



**PUBLIC MANAGEMENT REFORMS AND EMERGING  
TRENDS AND EFFECTS ON SOCIAL COHESION IN  
EUROPE**

**COCOPS WORK PACKAGE 6 – DELIVERABLE 6.1**

Rhys Andrews

James Downe

Valeria Guarneros-Meza

Sebastian Jilke

Steven Van de Walle

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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).

### **About the Authors**

**Rhys Andrews** is professor of public management at Cardiff Business School, Cardiff University.

**James Downe** is reader in public policy and management at Cardiff Business School, Cardiff University.

**Valeria Guarneros-Meza** is a research associate at Cardiff Business School, Cardiff University.

**Sebastian Jilke** is junior researcher at Erasmus University Rotterdam.

**Steven Van de Walle** is professor of comparative public management and administration at Erasmus University Rotterdam, and is coordinator of the COCOPS project

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### **Abstract**

During the past thirty years or so, governments across Europe have grown ever more accustomed to developing initiatives to enhance the performance of key institutions and organizations. At the same time as being subject to the introduction of wide-ranging management reforms, many of those institutions and organizations are now increasingly charged with responding effectively to complex and intractable social problems. Amongst the so-called “wicked issues” public organizations are expected to address is the cohesiveness of the societies that they serve. In fact, European governments have implemented a swathe of initiatives designed to prompt public organizations to devote more energy to addressing the supposed centrifugal tendencies associated with globalisation and the breakdown of traditional social structures. In this context, the main objective of this report is to analyse emerging trends in social cohesion, beginning with socio-economic influences on social solidarity and social order in Europe before evaluating whether public management matters. To do so, the report draws upon primary and secondary research carried out in the COCOPS Work Packages 1-5, and blends this with analysis of Eurobarometer data and interviews with European policy-makers carried out specifically for Work Package 6. The findings of the report suggest first that social cohesion is largely determined by socio-economic disadvantage and that the economic strain associated with the financial crisis has also had a detrimental effect on the cohesiveness of European societies. At the same time, public management also matters, with some reforms and practices found to have beneficial effects for social solidarity and social order – though some others were found to have a negative effect. Since it seems that public management can make a positive difference to the cohesiveness of society, there is good reason for the countries of the EU to continue to invest in developing better policies aimed at promoting social cohesion.

**Keywords:** Social cohesion, public sector reform, financial crisis

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## 1. Introduction

The reform of the public sector has arguably been one of the defining features of the public policy landscape for the past thirty years (Pollitt and Bouckaert, 2011). Nowhere more so perhaps than in parts of Europe, where governments have implemented a diverse array of initiatives designed to improve the management of public organizations in order to enhance the efficiency and effectiveness with which vital public services are delivered (Pollitt, van Thiel and Homburg, 2007). As well as being subject to the rigours of extensive management reforms, public organizations across Europe are increasingly expected to implement and develop strategies for responding effectively to complex and intractable social problems. In dealing with these “wicked issues”, public organizations can make a vital contribution to the overall degree of social cohesion within any given locality, region or country. In fact, the pursuit of social cohesion is one of the key policy aims of the European Union, particularly in terms of the enhancing the equity with which public services are distributed and in terms of the harmoniousness of relations between different social groups (Council of Europe, 2007).

Concerns about social cohesion within and across the member states of the European Union (EU) have been a defining feature of the history of the union (Klingemann & Weldon, 2012; Novy, Swiatek & Moulaert 2012). Debates about cohesion initially focused on territorial inequalities across Europe’s regions, and the use of structural funds to foster social solidarity by promoting jobs and economic growth (Fauldi, 2007). These developments encapsulate a *functionalist* view of social cohesion with a strong emphasis on equality of access to employment and services, especially those provided by the public sector (Heritier 2001). As the effects of globalization and further enlargements gathered pace though, so too has a perceived need to respond to tensions between the different social groups within Europe’s cities and regions (Council of Europe 2007). The initiatives developed to address this issue have thus reflected the growth of a *communitarian* view of social cohesion within Europe, which emphasizes the need for positive relationships between people from different backgrounds (Farrell, 2013). In this report, we therefore focus our attention on these two key perspectives on social cohesion, the first dealing with social solidarity, and the second dealing with social order (or harmony).

Despite the challenges posed to social solidarity and social order by the economic crisis and fiscal austerity in many European countries (European Commission 2011), little scholarly attention has so far been paid to theorising or empirically investigating the ways in which public management might influence the cohesiveness of society. The practices of public managers, performance of public organizations and impact of high-level managerial reforms are, however, all likely to play an important role in contributing to the sense of social solidarity and social order that underpin a cohesive society. Even so, many commentators remain sceptical about the potential for public administration *per se* to

make a positive difference to social outcomes. In fact, some observers have suggested that the public management reforms carried out in recent years have resulted instead in worse outcomes for people and the places that they live (Newman, 2011).

