COordinating for Cohesion in the Public Sector of the Future
COCOPS Project Background Paper

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About COCOPS

The COCOPS project (Coordinating for Cohesion in the Public Sector of the Future) seeks to comparatively and quantitatively assess the impact of New Public Management-style reforms in European countries, drawing on a team of European public administration scholars from 11 universities in 10 countries. It will analyse the impact of reforms in public management and public services that address citizens’ service needs and social cohesion in Europe. Evaluating the extent and consequences of NPM’s alleged fragmenting tendencies and the resulting need for coordination is a key part of assessing these impacts. It is funded under the European Commission’s 7th Framework Programme as a Small or Medium-Scale Focused Research Project (2011-2014).

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Abstract
This first COCOPS Working Paper outlines the background to the COCOPS project. It introduces the concept of New Public Management (NPM) both as a set of managerial innovations in the public sector and as a set of new ideas about the role of government. The Paper presents an overview of the state of the art of evaluating the impact of NPM and we argue that there are a number of major gaps in current studies on the impact of NPM reforms. These include limited coverage of European countries and an overall lack of cross-national research, a limited empirical base in many assessments of NPM, and a tendency to focus on specific elements of NPM-style reforms or specific policy sectors rather than on public sector reforms in general. Furthermore, we identify two unintended effects of NPM-style reforms that severely impact the public sector of the future’s ability to build and sustain social cohesion. One is the fragmentation of the public sector; the other consists of effects of the reforms on equity. Innovative practices have to provide an answer to these two challenges. We end this working paper by collating the first tentative empirical evidence of emerging models for the governance of public services beyond NPM, including outcome-based approaches and whole-of-government models, and reflect on the implications of the financial crisis for these developments.

Keywords
New public management, Europe, evaluation, fragmentation, cohesion, coordination
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Evaluating the impact of New Public Management and beyond: What do we know?
Assessing the impact of New Public Management reforms on the public sector and specific policy domains is not straightforward because New Public Management is not a well-defined, integrated, and coherent set of reforms. Instead, it is a set of broadly similar reform ideas, themes and practices that cannot easily be reduced to evaluation checklists. This difficulty is reflected in the relative scarcity of such evaluations and impact studies. As a result, there is no integrated overview of the intended and unintended effects of New Public Management, especially not from a European comparative perspective. However, some studies do exist and a major contribution of our project is to bring together the highest quality work on these topics to develop an integrated perspective that is of use to policy makers in Europe and beyond.

Likewise, innovative practices beyond New Public Management are widely divergent, and have only been studied within specific national contexts, using specific terminology. These practices have in common that they attempt to address the public sector’s need for delivering services in an ever-complex world to citizens with diverse and diverging lives. Maintaining social cohesion thus becomes a key challenge.

In this background paper, we argue that there are a number of major gaps in current studies on the impact of New Public Management reforms. These include limited coverage of European countries and an overall lack of cross-national research, a limited empirical base in many assessments of New Public Management, and a tendency to focus on specific elements of NPM-style reforms or specific policy sectors rather than on public sector reforms in general.

Furthermore, we identify two unintended effects of NPM-style reforms that severely impact the public sector of the future’s ability to build and sustain social cohesion. One is the fragmentation of the public sector; the other consists of effects of the reforms on equity. Innovative practices have to provide an answer to these two challenges.

This background paper first introduces the concept of New Public Management and attempts to define it in all its cross-national variety. It distinguishes between NPM as a set of managerial innovations in the public sector, and NPM as a set of new ideas about the role of government. We subsequently introduce two major unintended effects of NPM-style reforms, and present the current empirical evidence about the impact of NPM on the public sector and
selected policy domains. Specific attention goes to studies analysing the effect of NPM on public sector fragmentation and on social cohesion. We end this background paper section by collating the first tentative empirical evidence of emerging models for the governance of public services beyond NPM, including outcome-based approaches and whole-of-government models, and reflect on the implications of the financial crisis for these developments.

**Analysing the impact of an ill-defined concept**

Analysing the impact of NPM on aspects such as efficiency, effectiveness, accountability, social cohesion etc. is not straightforward, because NPM is not a well-defined or coherent set of ideas (Wegrich 2009). It merely reflects a number of changes in public sector management that started to develop in the 1980s, and many of its associated reforms were not planned strategically and implemented at a precise point in time.

New Public Management has a hybrid character (Christensen and Lægreid 2002) and is generally used as an umbrella term for a collection of trends; this is also reflected in the alternative wordings used to describe the changes that have occurred in public sectors in Europe and elsewhere in the 1980s and 1990s: managerialism (Pollitt 1990), market-based public administration, post-bureaucratic organisation (Barzelay 1992), entrepreneurial government (Hughes 1998) etc. This means that, in order to analyse impact, we have to drill down the analyses to a number of key trends. Just like McLaughlin et al. (2002: 1) we are interested not just in the concept of NPM, but in the empirical reality of it.

There is considerable discussion about the nature of NPM (Barzelay 2002). For Lane, NPM is mainly a contractualist model (Lane 2000). Other authors have downplayed the contractualist approach, and have equated NPM with a much wider range of business-like managerial reforms, or with any type of reform or efficiency saving during the last decades of the previous century. König dubbed NPM as a ‘mixture of management theories, business motivation psychology and neo-liberal economy’ (König 1997: 219). Barzelay distinguished between four widely different models of NPM: a contractualist model, a managerialist model, a consumerist model, and a reformist model. Each of these is based on different assumptions and principles (Barzelay 2002).

All this makes NPM ‘more a recognizable term than a fully established concept’ (Barzelay 2002: 15), which makes analysing its impact difficult. Because of its ill-defined nature, NPM has at times been described as a fad (Pollitt 1995; Lynn Jr 1998), a mythical recipe (Christensen, Lægreid et al. 2008), or a shopping basket of management ideas and techniques (Painter 2003: 211). There is considerable scepticism about the consistency of NPM: ‘NPM
is, in other words, not a consistent and integrated theory for modernizing the public sector, but is better characterized as a wave of reforms composed of some principal reform ideas together with a loose cluster of reform initiatives pointing in various directions.’ (Christensen, Laegreid et al. 2008: 128). In analysing the impact of NPM, it is crucial to distinguish between talk and reality. Just studying canonical texts (for example, Barzelay 1992; Osborne and Gaebler 1992) teaches us very little about actual implementation. In addition, there is much talk about reform, without action, but with hypocrisy and double-talk (Brunsson 1989). Furthermore, public sectors have often introduced specific innovations traditionally associated with NPM, but without also embracing the NPM public choice philosophy.

