic, performance-oriented reform is introduced over and over again, despite the fact that it never seems to work remotely as originally hoped and declared (Brunsson, 2006; Sundström, 2006). However, if we quickly scan the web or the newspapers, most of the information we find is about reforms which are being debated or which have recently been adopted and announced. There is much less information in these sources to tell us exactly how the reforms have been implemented—how widely and with what degrees of measured success. (Chapter 5 deals at length with this whole problem of defining and assessing 'results'.) One of us has written about this (Pollitt, 2002), suggesting that the life of a reform can be divided into stages, and that at each stage the challenge of research is somewhat different. A simple division of stages recognizes four (Table 1.2):

Table 1.2 helps us to understand why the spread and impacts of NPM (or any other fashionable model) may sometimes be exaggerated. Basically, it is quicker and easier to research the headlines of talk and decision than to go out into the field and look in detail at operational practices and final outcomes. Thus, for example, a quick survey of official

Table 1.2 Researching public management reforms

Stage	Description	Research?
Talk	More and more people are talking and writing about a particular idea (e.g. contracting out)	Quick and cheap. Monitoring what people are talking and writing about is fairly straightforward
Decision	The authorities (governments, public boards, etc.) publicly decide to adopt a particular reform	Again, quick and cheap. The public decisions of the authorities can usually be located quite quickly (on the Net, often without leaving one's desk)
Practice	Public sector organizations incorporate the reform into their daily operational practices	Probably requires expensive and time-consuming fieldwork. This needs both funding and access
Results	The results (outcomes) of the activities of public agencies change as a result of the reform	Final outcomes are frequently difficult (and expensive) to measure. Even more frequently there is an attribution problem, i.e. one cannot be sure how much of the measured change in outcomes can be attributed to the reform itself, as opposed to other factors

Developed from Pollitt, 2002.

documentation shows that executive agencies in the UK, Sweden, Finland, and the Netherlands all have performance indicator systems. This could be seen as an example of convergence, with a strong NPM flavour (performance measurement and results-oriented management are central planks in the NPM model). What detailed fieldwork reveals, however, is that these indicators are used in very different ways and with different consequences in the four countries (Pollitt et al., 2004). Before leaving this point we should note that the Talk-Decision-Practice-Results framework has several implications for comparative analysis. Inter alia it suggests that we should try to compare like with like (decisions with decisions, or results with results). Comparing (say) talk and decisions in country A with practice in country B is potentially misleading (and unfair).

Fourth, there has almost certainly been a kind of 'multiplier' effect. That is, as attention has focused on business-derived NPM reforms, a community has grown up in whose interests it is to create new ideas and techniques, and therefore further reform. There is nothing necessarily sinister about this, even if it can often be construed as a form of self-interest. It is simply that more and more people take up public sector roles after some training in 'management', and more and more consultancies depend on winning and subsequently sustaining contracts to facilitate reform. For example, the UK public sector spent approximately £2.8 billion on consultants in 2005–6, a 33 per cent increase on what the level had been only two years previously—in fact central government spent more on consultants per employee than did comparator private sector firms! (National Audit Office, 2006, pp. 5 and 15).

Furthermore, individuals increasingly move between different management roles—as practising managers, as consultants, as academics, or as contributors to the now-extensive specialist media concerned with communicating management ideas (Sahlin-Andersson and Engwall, 2002, pp. 14–19). More and more governments have set up one or more specialist management reform units, such as the Prime Minister's Public Service Delivery Unit (UK), the Public Management Department of the Finnish Ministry of Finance, the French Directorate General for State Modernization, the Norwegian Ministry of Government Administration and Reform, and so on. Members of these organizations may themselves have consultancy experience or they may become consultants afterwards, trading on their experience gained near the heart of government reforms. More profoundly, these units and departments help to institutionalize 'modernization' and 'reform', continually putting forward programmes and targets, drawing attention to new management ideas and techniques and generally keeping the rest of central government 'on its toes' (for a vivid account of how intrusive this can become, see Barber, 2007). As we said at the beginning of this chapter, a real community has emerged, complete with its own terminology, doctrines, procedures, and networks. And, more often than not, these 'communities of discourse' have been heavily influenced by NPM ideas (again, see Barber, 2007, where the Head of the Prime Minister's Delivery Unit strongly criticizes the traditional public service professions, but praises inspirational, generic business-school texts such as John Kotter's *Leading Change* (Kotter, 1996)).

For all these reasons, therefore, there has been a tendency to over-concentrate on the NPM. This is not an attempt to argue that NPM is not important—clearly NPM ideas *have* achieved a very wide international spread, and *have* directly inspired many reforms in many countries. But they have not been universal—the idea of a global trend, at least in

its strong form, is something of a mirage—and neither has the NPM been the only kind of reform that was going on (even in those countries that were NPM-intensive, like New Zealand and the UK, but especially in those countries that only borrowed from the NPM toolkit cautiously and selectively, like Finland, France, or Japan).

1.7 Internationally, how successful has the New Public Management (NPM) been?

Elements of the NPM have been widespread, but have they worked? There is no straight-forward 'yes' or 'no' answer to this, partly because many policymakers (and some scholars) start from a strong normative commitment either pro- or anti-NPM, and they are never likely to agree with each other. However, that is far from being the only reason. It is also the case that it is very difficult systematically to evaluate large-scale public management reforms (and in quite a few cases the governments concerned have not been all that interested in scientific evaluation anyway) (Pollitt, 1995; Wollmann, 2003; Pollitt, 2009). We will spend a little time briefly summarizing why this is so difficult, before moving on to look at what 'results' have nevertheless been observed.