One of the principal critiques made of the New Public Management (NPM) reforms that have occurred in Europe, is that their neo-liberal inspiration makes them inherently hostile to the wider public good (see Clarke et al, 2007). Core NPM initiatives are thus often associated with a range of negative social outcomes, largely because they seem to prioritise cost-cutting and efficiency over public values (e.g. worse service quality and equity (contracting out); “cream-skimming” (competition); freedom from effective oversight (agencification). However, there are ways in which NPM reforms might result in positive societal outcomes. Consumerism within the public sector, for example, can improve equality of access and consistency in the treatment of service users (see Pollitt 1988). Moreover, competition and choice mechanisms might enhance equality of opportunity by placing greater pressure on service providers to respond to customer demand (Le Grand 2006) – something that has guided many of the market reforms undertaken in the European Union. Less clear, though, is how NPM reforms might be expected to improve relations between different social groups. Hence, it is conceivable that NPM reforms are consistent with improvements in the functional aspects of social cohesion, but that governance-style reforms that promote collaboration and co-production are more attuned to the communitarian aspects of cohesion.

In this report, we will draw on a wide range of evidence to offer a summative evaluation of what is currently known about public management reforms and social cohesion in Europe. We begin by exploring the concept of social cohesion, focusing, in particular, on the equity with which public services are distributed (‘social solidarity’) and the quality of the relations between different social groups (‘social order’), as key indicators of the functionalist and communitarian conceptions of cohesion. Following that, we analyse how and in what ways public management reforms might be expected to influence social cohesion. Thereafter, the fourth and fifth sections of the report document levels of social solidarity and social order across Europe, and summarise evidence on the effects of public management reforms on each dimension of social cohesion. Finally, the report concludes with a discussion of the prospects for coordinating for cohesion in the future.

## 2. Concepts and measures of social cohesion

Social cohesion is in many respects a kind of ‘buzzword’, which is used by policy-makers to depict an idealized togetherness within society that, in turn, justifies the mobilization of government resources for its sustenance (Bernard, 1999). Yet, despite its frequent politicization, the concept of social cohesion is actually one of considerable theoretical pedigree within social science and has long been deployed as a means for understanding the capacity of a community to reproduce itself in the long-run (e.g. Durkheim, 1984; Putnam, 2000). Hence, sociologists often regard communities and societies as cohesive when aggregate level conditions ‘are producing positive membership attitudes and behaviours’ (Friedkin, 2004, p.410). Within the European context this has recently been conceptualised as ‘when individuals and groups feel common cause with others and can recognise and are prepared to act for the collective good, seeing themselves as members of the community’ (Council of Europe, 2008: 8).

Although there is general agreement that a cohesive society is a good thing, to date there has been little consensus on how the rather broad notions of social cohesion within the sociological and policy literatures should be conceptualized and operationalized (Berger-Schmitt 2000; Chan, To & Chan 2006; Dicks & Velentova 2012). For the purposes of this report, we draw upon measures that reflect the two modes of thinking about cohesion that have been most influential within debates about policy action on cohesion in Europe: the *functionalist* mode, which focuses on social solidarity (i.e. generalized support for measures to promote social equity); and the *communitarian* mode, which focuses on social order (i.e. harmonious relations between different social groups) (Council of Europe, 2007). These functionalist and communitarian modes of conceptualizing social cohesion are both concerned with the shared norms and values that bind people together (Delhey, 2007). They are also notions with a venerable history within the annals of social and political science. The idea that a cohesive society is premised on equitable social outcomes underpins theories of distributive justice (Rawls, 1972) and democratic public administration (Fredrickson, 1990), while the importance of positive group relations is a key insight of social capital (Putnam 2000), social contact (Allport 1954) and disorganization theories (Shaw & McKay, 1969). But how can these ideas be operationalized for research purposes?

The degree to which social groups perceive there to be ‘open access to services of general benefit and protection’ – especially those provided by the state (Kearns and Forrest (2000, p. 999) plays a crucial role in determining *social solidarity*. Where access to public services is perceived to be equal and where each citizen receives fair treatment by the providers of those services, groups may feel more disposed to support (and pay for) redistributionist policies and institutions aimed at benefiting the community as a whole (Esping-Andersen, 1990). *Social order* is a product of the harmony between the diverse social groups present within any given community (Kearns and Forrest 2000). Harmonious co-existence is

therefore a key indicator of the capacity of a community to sustain itself and resolve disputes and complications between social groups through more or less formal processes of collective decision-making (Gibbs 1977).