A first set of changes – NPM as managerial innovation

New ways of thinking about the role and nature of government and public administration, partly inspired by public choice theory, and a series of gradual and less gradual reforms in Western public sectors gave rise to what would later be known as the New Public Management. Definitions of New Public Management abound, as do variations. They have in common ‘the attempt to implement management ideas from business and private sector into the public services’ (Haynes 2003). Donald Kettl identified productivity, marketization, service orientation, decentralisation, policy, and accountability for results as the key ingredients of the global public management revolution (Kettl 2000: 1-2). Likewise, Ferlie et al. developed a typology of four NPM models: the efficiency drive, downsizing and decentralization, in search of excellence, and public service orientation (Ferlie, Ashburner et al. 1996: 10-15). A review of the literature turns up many different lists of NPM characteristics, which have a common core (Hood 1991; Borins 1995; Kettl 2000).

Christopher Hood’s 1991 article ‘A public management for all seasons’ is widely regarded as the key source on New Public Management. It distinguishes between seven doctrines of NPM (Hood 1991)

- Hands-on and entrepreneurial management
- Explicit standards and measures of performance
- Output controls
- Desegregation and decentralisation
- Competition in the provision of public services
- Stress on private sector styles of management
- Discipline and parsimony in resource allocation

Other characteristics, such as separating political decision making from direct management and community governance, are often added to this list (McLaughlin, Osborne et al. 2002: 9)
Such a wide set of characteristics opens up several ways to study the impact of NPM. Some changes have been more fundamental than others though, and have profoundly changed the nature of the public sector. Other changes have seen more marginal implementation, or were renewed attempts at introducing older ideas.

A key characteristic of the New Public Management was the desire to do away with hierarchist public sector monoliths, which were, both presumed and in many cases actually, inefficient. Solutions were searched for to break up these monoliths, introducing competition between these new units, and imposing tighter controls over those units that did not operate in markets or quasi-markets. Such processes of devolution, disaggregation and decentralisation (Gray and Jenkins 1995) were believed to lead to greater clarity and simplicity in the public sector.

These reforms went against the dominant mode of thinking in the 1960s-70s where giant departments were the flavour. The motive for such large departments was that were believed to be better able to attract better staff, to coordinate policy and implementation, and to improve efficiency though scale advantages. Public choice thinkers in the 1960s, and especially the 1970s argued that such mega-aggregation could not work because they lead to information-deficits and asymmetries, and stimulated self-serving behaviour (Tullock 1965; Downs 1967; Niskanen 1971). Inside organisations, the new thinking led to a differentiation of tasks such as regulation, policy advice, ownership functions, control, etc., that had traditionally been organised together, into separate units (Christensen and Laegreid 2003). This practice of disaggregating the public sector into autonomous agencies, business units, and competing public, market and non-profit bodies has, in turn, also come under pressure. Rhodes warned very early of a replacement of line bureaucracies ‘delivering any service all over the country’ by a ‘patchwork quilt of organizations'. (Rhodes 1994: 142). Also, NPM-style reforms have not always proved to be sustainable (Meyer-Sahling 2009).

| Implications for the project: The project consortium will evaluate the impact of New Public Management (NPM) style reforms in European public sectors, through a meta-analysis of evaluation studies, and a survey of senior public sector officials in three sectors in ten European countries (work packages 1 and 3). |

A second set of changes - NPM ideas about the role of government

New Public Management is not just a set of managerial and service delivery innovations. It is also based on a set of ideas about the nature of man and the role of the state in society. With
its roots in public choice thinking, and the Chicago School economists’ ideas of deregulation, privatization, and also later marketisation (Lane 1997), the NPM philosophy has been largely based on a new right agenda of privatisation, deregulation, marketisation, and a small state (Lane 2000). While those ideas are not visible in all NPM-style reforms, NPM has been blamed for its focus on individual rights rather than collective rights, its belief in individual self-interest as a key guiding principle, and its strong reliance on markets as a core steering mechanism.

Often, these criticisms have also been inspired by the real or perceived disappearance of neighbourhood services, or by the public sector workforce’s fears about job security. Protests against NPM-style reforms have indeed been channelled by public sector unions, and some countries have been more critical about the reforms than others (Héritier 2001; Van de Walle 2008). The start of reforms and search for improved public performance was seen by some as a questioning of the welfare state (Lane 1997: 2), and reforms of services of general interest and former state monopolies have been criticised for their potential negative effects on social cohesion and equity. At the same time, there has been no correlation between NPM emphasis and political incumbency (Hood 1995).

The emergence of NPM meant a shift in the values of the public sector. New values such as efficiency and individualism replaced traditional values such as universalism, equity etc. (du Gay 2000). Central to this shift was a belief that managing public sector organisations is not different from running private sector organisations - a controversial claim (Allison 1983; Boyne 2002). This managerialism should therefore not just be seen as the introduction of new management methods, but also as a new ideology about the role of the state and the public manager (Clarke and Newman 1997). Research has focused on changes in public servants’ values, shifts of citizens to customers (Fountain 2001; Clarke and Newman 2007), or changes in administrative law and good governance principles. Likewise, changes to the role of government in providing services through privatisation, deregulation, etc. have also received considerable attention (Prosser 2000; Clifton, Comin et al. 2003; Clifton and Diaz Fuentes 2005; Prosser 2005; Clifton, Comin et al. 2006).

While private sector ideas have dominated public sector reform thinking in the 1990s, we have recently seen the emergence of new models for thinking about the role of the public sector, such as Public Value or Neo-Weberianism. While many public sectors went ever further in embracing NPM ideas, even in countries or sectors where the diagnosis was different from that in e.g. the UK or New Zealand, doubts about whether the core assumptions on which NPM is based are actually correct started to grow in the 1990s. Since the heydays of
NPM, we have witnessed a growing belief that many NPM ideas, grounded in new institutional economics, may actually be based on untested assumptions including the idea that monopolies and hierarchies cannot work, that the state is too big, that the public sector hinders economic development, etc. (Flynn 2002).

Implications for the project: The project consortium will analyse the effects of 25 years of NPM-style reforms on government outlays and stakeholder attitudes towards the values underlying NPM (work package 2 & 3).

**Convergence and divergence in NPM-reform: Why a cross-national European study of NPM impacts is necessary**

NPM has become a global reform movement (Kettl 2000), not least through the existence of an active NPM missionary, increasing policy transfer activity and the role of international organizations such as OECD’s Public Management Committee (Common 1998; Premfors 1998; OECD 2005). Some countries are considered to be core NPM countries, and this list includes the UK, the US, Canada, Australia, New Zealand, and also to some extent the Netherlands and Sweden. According to Halligan, NPM has only been a comprehensive reform movement in three countries: the UK, New Zealand and Australia (Halligan 1998).