To examine reforms and their results, we first need some kind of conceptual framework. Therefore we detour from our main story here in order to introduce a fairly orthodox framework within which to discuss 'performance'—see Figure 1.2.

In the figure, terms such as 'efficiency' and 'effectiveness' are given fairly specific mean-ings, whereas readers should be warned that in 'real-life' reform talk they are frequently used in loose, vague, and/or inconsistent ways. Thus, for us, efficiency is the ratio between inputs and outputs, whereas effectiveness is the degree to which the desired outcomes result from the outputs. For example, if lessons are delivered (outputs), do the students actually learn (outcomes)? Note that it is therefore perfectly possible for a given policy to increase efficiency while decreasing effectiveness, or vice versa. For example, a new approach to managing hospital operating theatres may increase the rate at which a partic-ular surgical procedure is carried out (greater efficiency) but in doing so lead to more mistakes being made by doctors and nurses, so that the effectiveness of the operations falls (the clinical outcomes deteriorate). Or, more commonly perhaps, there may be an improvement in efficiency (police check more alcohol licences per month), but no change in the outcomes (levels of teenage drunkenness remain the same). An example of increas-ing effectiveness whilst decreasing efficiency would be if a university replaced a retiring group of run-of-the-mill professors with highly paid top rank international 'stars'. Students might learn more, and research outcomes might improve (both measures of outcome) but the cost per student would go up (and therefore efficiency would go down) because of the higher salaries demanded by the new super-professors.

Some would object to this framework on the grounds that it is over-rationalistic. It assumes, for example, that socio-economic problems are addressed by distinct programmes which have discernible objectives (against which effectiveness can subse-quently be measured). But sometimes, such critics might point out, policies exist
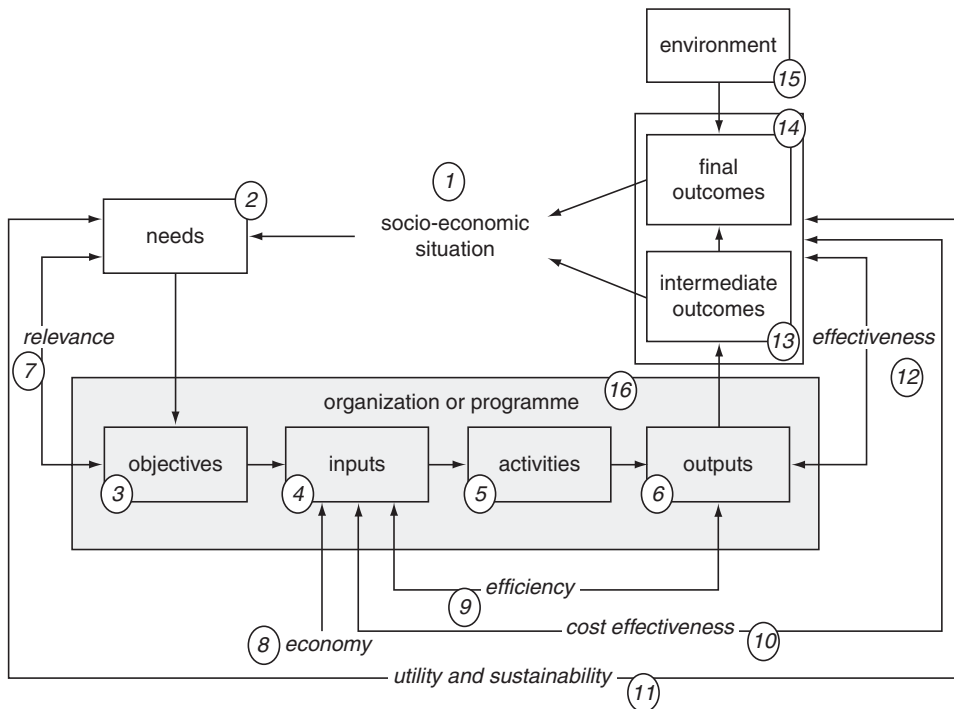
Figure 1.2 Performance: a conceptual framework

without clear objectives, or with contradictory objectives, or a particular problem is addressed by many different policies, which are not well coordinated and which carry with them conflicting approaches to, and conceptualizations of, the original problem that is to be solved. Others would say that the framework assumes a hierarchy of decision-makers, and that, increasingly, we live in societies where 'governance' is conducted in networks which do not behave like hierarchies. We accept that such criticisms have considerable force. Policymaking often *is* messy and inconsistent (and that is one reason why evaluating the results of reforms can be so difficult). Nevertheless, it is hard to discuss reform policymaking without assuming that that it is a purposive activity with some shape or pattern to it, and the framework used in Figure 1.1 has proved a powerful tool in the hands of some public administration scholars who have wanted to assess the results of particular policies (e.g. Boyne et al., 2003). It is also more or less the framework employed in many official documents, and therefore gives us a way of discussing reforms in the reformers' own terms. So we will use it, while acknowledging that reality often leaves us with something much less neat.

Even if we do use such a framework, however, there are a number of well-known reasons why systematic evidence of causal connections between reform programmes (not just NPM reforms but most types of reform) and improvements in outputs and outcomes may be very hard to come by:

- Changes in organizational structures are frequently a central feature of public management reforms, but usually such changes are connected to outputs and outcomes only by quite long causal chains. For example, a function is taken out of a department and made into an executive agency. A new top management is introduced. Performance targets are set up. Management appraisals are geared to the achievement of these targets. New working methods are introduced. Staff are reassigned. New training is conducted. Measured performance improves. But would that have happened anyway, even if the first and/or second steps in this process had been absent? What is it among all these changes which is actually producing the improved results—all these things or only one or two of them? Reforms themselves are thus typically multi-faceted, so that there is always a question of which elements are working and which are not.