From a public management perspective, social solidarity and social order are high-level goals, or social outcomes, towards which multiple public agencies work. In fact, one of the most striking features of the contemporary public administration landscape is the growing emphasis being laid upon outcomes-based management rather than a narrow focus on inputs and outputs, or indeed effectiveness, efficiency and results (Perrin, 2006). This emphasis on social outcomes reflects the concern of policy-makers with the so-called “wicked issues” that confront today’s governments, from family breakdown and long-term unemployment to violent extremism and global warming. Within this overarching policy discourse, social cohesion can be viewed as a meta-outcome that shapes and is shaped by multiple other social outcomes. In the EU, for example, debates about cohesion originally focused on how to address inequalities in access to public services following market liberalization (Héritier, 2001), and have now turned towards the tensions between the increasingly diverse social groups within Europe’s cities (Council of Europe, 2007). All of which highlights, that public management reforms may have an important impact on the cohesiveness of society.

Despite wide-ranging debates about the likely societal effects of NPM (See Christensen and Laegrid 2011), little is actually known about the impact of management reforms on the social solidarity and social order within European countries, or about how one might conceptualise the contribution of different reforms to the cohesiveness of society. In the next section, we explore theoretical perspectives on the potential impact of public management reforms on social cohesion, before we review evidence on the effects of reforms on access to public services and the relations between different social groups.

### 3. Public management reforms and social cohesion

Many public managers are daily engaged with issues of distributional equity and inter-group relations through their work with citizens at the street level (Lowndes and Thorp 2011). Moreover, the performance of public institutions and organizations can make an important contribution to people's sense of citizenship and the perceived equity with which key services are distributed (Kumlin & Rothstein, 2005). Nevertheless, it is conceivable that it is the policies for public sector reform that cause since those policies shape the practices of public managers and the performance of public organizations.

High-level reforms of the public sector may have both intended and unintended effects on social solidarity and order. For example, the transparency agenda has evolved with the explicit aim of improving citizens' access to government (see Hood and Heald, 2006), whilst downsizing and internal mergers within government are invariably aimed at cutting costs (Hood and Dixon 2013) – each of these reforms, though, may have implications for the main aims of the other. Initiatives to improve the accountability of the public sector, such as collecting, auditing and publishing government data, may cost a lot of money, whilst internal restructuring may lead to reduced capacity to provide public services equitably and to the same quality. Thus, all kinds of management reform may have an important impact on social solidarity and social order, and those effects may be felt at multiple levels within the system of governance in any given society.

Public management reforms are invariably regarded as symptoms of the New Public Management (NPM), which advocated making government more business-like. Yet, many of the reforms carried out in Europe in recent years have not fitted neatly within the rubric of practices typically associated with NPM. Privatisation, agencification and consumerism have not been uniformly adopted by governments throughout Europe, and even in those countries where such practices prevail they are increasingly supplemented with techniques that rely on the “soft power” of networks and the “hard edge” of bureaucracy. This muddying of the reform landscape, in turn, has led many commentators to advance alternative schema for exploring developments in public management, such as the New Public Governance and the Neo-Weberian State.

The complexity of the public management reform landscape poses considerable challenges not only for the grand theorists seeking to interpret the broad sweep of institutional history, but also for empirical researchers seeking to evaluate the differential impact of reforms on social outcomes. To discuss the potential impact of different types of reform on social cohesion we draw upon Mark Moore's (1995) distinction between managing inwards and outwards, and managing upwards and downwards. In utilising Moore's work, we derive four management reform orientations that we believe can encapsulate the basic aims of key reform initiatives: *inwards-downwards* (e.g. reduction of red tape); *inwards-*

*upwards* (e.g. centralization); *outwards-downwards* (e.g. citizen participation); and, *outwards-upwards* (e.g. strategic alliances). Few initiatives are likely to represent “pure” cases of any given reform orientation. Rather there is likely to be some hybridity in the degree to which any initiative is associated with one or more orientation, especially, along the managing upwards and downwards axis. Even so, we anticipate that each of the four core reform orientations will be likely to exhibit distinctive relationships with the equity with which vital services are distributed and the quality of the relations between social groups within European countries.

*Inwards-downwards* management reforms are generally assumed to improve the internal functioning of organizations by giving managers more freedom and responsibility for service delivery decisions, which, in turn, might elicit greater responsiveness to citizens’ needs. *Inwards-upwards* reforms might be expected to reduce principal-agent problems for the senior management within public organizations, and to increase the pressure on managers to develop structures that are designed to meet high-level organizational goals, such as the promotion of social cohesion. *Outwards-downwards* reforms are typically aimed at involving stakeholder groups more intensively in the delivery of services, and so are often expected to make those services more customer-focused by offering citizens or the private sector a greater role in service production. *Outwards-upwards* reforms are intended to bring together the multiple stakeholder groups involved in the formulation and design of policy in pursuit of economies of scale and more joined-up strategic thinking, which, in theory, should generate closer coordination across a whole policy field.