In NPM studies, some countries have been studied more extensively than others (Aucoin 1996; Olsen and Peters 1996). This includes especially New Zealand, which is widely regarded as one of the early and more extreme examples of NPM (Boston, Martin et al. 1991; Schick 1996). While most public management researchers know all of the details about British or New Zealand reforms, few of them would be able to recall even the key characteristics of the *Neue Steuerungsmodel* in Germany, or the wide-ranging reforms in the hospital sector in Italy. France has been experimenting with public management reforms for a long time, and has a long tradition of strategic planning, resulting in the *Loi organique relative aux Lois de finances* (LOLF). When reforming their public sector, countries tend to look to some of their neighbours for policy innovations, but not to others. The UK closely monitors what happens in the US, Australia or New Zealand, but knows much less about public management reform in Ireland or France (Rose 1993). This often leads to innovations that are in fact not innovations.

Because of its clear roots in certain sets of ideas and its rise in particular countries, doubts have been raised about the transferability of NPM beyond its Anglo-Saxon origins, and
especially to developing countries and new democracies (Laking 1999; Randma-Liiv 2009). The NPM fashion in the West coincided with state-building efforts in Central and Eastern Europe (CEE) in the early 1990s and thus influenced the adoption of similar ideas in CEE. The NPM ideology sat well with post-communist countries that did not like big state apparatuses, were abolishing their one-sector economies and carrying out large-scale privatizations. However, several studies have demonstrated that NPM is particularly unfitting and even destructive for new democracies (Verheijen 1998; Dreschler 2005; Randma-Liiv 2009). Despite such criticism, NPM has been very influential beyond the Western world (Manning 2001). As McLaughlin et al. argue, NPM has not been introduced as a single model, but instead, we have seen various evolutions where elements and aspects of NPM have been introduced. Countries have had their own focus, with some focusing more on shifting to private delivery, others to output controls, etc. (Osborne and McLaughlin 2002: 10-11). This means that studying NPM can only be done while taking the wider context into account (Flynn 2002; Pollitt and Bouckaert 2004). All too often, NPM is presented as if models of service delivery can be decoupled from a single country context (Dunleavy 1994).

There are many variations in NPM style reforms worldwide and across the continent (Ferlie, Ashburner et al. 1996; Hammerschmid, Meyer et al. 2007). Due to its heterogeneous nature (Lynn Jr 1998), NPM has been translated and implemented differently in European countries (Pollitt, van Thiel et al. 2007). The definition and implementation of NPM varies depending on different national cultural and institutional settings (Torres and Pina 2004). The implementation may also be influenced by the administrative law tradition in some countries (Torres and Pina 2004; Hammerschmid and Meyer 2005). Pollitt and Bouckaert distinguished between four major reform models in Western countries: Marketise, Minimise, Maintain, and Modernise, and indicated that different countries tend to follow different models (Pollitt and Bouckaert 2004). Kettl distinguished between two broad types of reform: the first, Westminster-style managerialism, consists of broad-sweeping reforms which were comprehensive, ambitious, and aggressive, and which were largely drawn from economic theories. The second, American-style reinvention, is a more incremental reform process, with a more pragmatic rather than ideological content (Kettl 2000). Halligan (2001), reflecting on this diversity in NPM implementation, distinguished between four main types of public sector reformers: reluctant reformers (some reforms, shy, incremental); specialist reformers (focus on some distinctive elements of reform); ambivalent reformers (committed to change, but implementation varies); and comprehensive reformers (major commitment and a range of reform measures).
Even when based on similar sets of ideas, NPM-inspired national public sector reforms differ considerably. This variety of reforms, interacting with an even greater variety of administrative systems and administrative cultures in Europe, has led to a considerable divergence in NPM implementation across Europe. Despite quite similar lists of NPM characteristics in the literature, there is no single model of NPM-style administrative reforms across countries (Lynn Jr 1998). There is considerable discussion between believers and critics about whether convergence is taking place in national public sector reform trajectories (Pollitt 2007). There are some broad trends, but much more national variation (Kettl 2000), and there are fewer commonalities and convergence than generally assumed (Pollitt 2002). Pollitt and Bouckaert see clear differences between a core NPM group of marketizers including Australia, New Zealand the UK and sometimes the US; and a second group of Continental European modernizers who continue to give the state a central role (Pollitt and Bouckaert 2004). For this reason, processes of convergence and divergence in public sector reform have received considerable attention. Understanding national variation is essential to hypothesize about the prospects of a European Administrative Space.

Administrative cultures differ widely, especially in Europe, which means that in each of these countries, government and administrative law have had a different role (Hajnal 2004; Proeller and Schedler 2005; Hammerschmid, Meyer et al. 2007; Kickert 2007; Painter and Peters 2010). It should therefore not come as a surprise if some elements of the reforms have failed in some countries (Hammerschmid and Meyer 2005; Kickert 2007; Bouckaert, Nemec et al. 2008; Kuhlmann, Bogumil et al. 2008). This national and regional variation means that no study on the impact of NPM can afford to only look at a single country, or one particular group of countries. Furthermore, there exists considerable fragmentation in the methods, concepts and approaches used, making cross-national comparisons difficult.

**Implications for the project:** Evaluating the impact of New Public Management requires focusing on differential national experiences within Europe. NPM values align better with some administrative cultures than with others. Our research consortium includes partners covering all major administrative traditions and cultures in Europe. The project will also invest heavily in the development of cross-national datasets covering a maximum number of European countries.
Intended and unintended effects of NPM-style reforms

Fragmentation vs. coordination in the public sector

One of the key recommendations of the NPM-movement was to disaggregate large, multifunctional public bodies and replace them with a series of single-purpose bodies. This disaggregation extended to hiving off public tasks to the private and not-for-profit sector. The philosophy was that a deliberate fragmentation and distribution of functions would result in clear lines of control and boundaries, and possibly to competition between these new entities. Furthermore, performance was to be monitored using specific and detailed sets of performance indicators and targets (van Thiel and Leeuw 2002; Pollitt, Talbot et al. 2004).