- Different stakeholders may take very different views of both the justifications and meanings of the reforms, and even of their results (see, e.g. Hartley et al., 2008).

Even in an ideal world—where policymakers had a strong commitment to feedback and evaluation—the two aforesaid difficulties would apply. But in the real world such a commitment is quite rare, and there are therefore other issues which prevent the observer getting a clear picture of the precise results of particular reforms. For example:

- There may be no evaluations at all, because the new reform is politically sensitive and its promoters want to drive forward, minimizing the possibility of critical comment, and resulting doubts, distractions, and delays. When Mrs Thatcher's administration introduced an internal market to the National Health Service (NHS) from 1989, the government was initially opposed to any official evaluation of this huge reform (although some useful academic evaluations were mounted post hoc). Similarly, when President George W. Bush created the vast new Department of Homeland Security, no official evaluation was put in place. Indeed, the US Congress has a long record of launching reorganizations for symbolic reasons and then quickly losing interest in the operational consequences (Kettl, 2009).

- In both practical and political terms a reversal of a reorganization is just not feasible, so any idea that a negative summative evaluation will result in a change back to what was there before is unrealistic. The reorganization has already created a de facto new reality, which lessens the room for manoeuvre for the evaluators. The most they may be able to do is offer a formative-type evaluation which helps the existing management cope better.

- Evaluations are often put into place too late, so that they can have no clear view of the baseline performance, prior to the reform (as was the case with the academic evaluations of the UK National Health Service internal-market reform).

- An evaluation is set up, but before it can be completed, policy has moved on again—policymakers can't wait for the full set of results (Walker, 2001).

Finally, it is important to note that virtually all the constraints and barriers noted above apply not just to NPM-type reforms, but to large-scale reforms in general. We will see later that evidence for the success of 'network' and 'governance'-type reforms is just as hard—or harder—to interpret as that pertaining to the NPM.

This has been quite a lengthy—and gloomy—detour into the problems of evaluating management reform. Fortunately, despite these difficulties we do know something about

the results of reform. There have been a number of reasonably rigorous studies which have identified attributable changes in outputs and outcomes. Most of these have concerned specific reforms rather than broad programmes of reform, and some of have identified clear improvements—for example, studies of US federal public procurement (Kelman, 2005) or human resource management (Thompson and Rainey, 2003) or British educational programmes for pre-school children from socially disadvantaged localities (BBK NESS site, 2009). Then there are a few studies which have tried to get a bigger picture, such as the series of studies by Boyne and his partners at Cardiff. In one of these, the conclusion was reached that the NPM reforms of the 1980s and 1990s in UK education, health care, and housing had a) raised efficiency, b) improved responsiveness to service users, but c) reduced equity (Boyne et al., 2003). Exactly *why* these impacts followed from the reforms was less clear—understandably there tends to be something of a trade-off between the breadth of evaluations (Boynes' was wide) and the degree to which the researcher is able to trace the precise processes and mechanisms that have produced the apparent outcomes. We will revisit some of these tricky issues in Chapter 5, which directly addresses the question of the results of reform.

The multiple difficulties in pinning down the effects of public management reforms do not seem to have deterred both practitioners and academics from trying to come up with indices of success. On the contrary—the period since the late 1990s has seen a veritable explosion of comparative, international indicators of 'good governance', 'bureaucratic quality', 'transparency', 'e-government', and other aspects of modernization (see, e.g. Accenture, 2008; Advisory Group on Reform of Australian Government Administration, 2009). This has begun to attract a good deal of academic attention—for example, in 2008 the *International Public Management Journal* ran a special theme issue on 'ranking and rating public services', and other publications have also begun to appear (Dixon et al., 2008; see also Pollitt, 2010*b*). For the moment we will simply note that these international league tables have in some instances become quite influential (governments are embarrassed when their government sinks down the table, and implement programmes to raise their scores), and that they provide useful examples of what is involved, conceptually, empirically and practically in trying to summarize the 'success' or 'failure' of whole governments. We will return to international league tables at various points in the book, but especially in Chapter 5 ('Results').

1.8 What other models—apart from the NPM—have been influential?

There has been no shortage of models. From governments we have heard of various national formulations—the 'New Zealand model' (Boston et al., 1996), the Canadian 'La Relève' (Bourgon, 1998), the Belgian 'Copernicus' model (Hondeghem and Depré, 2005), and the German 'slim state' (Sachverständigenrat 'Schlanker Staat', 1997). We need not—indeed cannot—go into all these here, but it is worth noting that governments seem to like to have their own variant, both internally, to show their domestic originality and

uniqueness, and sometimes externally, as a 'product' to be marketed on the international marketplace for public management reforms.

Alongside governments, academics have also been fruitful in their invention of new models. We have publications which discuss the Napoleonic model (Ongaro, 2009), the Neo-Weberian State (NWS—Drechsler and Kattel, 2008; Lynn, 2008), the French model (Bartoli, 2008), and the Nordic model (Veggeland, 2007). The Nordic model, for example, is said to put 'heavy weight on government and public solutions and interventionist measures. Universal welfare and social security arrangements with high public expenses are basic welfare principles, and tariffs and a high degree of job security dominate labor market relations' (Veggeland, 2007, pp. 121–2). Most of these models have established themselves in the anglophone literature by first distinguishing themselves from what they take to be the 'Anglo-Saxon model', which is itself usually a version of the NPM. Veggeland, for instance, characterizes the Anglo-Saxon model (in contrast to his favoured Nordic one) as putting weight on market solutions, low public expenses, and limited government. More general models offered by academics searching for 'the next big thing' include Digital-Era Governance (DEG) (Dunleavy et al., 2006b) and the New Public Governance (NPG—Osborne, 2010). Our own suggestion, in the previous edition of this book, was of the Neo-Weberian state (NWS). In essence, this was an attempt to modernize traditional bureaucracy by making it more professional, efficient, and citizen-friendly. It was particularly characteristic of the stable, prosperous, Western European democracies which had sizeable welfare states—including Germany, France, and the Nordic group. It was therefore not a universal model, but one limited to particular kinds of state. It reflected a more optimistic and trusting attitude towards the state apparatus than the NPM. The NWS will be one of the three high-level models we refer to throughout the book, the other two being the NPM and the NPG. These three models are helpful in organizing large quantities of empirical material, and we will come back to them shortly (sections 1.9 and 1.10).