As noted above, it is theoretically possible that each of these reform orientations may be associated with improvements in social cohesion. However, it is also possible that the coordination challenges that reform initiatives pose may result in deteriorations in social cohesion. *Inwards-downwards* management reforms may cause managers to turn inwards and become more concerned with maximising budgets rather than meeting citizens’ needs. *Inwards-upwards* reforms might prevent the positive effects of professional autonomy from emerging by increasing the pressure on public servants to meet outdated or irrelevant targets. *Outwards-downwards* reforms may raise citizens’ expectations about the potential for public organizations to meet their needs, which could, in turn, decrease trust in government, when those expectations are not met. *Outwards-upwards* reforms could result in the interests of powerful stakeholders superseding those of the less-advantaged, which may undermine equality of service access and increase tensions between social groups.

This brief discussion of the conceptual connections between public management reforms and social cohesion indicates that the pattern of those connections may be a very complicated and intricate one that may even vary across different aspects of social cohesion. It is therefore difficult to specify *a*

*priori* the impact of a particular reform on access to public services or on the relations between different social groups. Nevertheless, it would seem likely that the effects of inward-orientated reforms will be felt most strongly in terms of access to public services, whereas the effects of outward-orientated reforms may be more likely to shape social relations. From another point of view, it is conceivable that the economic and consumerist ideas behind the types of reforms associated with the New Public Management may mean that they have more impact on functionalist aspects of social cohesion, such as service access. By contrast, the political and corporatist ideas behind the types of reforms associated with the New Public Governance may mean that they have a greater impact on the communitarian aspects of cohesion, such as inter-group relations (Lowndes and Thorp 2011). To provide a preliminary assessment of the dynamics of the relationship between public management reforms and social cohesion in Europe, we next provide a selective review of the available evidence on the effects of different types of reform on social solidarity and social order within and across European societies.

#### 4. Evidence on trends in social solidarity

The concept of ‘social solidarity’ refers to the reduction of disparities in income, fairness, improving quality of life and equity in the way in which public services are distributed. Where there are wide disparities in these factors, it can be ethically and socially corrosive, and so it is important to consider the whether public management reforms are having positive or negative effects on access to public services in particular. To evaluate the evidence on public management reforms on social solidarity, this section uses secondary material from the public administration literature as well as primary research from four COCOPS work packages (WPs). The WPs used in the section are: the meta-analysis of impact studies (WP1); the survey of public managers across the EU (WP3); the analysis of citizen attitudes (WP4); case studies of innovative coordinative practices (WP5); and interviews with European policy stakeholders carried out as part of the integrative review of evidence on public management and social cohesion (WP6).

##### 4.1 Prior research on access to public services

As part of WP1, a large-scale meta-analysis of all published quantitative and qualitative studies analysing the effects of public management reforms was undertaken by members of the COCOPS team. This meta-analysis explored the impact of a variety of different reforms on a wide range of outcomes, including the question of whether NPM had generated increased inequalities in citizen access, or reduced inequality, or if they had no impact. Previous reviews of the determinants of public sector outcomes (e.g. Boyne 2003), have found that most of the empirical literature on NPM deals with outcomes other than equity, such as efficiency or output quality. Similarly, of the 518 studies reviewed as part of the COCOPS WP1 meta-analysis, only fifty actually make mention of equal access to services. Nevertheless, these studies do offer a clear indication of the impact of NPM reforms on access to public services. Twelve indicated that access to public services improved, the same number that access remained unchanged and slightly more than half (26) that it had deteriorated. Although the results for service access contrast with those for efficiency, effectiveness, quality and savings, they are in line with much of the literature on NPM, which suggests that equity suffers in the wake of efficiency-driven reforms (see, for example, Knapp et al. 1999).

According to the meta-analysis, the types of reforms that seemed most likely to have a positive impact on access to services, were those that were *inwards-upwards* in orientation, such as quality improvement schemes and new personnel management systems. Those reforms that were found to have a negative impact were typically orientated *outwards*, especially contracting out and user choice, but some *inwards* orientated reforms were also found to damage service access, particularly performance measurement and downsizing.