Disaggregation, and a related increase in accountability and control systems focusing on relatively narrow objectives have, for public services and public managers ‘narrowed the nature of the work, creating focus at the expense of coordination’ (Norman 2003: 200). Disaggregation became fragmentation at the detriment of institutional development, development of strategic capability and expertise, and institutional memory (Pollitt 2000; Norman 2003; Pollitt 2008). Early on, fragmentation was identified as an unintended effect of NPM-style reforms. Coordination rapidly came to be seen as the key problem in making NPM work (Webb 1991), and the structural disaggregation of the public sector was seen to lead to deficient coordination, duplication and even waste (Rhodes 1994). With Schick’s 1996 report 'The spirit of reform' on public sector reforms in New Zealand, fragmentation of the public sector became to be seen as a major unintended effect of NPM reforms. It identified a tendency to focus on the short-term production of outputs and annual actions, rather than the development of long-term strategic planning (Schick 1996: 8).

New systems of control, evaluation and incentives tended to incentivise against collaboration with other departments or services, despite the big idea of more collaboration in public services (Norman 2003). Disaggregation may have lead to a replacement of traditional ministry- or department-based silos by new types of silos.

The reforms led to the fragmentation of a previously monolithic public sector, and a related loss of strategic capacity at the centre of government (Painter 2003). Rather than becoming efficient, effective and entrepreneurial, public sectors influenced by NPM risked becoming hollow states (Greve 2008) or fragmented states (Christensen and Lægreid 2004), and the strategic alignment of government has become one of the key challenges for the future of the public sector. Furthermore, the reforms were seen as undermining political control through
the strict separation of political and administrative functions, and a wide-ranging contractualisation and devolution (Christensen and Laegreid 2003). Through letting the managers manage, overall political control became difficult. This problem is further complicated by low steering capacity in departments (principals) to control the agencies (agents) because of a supposed hollowing out of policy functions through extensive differentiation and short-term employment contracts.

The advantages and disadvantages of disaggregation strategies have been studied from various perspectives (Talbot and Johnson 2007; Verhoest et al. 2010), but there is relatively little overall assessment of the total impact of NPM-style reforms on fragmentation and coordination in the public sector. An analysis by Boyne on the effect of NPM-inspired institutional disaggregation on institutional performance in British local authorities revealed that one of the key assumptions of NPM, that disaggregation leads to better performance and that large organisations are poor performers, does not hold (Boyne 1996). Indeed, subsequent research suggested that large consolidated organizational units are likely to benefit from lower administrative overheads (Andrews and Boyne 2009). Painter, in a study on housing policy in Australia, found mixed effects of disaggregation and NPM-style reforms on policy capacity (Painter 2003).

As a result of this real or perceived fragmentation, recent trends can be seen towards strengthening the overall steering capacity of government through a new agenda of coordination (Verhoest, Bouckaert et al. 2007). New agendas focusing on strengthening the policy cohesion of the public sector have emerged, and governments have further attempted to regain a certain degree of control over hived-off tasks through a new regulation agenda. The tendency towards departmentalisation and towards the development of whole-of-government approaches is a good illustration of this trend. Norman and Gregory (2003) talk about pendulum swings in administrative doctrine, with ideas moving back and forth. The NPM-style move towards smaller organisations in reaction to large bureaucracies is now being challenged by a move towards amalgamations of organisations and networks of organisations in reaction to fragmentation. The partial rolling back of agencification and addition of coordinating structures in the UK is a good example (James 2003; James 2004; Talbot and Johnson 2007). Through recoordination of the public sector, it is hoped that the public sector will be better able to design and implement policies in a coherent way, in order to achieve broad social outcomes such as social cohesion.
Implications for the project: In this project we will assess the extent to which New Public Management style reforms have led to managerial and organisational fragmentation in the public sector (work packages 1, 3, and 5).

NPM-style reforms and the effect on equity and social cohesion

NPM-style reforms have been widely associated with neo-liberal thinking and blamed for their effect on the public service ethos, the (un)equal treatment of citizens, and a corresponding decline in the cohesiveness of local communities. The suitability of NPM ideas for a public sector context has been questioned, especially as they are sometimes seen as undermining shared public values and the pursuit of social equality. Whereas in its early days, NPM was heralded as the - politically neutral - solution to the public sector’s problems, it has since become subject to increasing criticism because of its association with neo-liberal tendencies towards capital accumulation. Some of these criticisms are of an ideological nature, yet many result from first-hand experience of the unintended effects of innovations such as pay-for-performance schemes, utility liberalisation and deregulation, and marketization. Job insecurity, rising utility prices and weakened democratic accountability have served to undermine the post-war welfarist consensus upon which social solidarity was founded.

NPM rhetoric in the 1980s and 1990s emphasised the need to restore citizens’ trust in a public sector that routinely failed to meet their needs (Van de Walle, Van Roosbroek et al. 2008). By offering citizens more choice and inserting market discipline into the public sector (Organisation for Economic Co-operation and Development 1987), it was thought that it would be possible to overcome the dysfunctions of bureaucracy. According to this model, citizens should be viewed as customers with all the rights and entitlements to consideration and service that this entailed (Aberbach and Christensen 2005; Clarke and Newman 2007). However, the resistance of public officials in many sectors and countries to attempts to redefine clients as customers, coupled with the reduction of communities to mere aggregations of customers, has been subject to severe criticism. Indeed, the effects of such a shift on political agency and social cohesion has been a recurring theme in the academic literature (Clarke and Newman 1997).

Many authors have discussed the anti-democratic implications of NPM (Behn 1998; Borins 2000; Box, Marshall et al. 2001; Gottfried 2001), especially its propensity to establish a “supermarket state” model, where the wealthiest, best-informed and most assertive customers get the best quality service (Olsen 1988). Whereas conventional Weberian models
emphasised the public sector’s responsibility to offer equal treatment to clients, NPM models are largely driven by notions of customer satisfaction (Christensen and Lægreid 2002). At the same time, numerous contradictory impulses are at work within NPM doctrines. For example, calls for greater stakeholder involvement in decision-making sit very uneasily alongside planning, performance management and greater central government control (Coupland, Currie et al. 2008). Similarly, it is very difficult to reconcile NPM’s consumerist conception of democracy with the group rights that participative democracy demands (Andrews and Turner 2006).

The nature and implications of the shift from collective (though producer-led) citizen-orientated models to individualised customer-based models have been studied from a variety of academic disciplines, and often highlight the managerialist imperatives at the heart of NPM (Learmonth and Harding 2006; Clarke and Newman 2007). More recently, we have also seen increasing attention to studying public attitudes towards public services, and towards the effects of liberalisation in certain sectors (Brau, Doronzo et al. 2007; Bacchiocchi, Florio et al. 2008; Fiorio and Florio 2008). Examples include studies looking at cohort changes in satisfaction with health care (Adang and Borm 2007), related to reforms within this sector, of studies looking at public preferences for or against public and private provision of public services (Wendt, Kohl et al. 2009).