The attempt to establish reform models and trends has overlapped with scholarly efforts to identify administrative 'traditions', and to show how these have influenced reforms (and sometimes absorbed or defeated them). One recent work identified, inter alia, Anglo-American, Napoleonic, Germanic, and Scandinavian traditions (Painter and Peters, 2010). These traditions are, in a sense, another kind of big model—they are the models of the past, still built into institutional structures, procedures, and ways of thinking.

We do not have the space to go into each of these national or regional models, or traditions, here (although we will refer to some of their features when dealing with specific countries in later chapters). We do, however, need to take a closer look at some of the broader academic models which have been advanced—models which describe, not particular countries, but larger features of the organizational *ensemble* which constitutes the public sector. Two of these have been especially popular—networks and governance. The next two sections introduce them.

1.9 **Networks**

Since the early 1990s a huge literature on 'networks' has sprung up. It stretches far beyond our field of public management, but within that field has spawned many new publications and debates (for overviews, see Klijn, 2005 and Agranoff, 2007; for a much-cited application see Milward and Provan, 2000). A father figure in this is the social theorist Manuel Castells who in 1996 published a hugely influential book entitled *The Rise of the Network Society* (for an updated edition, see Castells, 2010).

Again, this is not the place to go into the (endless) details of the academic discourse on networks in public administration, but it is important to see how, in general terms, this upsurge of scholarship relates to the arguments over the NPM and convergence. Most commonly, network theorists present the network form as something which is growing, because it is flexible and fits well with the increased complexity (as they see it) of the modern world. Networks are said to have properties which make them superior to both hierarchies and markets (the other two major organizational forms). Therefore networks are an alternative to the NPM, which is itself a mixture of hierarchies (the political and managerial leaders declare strategies and set targets) and markets (units performing public sector tasks are supposed to compete with one another, and individual staff compete for performance pay bonuses). Indeed, in many network texts the replacement of hierarchies by networks is made to sound almost inevitable:

Problems cannot be solved by organizations on their own. Hence, hierarchy as an organizing principle has lost much of its meaning. The model of the 'lonely organization' that determines its policy in isolation is obsolete. (. . .) Equally obsolete is the image of government at the apex of societal pyramid. (. . .) Horizontal networks replace hierarchies.   (Koppenjan and Klijn 2004: p. 3)

It would be wrong, however, to leave any impression that the 'network model' is novel, clear, cut and dried. On the contrary, there are a range of definitions, some of them conflicting (Pollitt and Hupe, 2011). Some claim that networks have to be self-organizing, while others point out that, in reality, many networks are organized by one or two dominant members. Others say that networks are essentially voluntary, yet some others argue that membership of certain networks may be a practical necessity, if one's organization is going to survive. Many commentators suggest that networks are 'horizontal' and may therefore be contrasted with bureaucratic hierarchies, but specific case studies have found that there may be a strong 'pecking order' in some networks, with one player (often the government) de facto 'on top' and calling the shots. Those with a sense of history point out that networks, both formal and informal, are certainly not new (Pemberton, 2000). Governments have often operated through networks, and it is not entirely clear whether the growth of analysis of, and talk about, networks noted here represents a real underlying growth of the form, or just an increase in interest in something that has been there for a long time. The debate about networks is far from concluded.

1.10 What is the significance of the so-called shift from government to 'governance'?

Since the late 1990s 'governance' has become an immensely popular term, with both academics and practitioners. It appears in almost as many versions as there are authors writing about it. A standard governance text (Pierre, 2000) opens with two experts offering, respectively, five and seven different meanings of the term (see Hirst 2000 and Rhodes 2000). Other authors speak of 'hybrid governance' (Hupe and Meijs 2000), and 'operational governance' (Hill and Hupe 2009), and 'public sector governance' (Australian Public Service Commission, 2007), and 'New Public Governance' (Osborne, 2010). There are many other varieties, including one that stresses the significance of changes in relationships within government, and between governments and their citizens which are facilitated by contemporary ICTs—this one is termed 'Digital-Era Governance' by its inventors, Dunleavy et al. (2006*b*). It is therefore understandable that Bovaird and Löffler (2003: 316) describe the attempts to 'fix' the concept as like trying to 'nail a pudding on the wall'. To be charitable, there may be a rough common core residing in the notion that steering society or making policy increasingly requires the active participation of a range of actors in addition to government itself. This broad thought alone, however, is far from being entirely new, and does not adequately explain the recent attractiveness of the term.

The concept of governance draws strength from its claim to represent a wider, more inclusive concept than 'government' alone. Yet it is not an *alternative* to government, because government remains as one of its principal constituent elements. From a governance standpoint, one 'sees government as only one institution among many in a free market society' (Stivers 2009: 1095). The danger here is that the concept of governance is made to appear to transcend previous tensions and contradictions, such as public versus private, or bureaucracy versus market. Similarly, it may mask traditional social science concerns with conflicting interests and logics. In a good deal of the writing about governance these conflicts are largely assumed away.