One of the studies which suggested that access to services had narrowed evaluated the impact of market reforms in the EU using Eurobarometer data from 2000-2006 to examine consumer satisfaction with access to public network services – such as water, energy, transportation and communication (Clifton and Díaz-Fuentes, 2010). This found a wide variety in levels of satisfaction across services with 93% of respondents satisfied with access to electricity, water and postal services but only 72% satisfied with services for gas. When these data were broken down by socio-economic group, it showed that different categories of respondents often have poorer access to services. For gas, access for respondents in rural villages and those over the age of 55 was 11% and 5% respectively lower than average figures. A similar pattern was found for those accessing urban transport. These figures highlight that market reforms may lead to substantial inequities that have profound implications for social solidarity.

A similarly troubling picture of the potential for serious inequalities to result from public sector reforms at the national level emerges from a case study of the control mechanisms used by the Flemish government to monitor the performance of a quasi-autonomous public agency (Flemish Employment Service). This study showed that effectiveness improved but that ‘one major exception on the good performance report...were the low result concerning the objectives concerning equity and justice of service delivery, with an insufficient representation of hard-to-place groups of jobseekers in the services and outflow’ (Verhoest, 2005: 244).

A review of the public administration literature dealing specifically with the issue of access to local public services identified a small number of additional relevant studies within the healthcare sector. These revealed a mixed pattern of results within the same service area across different countries. In Germany, healthcare reforms introduced in 2007 saw enhanced competition as the main tool to achieve higher cost-effectiveness. By making health insurance mandatory, it addressed the increasing number of uninsured citizens which stood at around 200,000 people in early 2007 (Brandt, 2008). In the UK, the New Labour governments argued that the introduction of competition into the NHS would enhance equity for poorer patients by increasing hospital capacity and patient choice healthcare. The popular view perpetuated in the media was that competition had undermined equity, but recent academic evidence (from between 2003-2008) suggests that competition had no harmful effect on socio-economic equity in hospital care (Cookson et al., 2010). In fact, one paper concluded that competition may have very slightly improved socio-economic equity (Cookson et al., 2013). By contrast, evidence from Central and Eastern European countries suggests that accessibility to services and equality of access is decreasing as market-based reforms have taken hold there (Nemec and Kolisnichenko, 2006).

More broadly, research into how policymakers deal with the tension between choice and equity in healthcare concluded that the implications for equity were not systematically addressed by the decision-

makers responsible for designing reforms (Fredriksson et al. 2012; Stevens et al. 2011). To illustrate the need for such considerations to be taken more fully into account by policy-makers responsible for the public sector of the future, we next review the evidence from COCOPS studies of access to public services.

#### *4.2 COCOPS studies on access to public services*

As part of WP4, members of the COCOPS team undertook an analysis of data across EU member states where they compared citizen satisfaction with access to key public services across a set of social and economic characteristics (Clifton et al. 2012). Satisfaction with access is derived when the respondent states that the access of a service is “easy”, instead of difficult or non-existent. The results suggest that satisfaction with access is quite high (above 80%) for all services, except internet (69%), gas (72%) and railways (73%). An examination of the Eurobarometer data by different social and economic characteristics shows similar trends compared to previous analyses (Clifton and Díaz-Fuentes, 2010) as some factors such as being elderly, female, having low educational attainment, living alone and living in a rural area are all associated with having a lower probability of experiencing satisfaction with access to public services, whereas managers and white collar workers are more satisfied than other occupational groups with the access. All of which points towards a need to incorporate equal access to public services more fully into the public management reforms being implemented within Europe.