Others have looked at overall trends in satisfaction with liberalised sectors in European countries (Clifton and Diaz-Fuentes 2008); or at drivers and determinants of citizen satisfaction with public services (James 2009; Van de Walle 2009). Special concern in such studies goes to elements of unequal treatment, and of access of disadvantaged groups to public services and associated non take-up or non-recourse. Assessing NPM’s impact on social cohesion requires a perspective focused on society, which is addressed by the workpackage on citizens’ satisfaction and use of choice and voice in public services. This package looks at the consequences of NPM reforms on citizens’ attitudes and behaviour, a concern being that NPM reforms that increase choice options for some citizens may make voice processes less effective overall as advantaged groups exit poor service providers, leaving disadvantaged groups who cannot exercise choice dependent on poorly performing services. In this way, NPM reforms may damage social cohesion; the extent to which this occurs in practice and in which services is a key issue for this project to address.

The ideas underlying NPM-style reforms have also been blamed for dysfunctional effects on the democratic polity, and on responsiveness to citizens. One key cause for this change is the changing role of professionals in the public sector. Professionals have come under increasing pressure through the use of protocols and targets (Broadbent and Laughlin 2002; Ferlie,
Ashburner et al. 1996: 165-194), even in those public services where individual discretion rather than standardisation is essential (Savoie 1995). An increasing number of studies have for this reason focused on public officials’ pride in their jobs and their intrinsic motivations for working for the public sector (public sector or public service motivation) (Francois 2000; Perry 2000; Bouckaert 2001; Vandenabeele, Scheepers et al. 2006; Perry and Hondeghem 2008).

Implications for the project: The project consortium will analyse whether NPM-style reforms have had an impact on equity and social cohesion by analysing patterns in satisfaction with public services (work package 4). Furthermore, it will integrate the evidence of the impact of NPM-style reforms on social cohesion and predict the impact of emerging innovative practices of coordination on social cohesion (work package 6).

The impact and effect of NPM: Collating the empirical evidence

Why so few evaluations of NPM?

Despite the omnipresence of NPM rhetoric and practice, both in the public sector and in academia, evaluations of whether NPM has worked are relatively scarce. NPM reforms have been described and compared, but seldom evaluated (Peters and Savoie 1998; Norman 2003). Pollitt and Bouckaert point to the paradox that result-driven NPM reforms have not themselves resulted in an evaluation of the results of NPM reforms (Pollitt and Bouckaert 2004). The need to evaluate reforms has not been taken seriously (Boyne, Farrell et al. 2003: 2), and the NPM reform rhetoric has often been taken for real (Pollitt 1995). There is, then, an urgent need to examine whether a transformation has really taken place at all (Pollitt 2002).

There is quite a lot of talk about the presumed positive effects of NPM, and a strong political rhetoric about the benefits of reform, yet very little analysis. Many NPM evaluations have been heavily ideological or rhetorical (see Gregory 2003 for a critique). This absence of proper evaluation is not surprising, as many reforms have not been clear-cut. Furthermore, there exists very extensive variation across countries, both in state models and in reforms, making comparative analysis difficult. In the overall public administration literature, there appears to be a relative consensus that NPM may have suffered from overselling, with dramatic underestimates of transaction costs and new administrative costs (Christensen, Laegreid et al. 2008: 159; Kuhlmann and Bogumil 2008). Yet, overall, NPM appears to have resulted in more efficiency, but it depends on the tasks we are looking at (Christensen, Laegreid et al. 2008: 159).
Quite a few studies have focused on changes in public sector reform rhetoric, and have used changes in the language used to talk about the public sector as basis for evaluations. For instance, Gualmini (2008) analysed policy statements and government documents on reform in six countries (UK, US, IT, ES, FR, DE). This is relevant, because talk often becomes reality (Brunsson 1989). Several other studies have looked at formal and structural changes in public sectors. The NPM-movement has also created a large number of more generalist writings, considerations and observations, yet proper empirical evaluations are far and few between. Where studies exist, they are generally quite limited and tend to provide frameworks for evaluation, rather than doing the actual evaluation, and they tend to be non-quantified (Wollmann 2003). While there are not many empirical evaluations, the stream of conceptual works, works tracing the origins of NPM, or studies describing national realities, does not stop (Borins 1995; McLaughlin, Osborne et al. 2002; Christensen and Laegreid 2011). The public administration literature does list a number of broad-sweeping national studies of NPM implementation, with a focus on a description of NPM impacts in e.g. Spain, Switzerland, Austria, France, Denmark, Central and Eastern Europe etc. (Schedler 2003; Torres and Pina 2004; Cole and Jones 2005; Hammerschmid and Meyer 2005; Greve 2006; Bouckaert, Nemec et al. 2008; Ongaro 2010), or generic cross-country descriptions and summaries of reform trends (Pollitt and Bouckaert 2004). There are several detailed overviews of trends in individual countries (Schedler and Proeller 2002; Pollitt and Bouckaert 2004), or broad-sweeping macro-evaluations (Kettl 2000). Where studies exist, these focus on one specific sector or case, or on a single country or group of countries (Christensen and Laegreid 2003). There are few empirical studies that allow evaluation of NPM effects across a range of sectors and countries.

In part, this lack of evaluations or impact studies has to do with the ill-defined nature of NPM, the variety of NPM models often with only a token recognition of NPM, and the incompleteness of many NPM–style reforms. Measuring ‘results’ of public management reform is therefore a slippery concept (Pollitt and Bouckaert 2004). Absence of clear evaluations follows from the difficulties in defining NPM, to discover the objectives of reform programmes, and from conceptual differences in defining results such as savings, effectiveness, efficiency etc. (Pollitt 2002).

Overall evaluations of the impact of NPM-style reforms

Most existing studies have looked at the effect of specific subsets of reform, but few entire programmes of reform have been analysed. There are noteworthy exceptions though, such as
Boyne et al.’s (2003) evaluation of NPM style reforms in a number of sectors. In this evaluation, they focused on effects of NPM-style reforms on responsiveness, equity, and efficiency in sectors such as housing, education, and health. There appears to be some evidence that NPM has lead to increased efficiency in the British health sector, but the situation is more ambiguous in other sectors, such as education. Furthermore, there appear to be some indications of reduced equality.