Good governance is said to entail the steering of society through networks and partnerships between governments, business corporations, and civil society associations. Thus it is closely linked to the network model described in the previous section—indeed, one of the foremost network theorists has more recently taken to writing about 'governance networks' (Klijn, 2008). And the NPG model referred to in section 1.8 above is explicitly connected to network theory (Osborne, 2010, p. 9). Thus it would be wrong to think of 'governance' as a model which has superseded and displaced the network model—rather it is a wider model which as to some extent absorbed the earlier—and continuing—work on networks. A typical definition is the following:

Governance entails a move away from traditional hierarchical forms of organization and the adoption of network forms. It also entails a revision of the relationship between the state and civil society in a more participatory direction. Governance is finally said to be responsible for shifting the emphasis away from statute law to more flexible forms of regulation and implementation. The state is thus claimed to be superseded by a 'networked polity' where authority is

devolved to task-specific institutions with unlimited jurisdictions and intersecting memberships operating at sub- and supra-national levels.   (Bellamy and Palumbo, 2010)

An obvious question for both governance and networks is 'Well, do they work?' Unfortunately the variations in the definitions of these models, as well as the problems of evaluation described in section 1.7 above mean that no clear answer can be given. Even less than for the NPM can we say 'yes, it (whatever 'it' is defined as!) works well under conditions x and y'. We do have quite a few good case studies of networks and attempts at governance in action, but what they tend to show is that these approaches work well sometimes and fail at other times. There are, of course, plenty of suggestions for what the 'success factors' might be, but nothing that can be convincingly formulated into an operationalizable general model. Contexts, it seems, are very important, and this is a message which will recur many times before the end of this book.

To conclude these sections on models, Table 1.3 provides a very crude summary of the core claims of each major model, and some suggestions on further reading.

As indicated above, we could have chosen any number of models upon which to focus, but have settled for three—NPM, NWS, and NPG. A larger number would quickly have become unwieldy. We would suggest that our selection usefully covers a wide range of

Table 1.3 Big models—big claims: the basics

Model	Core Claim	Most Common Co-ordination Mechanism	Some Key Sources
NPM	To make government more efficient and 'consumer-responsive' by injecting businesslike methods	Market-type mechanism (MTMs); performance indicators, targets, competitive contracts, quasi-markets	Hood, 1991; Lane, 2000, Osborne and Gaebler, 1992; Pollitt, 1990
NWS	To modernize the traditional state apparatus so that it becomes more professional, more efficient, and more responsive to citizens. Businesslike methods may have a subsidiary role in this, but the state remains a distinctive actor with its own rules, methods, and culture	Authority exercised through a disciplined hierarchy of impartial officials	Dreschler and Kattel, 2008; Lynn, 2008; Chapter 4 of this book
Networks	To make government better informed, more flexible and less exclusive by working through 'self-organizing' networks rather than hierarchies and/or market mechanisms	Networks of interdependent stakeholders	Agranoff, 2007; Castells; 2010, Klijn, 2005
Governance (of which NPG is one variant)	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation. Some varieties of governance explicitly rest on a 'network approach', and most of them emphasize 'horizontality' over vertical controls	Networks of, and partnerships between. stakeholders	Pierre and Peters, 2000; Frederickson, 2005; Kaufmann et al., 2009; Bellamy and Palumbo, 2010; Osborne, 2010

reform paradigms. In the NPM we have the original reaction against traditional bureaucracy and 'big government'. The new model was to be business. Management was the key skill. Markets and incentives were the key mechanisms. In the NWS we have a different emphasis. Yes, the state apparatus requires modernization, but no, the world of business does not hold all the answers. Traditional bureaucracy has virtues which should be preserved (clear accountability, probity, predictability, continuity, close attention to the law). The key is to find ways to combine these with more efficient procedures and a more flexible and responsive stance towards the needs of an increasingly diverse citizenry. Subsequently, the NPG attempted to move beyond the old arguments between the state and business, and to show that complex modern societies could only be effectively governed through complex networks of actors, drawn from government itself, the market sector, and civil society. The emphasis was on networks, partnerships, and negotiated but ultimately voluntary cooperation, not on competition (like the NPM) or enlightened and professional hierarchies (like the NWS).

1.11 What kind of answers should we be looking for—models and menus?

Up to this point we have written as though the best way of describing and classifying what has been going on internationally in public management reform is in terms of big, general models—NPM, NWS, NPG, and so on. And it is true that many of the contributions to the literature proceed in this way—they focus on how far NPM has gone in Norway compared with New Zealand (Christensen and Lægried, 2001), or in Italy versus Flanders (Verschuere and Barbieri, 2009), or they examine the compatibility of NPM reforms with the basic assumptions and practices underying 'Napoleonic' types of regime (Ongaro, 2009). From a comparative perspective this approach has a number of advantages, but it also carries risks. One risk is that it may lead scholars to try to force the local details in country X into a pre-set frame (more or less NPM, more or fewer Public–Private Partnerships—PPPs), whereas perhaps the main significance of the changes in X is their relationship to something else, perhaps something that has gone on before in that country or sector, and which is unique to that country or sector. It may be that these big models are pitched at such a high level of generality that they miss much of the significant detail and difference. If so, deeper understanding of particular reforms may come from viewing them within a more specific, detailed story within a specific country or small group of countries. Better explanations may be generated by looking at particular contextual factors (the balance between political parties; the state of the budget; the nature of local cultural norms, and so on), than by positing big international models driven by equally generic global trends.