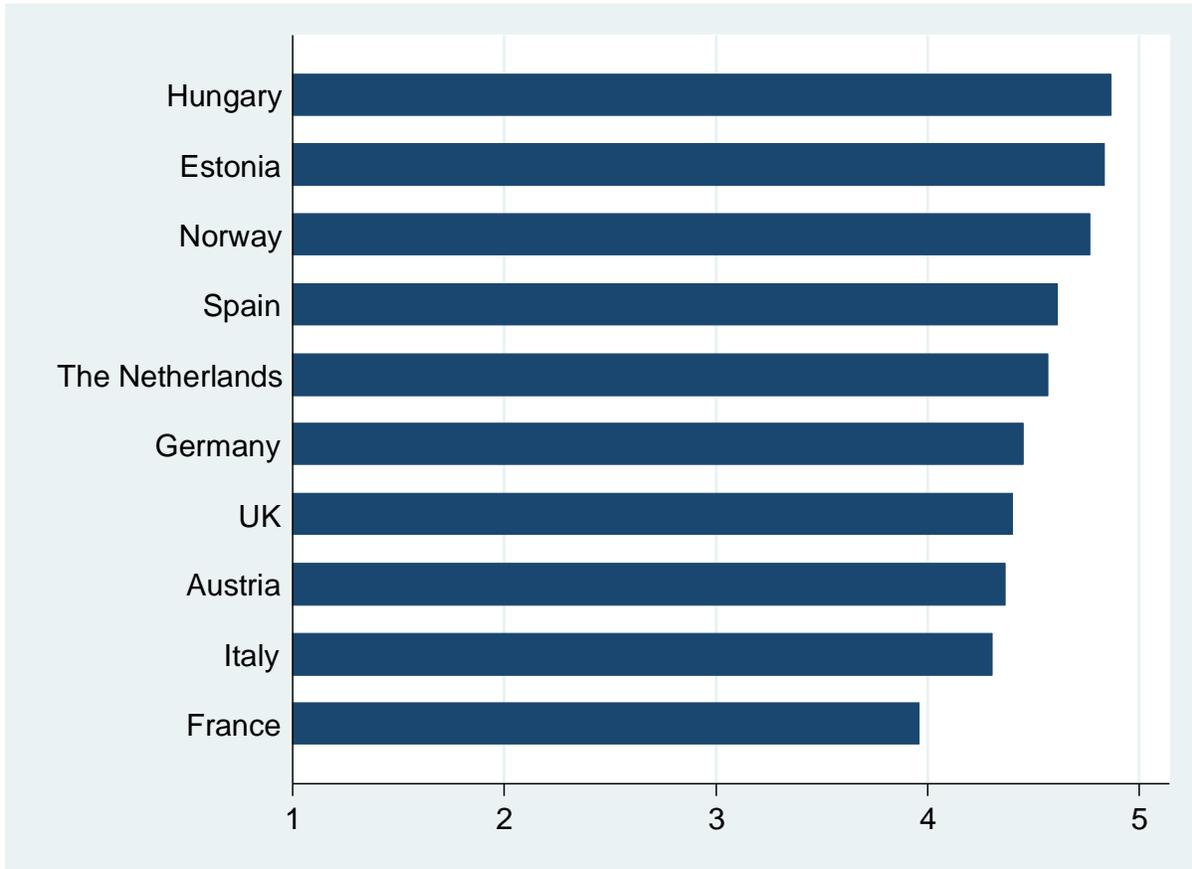
European policy stakeholders interviewed as part of WP6 recognised these issues. We were told that social cohesion is already ‘a mainstreamed agenda. It is identified as an objective of the structural funds, but it manifests itself in many areas’. Interviewees explained that things have been done to try and improve access to services. For example, policies in education have been designed ‘as a means of combating educational disadvantage and social exclusion’ and in transport, the ‘Directorate for Mobility and Transport has been heavily involved in improving access (e.g. Fourth Railway Package)’ as it was recognised that ‘railways do play a role in social cohesion’. Another interviewee explained that the Directorate for Regional Policy is examining the energy efficiency effects on poor people and the problem of high costs for heating. One interviewee explained that ‘overall, social cohesion is sine qua non... it goes across policy areas’. Nevertheless, another stated that interest across policy areas varied as ‘the more social a service the higher the public interest’. This may mean that at the European level, at least, ‘services of general economic interest (e.g. electricity, water, telecommunications) are not perceived to be as important in terms of access like classical social services are’.

One interviewee used the telecommunications sector as an example of where the ‘opening up the market has led to benefits for the consumer’. They argued that competition following market

liberalisation has resulted in substantial consumer benefits because it broke up inefficient and corrupt state-owned monopolies in some countries. For example, ‘mobile phone ownership [as we now know it] would not be possible otherwise’ and now the EU is focused on ‘getting roaming charges down’. Evidence from our COCOPS research which analysed reforms in the telecommunications sector (fixed, mobile and internet) in the UK and Spain concluded, however, that market liberalisation has led to a ‘two-track’ Europe. This is where ‘vulnerable consumers’ such as the elderly, those not working and the less-educated behave differently in the market, which means that they are less satisfied with these services than their younger, working, higher-income counterparts (Clifton et al. 2011).

Although inequalities in service access clearly result in citizen dissatisfaction, this discontent may not translate into a determination to secure redress. In a study focusing on the EU15, it was found that lower educated citizens are less likely to submit a complaint about a public service when compared with those with a higher education; whereas middle age respondents are more likely to exercise voice (Jilke and Van de Walle, 2013). These studies show the differential impact of a change in the market on different groups and the role that European Commission regulation could play in attempting to ensure equity, solidarity and social cohesion. That said, it is also important to consider the impact of public management on access to public services at the national and local levels.