There are also exceptions at the local level. Both in Germany and the UK, NPM-style reforms in local government have been subject to evaluation. In Germany, a group of scholars did a large-scale evaluation of the \textit{Neue Steuerungsmodel} - the New Steering Model in German local government (Kuhlmann, Bogumil et al. 2008) based on a survey of mayors and CEOs of German local authorities. In England, Walker and Boyne found NPM-style prescriptions such as planning, organisational flexibility and user choice to be positively associated with organisational performance in English local government (Walker and Boyne 2006). Likewise, innovative strategies have been found to have positive effects on organisational performance (Andrews, Boyne et al. 2006) – though this is likely to work best in a decentralized organisation (Andrews and Boyne 2009). James (2003) noted that whilst individual agency performance often improved, systemic problems of performance emerged in sectors where agencies were involved in extensive joint working with other public bodies, such as in the welfare payments system where agency-specific targets and employment practices made working with local bodies and other central government agencies more difficult.

A final set of overall evaluations has looked at the effects of NPM-style reforms on the size and scope of the public sector. If the theory is right, two decades of reform should have resulted in smaller government outlays, lower deficits, savings and a smaller number of civil servants (Kettl 2000). These macro-level studies give us some information about macro-level changes in the public sector, but generally leave us guessing about the exact causal relationship between NPM reforms and broad outcomes. Furthermore, most of them have focused on a limited set of countries or have employed a limited time frame (Ferlie, Ashburner et al. 1996; Goldsmith and Page 1997; Lane 1997; Kettl 2000; Pollitt and Bouckaert 2004), and a link between the extent of NPM reforms in a country, the timing of such reforms, and the changes in government outlays is generally absent.

\textit{An empirical desert}

Despite the omnipresence of NPM as a topic in academic and policy debates, the dearth of empirical material is striking. Hood’s decade-old damning evaluation is unfortunately still
largely valid: ‘There are no systematic cross-national studies showing degrees of variation in public management reform in a robust and reliable way. The literature in the area is long in anecdote and general commentary but short on systematic comparison, and comes close to being a datafree environment.’ (Hood 1995: 99). Where such evaluations exist, they are often based on incomplete or unreliable empirics or are heavily tainted by ideological positions. Already in 1994, Dunleavy and Hood noted that, 'most supposedly empirical discussions of the complex issues involved are dominated either by NPM evangelists exaggerating the efficiency impacts of changes on the basis of very preliminary or selective data; or by detractors basing their scepticism on dramatic anecdotes or sketchy arguments from past experience' (Dunleavy and Hood 1994: 13).

A lack of substantive, broad-ranging quantitative research makes it difficult to draw firm conclusions (Boyne 2002). In recent years, we have observed a move towards more quantitative evaluations. Some inroads have been taken, for instance, through the ESRC Public Services Programme in the UK, where a series of research projects focusing on reforms in specific sectors or on specific innovations was commissioned in recent years. Also in some specific sectors and on some specific topics, we can find a more extensive use of quantitative data. Examples include utilities and network industries, research on privatisation, or research on the performance and autonomy of public agencies.

The relative scarcity of quantitative research is not entirely due to researchers. A lot of basic empirical material is simply absent. Many official cross-national public sector statistics are notoriously unreliable, and therefore not useful for research. Only recently, through efforts by EUROSTAT or through OECD’s Government at a Glance project to improve data definitions, has data become more reliable and valid. Most progress has been made in health sector data, but to be ready for cross-national comparisons of public sector productivity, quite a few issues of data definitions need to be solved first (O'Mahony, Stevens et al. 2006). Measuring productivity has become easier in some countries in recent years thanks to the work of budgeting or statistical offices in e.g. Sweden (Murray, 2006), or in the UK (Atkinson 2005), not in the least because of the work of the UK Centre for the Measurement of Government Activity (UKCeMGA) within the Office for National Statistics. Overall, given the quality of existing data, it is still way too early to make solid data based, cross-national comparisons of public sector productivity and efficiency. Where we have seen such attempts, these were based on massive simplifications of the tasks and scope of the public sector, or they necessarily had to rely on second-rate data (Afonso, Schuknecht et al. 2003; Van de Walle 2006; Van de Walle 2009).
Implications for the project: The project will invest heavily in the collection of new data and in the development of a cross-national dataset. The consortium will develop a comprehensive data set on NPM, public sector performance, and social cohesion for use by other researchers in future studies.

Surveys on the impact of NPM

One type of data that is available, albeit fragmented, is survey data collected through interviewing public officials. Many recent studies on the impact of NPM-style reforms are based on surveys of public officials. Lægreid et al. looked at how the Management-By-Objectives-And-Results (MBOR), the Norwegian system of performance management, was introduced, and at how its effects are evaluated by Norwegian public officials (Laegreid, Roness et al. 2006). They also evaluated factors that have lead to a successful and complete implementation of the system (Laegreid, Roness et al. 2006). Christensen and Lægreid also surveyed 2397 Norwegian civil servants in 1996 and asked them about the significance of various NPM-type measures in their organisation (management, organisational and market reforms) (Christensen and Laegreid 1999). Perception appears to be quite different depending on where one sits within the organisation. They later conducted a study on changes in perceptions between 1996 and 2006 by comparing the data sources (Christensen and Laegreid 2007).

Meyer-Sahling, commissioned by SIGMA, organised a web survey of civil servants in ministries in Central and Eastern European countries on practices in civil service management, attitudes towards these aspects, and their evaluation of recent reforms in seven CEEC countries, with 2361 respondents (Meyer-Sahling 2009). Meyer and Hammerschmid (2006a; 2006b) surveyed 417 public executives in Austria to measure the extent of their identity shift from a Rechtsstaat to one of NPM which was followed by a similarly survey of 352 top civil servants in Germany (Hammerschmid and Geissler 2010; Hammerschmid et al. 2010). Likewise, Skålén (2004) longitudinally studied the effect of the introduction of NPM initiatives in a Swedish local public health care authority on organizational identity. Other studies include studies of NPM effects on identities within the UK police service (Davies and Thomas 2003), or the effects of NPM reforms on Swedish nurses (Blomgren 2003). A team of Austrian researchers further surveyed 4500 managers and employees of the city of Vienna on their public sector motivation and attitudes towards public management reform (Hammerschmid and Meyer 2009). Groot and Budding asked 105 practitioners in government and nonprofits in Belgium and the Netherlands about their appreciation of NPM and future developments, more specifically in relation to planning and control systems and accrual
Implications for the project: The survey to be developed in work package will build extensively on this experience in order to promote cross-nation comparability. The instruments already developed by Christensen, Lægreid and Hammerschmid will be used as a starting point.