   The problem with local detail, of course, is that, however illuminating by itself, it is just local detail. International comparison is not possible or meaningful unless *some* features can be identified which are sufficiently common to be compared across boundaries. There are various ways of doing this, but one way is to think in terms of specific

management tools or instruments. For example, one could think of the set of tools which promote competitive behaviour in the public sector—such as contracting out, performance-related pay, and indicator systems that produce public 'league tables' of schools or hospitals or freedom of information legislation. (Notice that these are not real tools—you can't pick them up and bang them on the table—they are *ideas*, portable assemblies of concepts, formalized practices, and assumptions about how to do things. Nevertheless, they appear to be more specific and operationally definable than the big models of NPM, etc.) Or one could consider the set of tools which are supposed to enhance public service quality, such as TQM, the Common Assessment Framework (CAF), or minimum standard setting in health care or education (accident and emergency patients will all be seen within thirty minutes; each child in class will spend so many minutes per week reading aloud to the teacher, and so on). Looking at specific tools and techniques like this clearly leads to analysis at a 'lower' (more detailed and specific) level than focusing exclusively on the big models. Yet it can still be used in a comparative way—we can ask what percentage of public sector organizations in a given country or sector use a given technique, or group of techniques, and we can also go deeper and try to find out exactly how they are used. We might term this a 'menu' approach, in the sense that we are asking what the menu of reforms is in a particular country or jurisdiction or sector, and how and why menus differ in different times and places. In this vocabulary the particular tools are individual dishes/ *plats*, while the menu is an overall list of what is on the table. Notice that, like a menu in a restaurant, there are different reasons why a dish may delight, or fail to satisfy. It could be that the recipe itself is flawed. Or it could be that the chef is incompetent in putting together the ingredients. Or it could even be that the dish is perfect, but the customer comes from a different culinary culture, and just doesn't like 'that kind of thing' (as when the English throw up their hands at the idea of the French eating snails, or vegetarians recoil from a traditional working-class dish of pig's trotters). Furthermore, we may imagine that menus may be more or less *coherent*, in the sense that, for a given palate, some dishes go better with others and some clash. Thus, a particular management tool may fit well with others, or it may in some way contradict them or lessen their impact. Thus, for example, a coherent NPM menu might include disaggregation of large, multi-purpose organizations, competitive contracting out, performance measurement, performance-related pay, business-style accruals accounting, and so on. Introducing, say, statutory lifetime secure tenure for senior civil servants to this menu would create a tension because it belongs to a different kind of model.

An important qualification here would be to say that, although particular management tools do often belong to similar families (or coherent menus) it should not be assumed that each individual tool is *exclusively* associated with one model, and cannot be fitted into any other. The connection is often looser than that. Thus, for example, performance measurement may feature within an NPM approach, but it can also function—in a somewhat different way—within a modernizing, NWS approach (e.g. Pollitt, 2006*a*). Figure 1.3 shows a selection of tools/dishes, and indicates that many of them do not have a one-to-one relationship with one model/menu.

Thus Public–Private Partnerships (PPPs) feature in both the NPM and the NPG paradigms. And contracting out is a main dish on the NPM menu but can also be used as a side dish (dotted line) within both the NWS and the NPG models. Performance measurement
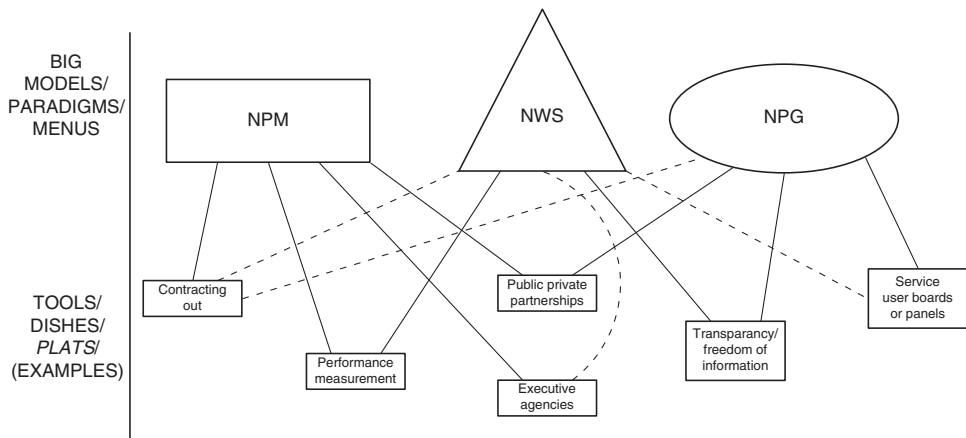
Figure 1.3 *Plats* and paradigms

is particularly associated with the NPM, but may also be used, in a less command-and-control way, within other approaches. In fact most individual dishes can feature on more than one menu, although their prominence may vary from one to another

1.12 What methods should we be using for the comparative analysis of public management reforms?

This question may not have been a headline in most of the numerous books and articles which have appeared during the past decade, but it is often lurking just below the surface. It is quite obvious that a wide variety of approaches are used, from econometric-style multiple regressions to political science classifications of different types of political systems, to excursive interpretations of the influences of different national cultures. In short, comparative public administration partakes of the deep epistemological, ontological, and associated methodological differences which characterize the whole sweep of the social and economic sciences (see Pollitt and Bouckaert, 2009, chapter 9).