As part of WP3, we surveyed senior public managers in national governments across Europe and posed a couple of questions on the performance of those governments on social solidarity (COCOPS Top Public Executives Survey). The results in Figure 1 below show that perceptions of how national administrations have performed in providing equal access to services on a scale of 1 (deteriorated significantly) to 7 (improved significantly) are closely bunched. All countries apart from France score between 4 and 5 with bureaucrats in Hungary, Estonia and Norway being the most positive about government performance on equal access to services. We expected to find more variation across countries because as one of our interviewees explained, ‘Member states say they are in favour of universal access, but they all follow different paths’. The findings from the WP3 survey though suggest that despite different approaches to implementing reforms, levels of service access may be fairly constant across countries.



**Figure 1: Thinking about your policy area over the last five years how would you rate the way public administration has performed on the dimension: equal access to services?; 1=Deteriorated significantly, 7=Improved significantly).**

To explore potential influences on performance on access to services within governments across Europe, correlations were calculated between that performance and the policy areas covered by survey respondents' job responsibilities. Amongst thirteen key policy areas, seven (general government, finance, defence, employment, health, environment and recreation) have a statistically significant level of association with performance on cohesion (see Table 1). Of these areas, employment exhibited an especially strong positive relationship with social solidarity, highlighting that employment policy reforms may be especially likely to have had benefits for equality of access to services.

**Table 1: Correlations between equal access to services and policy area.**

---

|                    |       |
|--------------------|-------|
| General government | .03+  |
| Finance            | .04*  |
| Defence            | -.04* |
| Employment         | .07** |
| Health             | -.04* |
| Environment        | -.04* |
| Recreation         | -.04* |

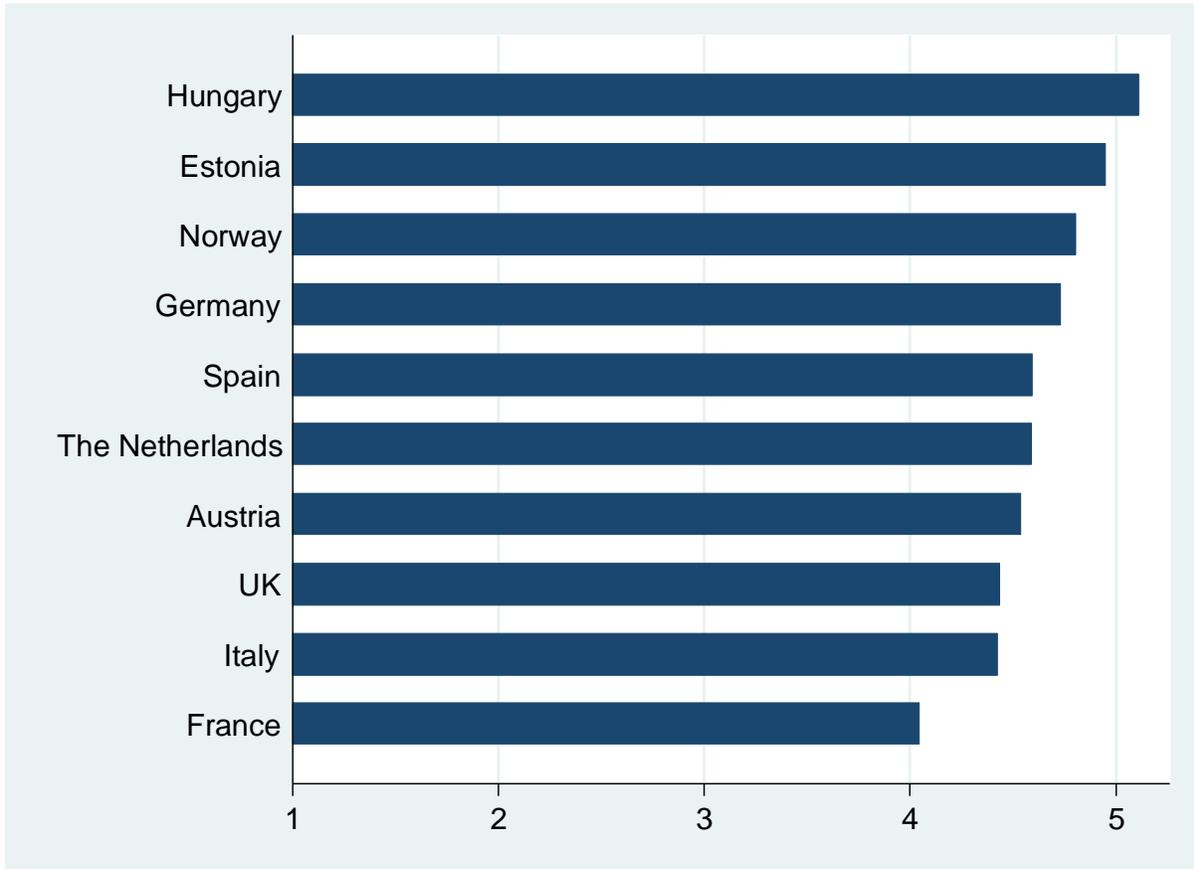
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N=4215 Spearman correlations (2 tailed) +p.>=.10, \*p.>= 0.05, \*\*p.=0.01

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To build on this analysis, we also assessed the importance of organization type using bivariate correlations. However, we observed no statistically significant correlations between respondents in national level institutions and service access or between respondents in subnational institutions and access, indicating that whilst policy area matters for service access, the level at which policy is administered does not seem to be important.