Evaluating aspects of NPM

Specific elements and managerial innovations, as opposed to overall reforms, have also been evaluated. These include reforms such as the introduction of agencies, performance pay, privatization, etc. Coupland et al. asked school principals in the UK to describe their new role following NPM reforms (Coupland, Currie et al. 2008). Also in the education sector, Andersen looked at the effect of NPM reforms in Danish schools on student performance (Andersen 2008). There have been evaluations of specific innovations and their various effects, including PPPs (Coulson 2008), the use of performance indicators (Smith 1995; Pidd 2005; Bevan and Hood 2006), performance pay (Randma-Liiv 2005), contracting (Hodge 2000), etc. Public sector agencies have received considerable attention. Studies include Yamamoto’s study on the effect of giving autonomy to agencies on performance (Yamamoto 2006), Verschuere and Barbieri’s measurement of NPM-ness of public agencies in Italy and Flanders (Verschuere and Barbieri 2009), and Pollitt and Talbot’s series of studies on agencies in a number of countries (Pollitt, Bathgate et al. 2001; Pollitt and Talbot 2004; Pollitt, Talbot et al. 2004; Pollitt 2005).

A substantial number of studies have looked at the impact of liberalisation, privatisation and other NPM-style reform in utility sectors and former state monopolies, such as electricity, gas, and telecoms (Brau, Doronzo et al. 2007; Bacchiocchi, Florio et al. 2008; Fiorio and Florio 2008).

Still other studies have focused on changes in HR systems and employment. Worrall et al. (2000) surveyed public managers asking them to evaluate the effect of various HR reforms on loyalty, moral, job security, etc. Emery and Giauque (2003). did something similar in Switzerland. They looked at the effect of performance or service contracts in a Swiss administration on civil servants’ work. They asked public officials to evaluate the positive and negative impacts of NPM tools, such as individual and organisational performance contracts (Emery and Giauque 2003). Nelissen et al. studied the profile of the new public managers (Nelissen, Bressers et al. 1996), and van Thiel et al. looked at changes and trends in
the position of public managers (van Thiel, Steijn et al. 2007). Hammerschmid et al. found that at the concrete level of HR reform in the public sector, there appears to be great variation across 27 EU countries (Meyer and Hammerschmid 2010).

**Beyond NPM – countering fragmentation and coordinating for social cohesion**

Addressing social problems requires a multi-faceted approach. In designing and implementing policy to e.g. improve elderly care, support the sustainability of rural areas, or to reduce child poverty, many different policy actors are needed, and relying on market forces or the third sector is often insufficient. As mentioned in the previous sections, NPM-style reforms are seen to have led to fragmentation of the public sector. The call for integrated services and cross-boundary working indicates a problem of coordination in the public sector. As a result of this fragmentation, the public sector’s policy ambitions to improve social cohesion are difficult to design and implement. Faced with successes and failures of the first NPM-style reforms, public sectors have started to look further and have developed new approaches to reform, intended to counter this fragmentation and to re-coordinate the public sector (Osborne 2009; Dahlström, Peters et al. 2010; Wegrich 2010). Examples include the reduction of the number of targets in the UK and their replacement by broad PSAs (James 2004), or the European Union’s strategy to operate through broad social and economic objectives (e.g. Lisbon Strategy), rather than through detailed policy plans, targets and guidelines.

These emerging practices are, depending on the author and their regional provenance, referred to as either second generation post-NPM reforms (Christensen and Laegreid 2007), or as third generation reforms (Halligan 2007). Halligan talks about a third generation when looking at the Australian and New Zealand cases, with a first generation consisting of NPM-style reforms, a second generation of a strengthening of strategic management and also a series of reforms attempting to make NPM reforms sustainable, and trying to do away with major dysfunctions (Halligan 2007). Osborne does not talk about a new generation of reforms, but instead argues that NPM has only been a brief and transitory phase in governance arrangements (Osborne 2006). Some have indeed declared NPM dead (Dunleavy, Margetts et al. 2006).

These third generation reforms in New Zealand followed the initial Schick report, and the later Review of the Centre (Schick 1996; Ministerial Advisory Group 2001). An assessment of the New Zealand reforms lead to the identification of a number of key concerns for the future, including a greater need for outcome focus rather than measuring production outputs; and the need for more coordination beyond the boundaries of single public organisations (Norman 2003: 210). Integrated service delivery and tackling fragmentation have been
identified in a review of the New Zealand reforms as key challenges (Ministerial Advisory Group 2001). The report states clearly that ‘Fragmentation makes coordinated service delivery more complicated, adds to the costs of doing business, and blurs accountability for some issues. Structural fragmentation means many small agencies, spreading leadership talent and other skills more thinly and increasing the risk of weak capability. Fragmentation means Ministers need to build relationships with multiple agencies, and at times reconcile conflicting agency positions at an excessively detailed level.’ (Ministerial Advisory Group 2001). In other words, it came up with an urgent need to put the public sector back together again (Gregory 2003).

These new coordination practices come in various shapes and names, such as integrated governance, outcome steering, joined-up governance (Bogdanor 2005; Hood 2005), holistic governance (Leat, Setzler et al. 2002), new public governance (Osborne 2009), or whole-of-government (OECD 2005; Christensen and Laegreid 2007). Related philosophies include Neo-weberianism (Pollitt, Bouckaert et al. 2009), and public value (Moore 1995). Concepts such as the Open Method of Coordination in the EU, or Modernisation in the UK can be considered to belong to this new generation of governance instruments (Newman 2002).

This new generation of reforms borrows some concerns from NPM-style reforms, and adds new accents. The philosophy and nature of these initiatives varies widely, with some models reconfirming the role of politicians and politically appointed officials, and others relying on broad network-governance style arrangements (Agranoff and McGuire 2004). Whole-of-Government approaches consist of horizontal collaboration, a strengthening of the centre, re-aggregation of public bodies, and new types of performance management with a central role for outcomes. The most crucial difference with NPM is that they do not just focus on steering, but also on following through to implementation and delivery. Some of the new and emerging models for collaboration, cooperation and eventually coordination reaffirm the role of government. Others emphasize collaborative network-based models characterised by pluralism and relational collaboration replacing contract-based models (Osborne 2009).

Societal outcomes, such as social cohesion, replace outputs as steering instruments (Norman 2007). Even while NPM had always emphasised outcomes and results, the reality was that it generally led to a strong focus on outputs of specific public sector bodies rather than the overall results of such outputs. Performance under these new outcome regimes reflects integrated approaches to social issues. The idea is that by putting forward ambitious outcome targets, public sector actors and their private and non-profit counterparts would be motivated to collaborate, and they would be jointly responsible for achieving those targets, thereby
making short-term gaming ineffective (Denhardt and Aristigueta 2008). This new focus on outcomes is also visible in shifts in terminology. Rather than producing outputs, public services now have to deliver public value, and this is defined collectively (Moore 1995).