An obvious first question is 'what should we compare with what?' Constitutions? Legal systems? Methods for recruiting and appointing civil servants? Levels of expenditure on particular types of programme? Dominant value systems among public officials? The list is endless and the choice difficult. One needs a focal question or questions to guide one's choice. For this particular book, our general orientation can be deduced from what has already been said above. We want to compare *deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to work better* (Section 1.2), focusing mainly on *central government*. To do this we will focus on two levels: first, what broad *models of reform* have been in play, and second, within that, what *menus of tools and techniques* have been selected by individual countries? So we will be comparing programmes of reform and tools of reform—the first in part an analysis

of rhetoric (talk and decisions—see Table 1.2), the second an analysis of decisions and practices (again see Table 1.2). On both levels we will look for patterns (groupings of similarities or dissimilarities between countries). Can we see regional, or cultural, or ideological groupings? We will also trace how these patterns may have changed over the three decades which we study. (Cross sectional comparisons—snapshots at a single time— although common, have considerable limitations for the study of public policy and management, where big changes usually take years rather than weeks—Pollitt, 2008.) Are there international trends, cycles, pendulum swings? One interesting question underlying this will be whether broad models, dominant in a particular country, *can* be changed? Are the differences between (say) France and the UK fundamentally the same as they were thirty years ago, or do we have cases where countries have been able to make deep, planned changes to their ways of managing their public sectors? To read all the books and articles on 'transformation', one might think that revolutions and breakthroughs were commonplace. General McChrystal (see the quotation at the head of this chapter) may think that new systems of government can be rolled out in 'in a box', but examples of the successful implementation of such schemes appear to be exceedingly rare. The story we will tell shows things are usually rather more complicated than that.

However, this is not primarily a 'theory and methods' book: it is a book about what has happened and why. Our strategy, therefore, has been to push on with the story/ies of reform while occasionally bracketing issues of theory or method, so that readers can follow them up if they need to. Theories and methods thus feature as a kind of intermittent subtext (as has already been exemplified, for example, in the discussion of different views of convergence in Section 1.7). More substantively, if the reader wishes to consult a brief note on comparative methods as related to public management reform, s/he should look at the first section of the Appendix.

1.13 What is the significance for public management reform of the global economic crisis which began in the second half of 2008?

The global economic downturn has plunged most of our twelve countries and their governments into a new era—one of public-spending cutbacks and austerity. This contrasts with what were for many (but not all) the boom years of 1995–2007. Yet at the same time the pressures for reform and improvement are no less than they were before—indeed, these pressures may become even more intense.

Historically, the connection between public management reforms and episodes of financial austerity has been a variable one. Over the past thirty years we can find several episodes of financial austerity and many waves of public management reform, but the two are not necessarily closely connected. Sometimes major reforms occur without any precipitating financial crisis (as with the US National Performance Review under President Clinton, or the reforms of the second term of the Blair administration in the UK). But sometimes they clearly originate in such crises (as did the famous New Zealand

reforms of 1984–90). And sometimes financial crises are managed with straight 'cutback management', but no fundamental system reforms.

In fact, the implications of financial austerity for management reform are ambiguous. On the one hand, austerity makes reform more difficult, because reforms cannot be lubricated with new money, and objectors and recalcitrants cannot be 'bought off'. But on the other hand, a sense of crisis can make it easier to consider radical options and more fundamental changes than would otherwise get onto the agenda of feasibility.

Further, making *sustained, aggregate* savings in public spending is extremely hard to achieve. The UK, for example, has undergone many, many rounds of 'cuts', but a scholarly study indicated that only one—the so-called 'Geddes Axe' in the 1920s—seems to have actually resulted in a sustained reduction in the level of public spending. Mrs Thatcher was famous for the severity of her spending cuts, yet after six years in power her central government current spending was higher than it had been a decade previously (Dunsire and Hood, 1989). The current situation is one in which fiscal and political considerations are in serious tension. The fiscal logic is to make large cuts. The political logic is that cuts on this scale are both profoundly unpopular (vote losers) and possibly beyond the limits of political feasibility, especially for fragile regimes. At the time of writing we can see quite large-scale public resistance—including public demonstrations—against the cuts in public services which the international community is demanding from Greece as the price of a large financial loan. It remains to be seen, in each country, which logic will win out.

Making cuts can be approached in different ways. One distinction is between cheese-slicing approaches ('everyone must cut back by 5%') and more prioritized approaches ('we will reduce programmes X and Y because they are not very effective, but increase programme Z because it is effective and is a high political priority'). Both can lead to management reforms, but in different ways. With cheese slicing, operational managers and professional-service deliverers are obliged to find ways of reducing their budgets by the 3 per cent or 5 per cent, or whatever the decrement is determined to be. But these reform adoptions are somewhat decentralized, and the central authorities are not themselves choosing either which services are going to be winners and which losers, or exactly what types of reform are to be implemented.

Cheese-slicing approaches are common, but have been relatively little researched. One recent interesting piece of work suggests that—faced with a sudden percentage budget reduction—local managers can be rather adaptable in protecting core activities and top priorities through a variety of tactics (Meier and O'Toole, 2009). The authors stress, however, that their research only applies to the short run, and that some of the actions taken would become more damaging/less sustainable if (as seems to be the case now) the cuts continue over a number of years.

In between the two poles of cheese slicing and strategic prioritization come strategies that attempt to make efficiency savings. Each approach has its own advantages and disadvantages; see, for example, Table 1.4.

In practice it is often possible to fashion strategies which combine features of all three approaches. For example, ministers can decide that certain high-priority programmes will be protected, but that outside those sectors cheese slicing should be imposed. Or ministers may first decide to go for cheese slicing, then efficiency savings, and only later, when the first two have not yielded enough, move on to the more ambitious setting of

Table 1.4 Three approaches to cutbacks

Approach	Advantages	Disadvantages
Cheese slicing	Sounds egalitarian ('everyone must meet his share'). Ministers avoid directly choosing which programmes will be most hurt. Detailed decisions delegated to programme specialists who probably know what they are doing (and can be blamed if their decisions turn out to be unpopular or hurtful)	Programme specialists may make politically very unpopular choices. And/or they may make self-interested choices which hurt effectiveness whilst protecting service providers (themselves).May also incentivize budget holders to pad their budgets so that there will be 'fat' to be cut next time round.
Efficiency gains	Sounds less threatening/more technical—'doing more with less'. So it may be claimed that savings can be made without too much pain. Also sounds 'modern' and 'managerial' and may thus appeal across party or ideological lines.	Usually requires considerable innovation—organizational and technological changes which may not work, or may not work for some time. Probably will not yield enough by itself to correct the large fiscal imbalances
Centralized priority setting	Looks more strategic and leaves politicians directly in control. Enables the government to protect the most effective programmes (*if* they have reliable data on effectiveness)	Ministers become visibly and directly responsible for painful choices. And, unless they consult carefully, they may make choices with consequences they do not fully foresee, but they are unlikely to understand the internal complexities of the services which are being cut

For more detailed discussion, see Pollitt, 2010*a*.

central priorities. Some academics have suggested that this is a natural order of business (i.e. to move from the top to the bottom of Table 1.4, over time). Each stage requires a more sophisticated information base, and a more advanced management capacity. The historical record, however, suggests that the sequence is seldom as neat as this. What we can be reasonably sure about, however, is that:

Cutback management, like most pressing organizational concerns, brings forth an army of consultants who are ready to offer prescriptions to remedy the problems. (Pandey, 2010, p. 568)

One thing that can be said with certainty is that the public sector consequences of the 2008–11 economic downturn will still be unfolding when you read this book. As this is being written in late 2010, the UK government has just announced a programme of £81 billion of cuts over four years. It is estimated that half a million public service jobs will disappear, and another half million private sector posts that depend on public sector expenditure and contracts will also go. Furthermore, these consequences—in the UK and elsewhere—will not be confined to the expenditure cuts. They may also sometimes put pressure on the integrity of public servants; they may lead to increased corruption (simply because in many countries public procurement expanded as part of fiscal stimulus packages, and public procurement is an area of public management that we know historically is vulnerable to waste and corruption); they may strengthen the need for lobbying to be better regulated; they may intensify the pressures for 'joined-up', whole of government approaches (OECD, 2009*a*, pp. 20–30). They may well make it harder for the public sector to recruit and keep the kind of talent it needs.

1.14 Reflections and conclusions: management reform caught between 'is' and 'ought'

The debates referred to above have taken place in a mixed, increasingly multinational community, consisting of academics, public servants, management consultants, and politicians. It is therefore unsurprising that the reasons for becoming engaged with these arguments have differed. Some participants want to find the best way forward—reforms that will work to solve some real (or imagined) problems. Some want to justify a recent choice of a new direction—to defend a new policy against attacks from the political opposition or criticism from the media. Some wish to package and sell sets of ideas ('best practice', 'the reinvention model', 'World Governance Indicators' etc.). Management consultants, 'experts', and governments all do this (e.g. Federal Ministry of the Interior, 2006; Kaufmann et al., 2007; Osborne and Gaebler, 1992; Prime Minister and Minister for the Cabinet Office, 1999). Some hope to sound progressive and look good at an election. And some—mainly the academics—simply want accurately to describe and explain what is happening or has happened in the world of reform.

This mixture of motives means that the dividing line between descriptive and analytical ('is') statements and normative ('ought') statements is frequently hard to find. The desire to understand and explain is often tangled up with the desire to promote and support a particular kind of reform. Those reading the literature (which obviously includes those of you who are reading this book) need to be especially sensitive to the likely interests of the author(s), to unspoken assumptions, to the strength of evidence in relation to the size of the claims being made, and so on. This is what used to be called 'source criticism', and it is a vital technique for those who wish to investigate the literature on public management reform. For example, a student who researched public management reform solely by visiting government websites would be likely to come up with a picture of what was going on that was both over-simple and over-optimistic. Even texts produced by academics cannot be assumed to be 'neutral', partly because many public management academics also work in consultancy and advice roles, but also because the academic world is itself divided between competing theoretical and methodological camps (Pollitt and Bouckaert, 2009, chapter 9).

We can advocate source criticism and we can comment on the contested nature of the literature, but of course we cannot ourselves entirely escape from this ongoing contest. On the one hand we can assure readers that this book is not written to promote any particular reform or to satisfy any particular 'customer'. We have striven to be impartial, and to look for good quality evidence from wherever we can find it. (This has meant, inter alia, that in some places we have used evidence and ideas sourced from others in the academic world with whom we differ over a range of issues. Nevertheless, if they have interesting findings or insights, we gladly adopt them, even if there remain other theoretical or normative disagreements between us.) Our general stance is sceptical but (we hope) appreciative of the sheer complexity and difficulty which reformers themselves routinely face—and which academics who wish to understand what is going must also grapple with. Yet despite these good intentions and despite our academic independence,

we cannot claim to sit atop Mt Olympus and offer a God's-eye view of what has been happening. To make any sense at all we have to employ some theories and conceptual frameworks and methods and, as soon as we do that, we necessarily import particular sorting devices that screen out some elements and screen in others. This process has already begun—as we warned, our conceptual framework for assessing results (Figure 1.1, above) would be regarded as unduly rationalistic by some.

Thus, both material interests and theoretical perspectives greatly influence the kinds of knowledge that are formed concerning public management reform. This is not a cause for despair: it is simply a sign that this branch of knowledge is heavily engaged with the real world, warts and all. After all, in most countries public management reform affects the daily lives of most of the population. In many ways it is more important than the ephemeral thrills and spills of 'high politics', because it may have direct impacts on the enduring basics—education, health, crime, safety—things whose effects last far longer than the transient personalities and slogans that so often occupy the headlines. In this spirit, we welcome you to our attempt to make sense of the last thirty years of reform.