Another key characteristic of emerging ways of thinking about the future of governance is the reaffirmation of government’s or the public sector’s central, or at least coordinating role in society. Unlike NPM, more recent ideas are generally unwilling to consider public organisations as very similar to private ones (Alford and Hughes 2008). This is best visible in the regulation agenda and the associated strong growth of regulatory bodies and models of enforced self-regulation (Hood, James et al. 2000). This is also visible in a strengthening of political agency. Aucoin showed this for the new public governance in Canada with stronger political management, concentrated power at the political centre, a strong role for ministerial staff, political appointments and re-emergence of political appointments. Similar trends of stronger political intervention are also visible elsewhere (Halligan 2007). The need for coordination is now often answered by founding new high-level coordination units which are often quite close to government ministers, such as Prime Minister’ units, strategy units or various task forces. A second place where this reconfirmation of a public role in governing society is visible has been the emergence of a new set of literature revaluing bureaucracy and Rechtsstaat principles (du Gay 2000). This does not only follow discussions on neo-Weberianism (Pollitt and Bouckaert 2004; Dunn and Miller 2007; Drechsler 2009; Pollitt, Bouckaert et al. 2009), but also increasingly questions whether NPM is really the way to go in e.g. Central and Eastern European countries, where serious efforts are still necessary to move from a pre-Weberian model to a Weberian one; especially with regard to personnel policies, budgeting, etc. (Meyer-Sahling 2009; Randma-Liiv 2009). Similar concerns have been raised with regard to the export of public sector reform models to developing countries.

Many of the next generation reforms remain as yet unexplored, and research is hindered by a wide variety of terminology. Furthermore, much of the literature is descriptive (Stoker 2006; O'Flynn 2007), and there is an urgent need to integrate terminology and move to more explanatory approaches. Finally, just as NPM has at times been hyped to be the new solution, collaborative models and models of integrated governance are currently being put forward as magical solutions. In-depth analysis is therefore needed to assess the value of these new approaches, and the challenges they may pose to democratic accountability.

Implications for the project: In work package 5, the project consortium will analyse how emerging innovative coordination and re-integration practices in public management work,
and how they can contribute to counterbalancing public sector fragmentation, in order to improve the public sector’s capacity to deliver policies that strengthen social cohesion. Furthermore, the project consortium will explore how these new ways of making and delivering policy can benefit from the bottom-up mobilisation of social resources to tackle social challenges.

An epilogue to the state of the art: New challenges following the financial crisis – How can governments coordinate for social cohesion in an era of austerity?

The most basic question about public management responses to the current economic crisis is whether governments can maintain their existing patterns of governing, or whether the crisis will become a source of public management change. Indeed, the crisis may be seen as evidence that the old patterns of public management have not been effective and that there is a need for new approaches. For example, the fragmentation of the State, both horizontally and vertically, contributed to the inability to monitor and regulate effectively. Part of the logic of governance for the past several decades has been to divide the public sector into numerous single-purpose organizations in order to increase the efficiency of service delivery. That same logic, however, also has tended to divide information and regulatory powers, and limited the capacity to understand and to regulate risks. To some extent the presence of the crisis reveals the need for change, but it may also be an opportunity for governments to make changes that would not have been possible without the presence of a crisis.

The present crisis creates two contradictory challenges. On one hand, the crisis is a landmark that is likely to result in an increased role of the State in society. The role of the civil service and the permanent, professional components of the government apparatus are now placed in somewhat different position relative to other actors within the society and in relationship to the private sector. Also, attempts to build more robust regulatory capacities have been discussed and implemented in a number of countries. Such attempts provide signs of moving away from NPM reforms. On the other hand, in the current economic situation, governments are looking at ways to cut back costs which, in turn, may lead to strengthening NPM-related instruments. Cost savings were a key motivation behind the introduction of NPM-style reforms in the 1980s. Most Western governments were running massive deficits, and were faced with an inefficient and expensive public sector, and with a relatively weak economy (Gruening 2001). Opinion and evidence of whether NPM-style reforms have actually contributed to cost savings is divided. There appears to be a relative consensus that BPR-type innovations and more economical procurement have helped to reduce waste. At the same time, however, the reform process itself cost money (Pollitt 2007). The staff composition and
related salary-structure of public organisations has also changed. In the current economic situation, public sectors are again looking at ways to cut back. There is evidence from some European countries which have been hit the hardest by the crisis (e.g. the Baltic States) of new governments coming to power on strong NPM-based platforms with an aim to further minimize the role of the state. Many governments were about to introduce their first major savings strategies. It may therefore be worthwhile to revisit the evidence of NPM’s contribution to cost reduction in the public sector, and map the lessons learned from those 1980s/1990s initiatives, as well as the mistakes to avoid.

Crisis adds to the existing problems of cross-departmental cooperation and coordination. In times of crisis, ministries and other organizations within the public sector might be motivated to attempt to defend their own activities, and especially to defend their own budgets. Cooperation can be seen as a threat to the survival or success for organizations even in the best of times, and the threat may be exaggerated in times of crisis. With cost-cutting programmes high on the agenda following the financial crisis, there is a risk that uncoordinated savings and simple budget-slicing strategies will work against governments’ strategic priorities. Fragmented savings then come in conflict with the need to develop whole-of-government approaches to social problems, and to coordinate policies.

As recessions often result in the destruction of human and institutional capital and loss of trust in the public sector (Vertinsky 2009), the crisis provides further challenges for building social cohesion in society. What will be the effect of savings on governments’ ability to deliver high quality public services and to create social cohesion through its public services? Does the crisis cause short-term changes or more fundamental shifts in public management patterns? The complex impact of the crisis on public administration is an issue that has just started to receive attention in both public management practice and research. At the same time, governments’ increased role in the economy (as a regulator, but also as an owner) puts an even heavier burden on public sector professionalism and coordination. Our aim is to critically evaluate the impact of the crisis on public management patterns especially with regard to coordination and whole-of-government approaches in improving social cohesion.

Implications for the project: The project consortium will critically consider how the financial crisis will have an impact on the future of public sector reforms, and to analyse what can be learned from 1980s and ‘90s NPM-style savings strategies for coping with the new era of austerity (work package 7).
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COCOPS Working Papers

1. Coordinating for Cohesion in the Public Sector of the Future: COCOPS Project Background paper