In addition to asking top managers about their perceptions of government performance on service access, we also quizzed them about the related outcome of fair treatment of citizens (Figure 2). The results for this aspect of government performance are very similar to those for equal access, with an average score of 4.6 and the same countries scoring the highest (Hungary, Estonia and Norway) and lowest (France).



**Figure 2: Thinking about your policy area over the last five years how would you rate the way public administration has performed on the dimension: fair treatment of citizens?; 1=Deteriorated significantly, 7=Improved significantly).**

In terms of the correlations between performance on fair treatment and policy area, we observed statistically significant relationships for only four key policy areas (defence, employment, health and environment) (see Table 2). Of these areas, only employment exhibited an positive relationship with social cohesion, highlighting again the key role that employment services appear to play in improving social solidarity within Europe.

**Table 2: Correlations between fair treatment and policy area.**

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|             |        |
|-------------|--------|
| Defence     | -.03*  |
| Employment  | .07**  |
| Health      | -.04** |
| Environment | -.03*  |

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N=4225 Spearman correlations (2 tailed) +p.>=.10, \*p.>= 0.05, \*\*p.=0.01

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Again, we observed no statistically significant correlations between respondents in national level or subnational level institutions and fair treatment.

To understand the extent to which variations in government performance on social solidarity might be attributable to public management reforms, Andrews, Downe and Guarneros-Meza (2013) use the WP3 survey to carry out regression analysis of the relationship between an array of reforms and service access and fair treatment. They find that for *outward-downward* reforms there is a striking pattern of a positive connection with social solidarity, with both a customer focus and transparency within government being associated with higher levels of service access and fair treatment. By contrast, *outward-upward* reforms, such as contracting-out and privatisation are strongly associated with worsened solidarity. For *inward* orientated reforms, a more complex pattern emerges with bureaucracy reduction and intra-sector collaboration having a positive relationship with both measures of solidarity, but mergers a negative one. These findings largely mirror the evidence from WPs 1 and 4 regarding the damaging effects of market-based NPM reforms, and are suggestive of a New Public Governance performance pay-off in terms of service access – at least at the national level.

Generally speaking, social cohesion is a shared responsibility across multiple levels of government which is co-produced by citizens themselves (Farrell 2013). To understand how public management practices at the local level impact social solidarity, COCOPS researchers have analysed service equity in English local governments. Andrews and Van de Walle (2013) find that public-private partnerships are negatively related with local citizens' perceptions of service equity, but that a customer focus and an emphasis on innovation are positively related. In a similar vein, Andrews (forthcoming) finds improvements in service equity where local government managers devote more of their time to 'managing outward'. That said, to make equal access to services a reality, local governments require active citizens interested in getting information and influencing decisions about the quality of services. The problem again here though is that disadvantaged populations tend to participate less in local coproduction activities than other higher socio-economic groupings (Clark et al. 2013; Jakobsen and

Anderson, 2013). All of which points towards the need for better systems for incorporating hard-to-reach groups within the decision-making processes of local public services.

Research on co-ordination practices carried out as part of WP5 found that the existing public sector apparatus is generally not fit to handle complex societal challenges such as social cohesion. There seems to be a mismatch between the problem structures and the organizational structures. Important tasks cut across organizational borders, policy areas and administrative levels in multi-level governance systems. It is important, therefore, that social cohesion should continue to be a political objective for national and supranational, as well as local governments (Farrell, 2013) and a ‘habit of mind for the decision maker’ (Guy and McCandless, 2012), and not just, as one interviewee suggested, a ‘political exercise’.

## **5. Evidence on trends in social order**

The concept of social order refers to the quality of relations between different social groups. Where tensions between social groups become embedded within the structure of a society, people become less able to realise their long-term common aims and values, such as health, family stability and all the other components of human well-being (Kornhauser 1978). Hence, the extent to which diverse social groups to get along is increasingly an object of public management practice and reform. To evaluate the evidence on the impact of public management reforms on social order, this section uses secondary material from the public administration literature as well as quantitative research and interviews carried out as part of work package 6 aimed at producing an integrative review of evidence on public management and social cohesion.

### *5.1. Social order across Europe*

To date, empirical studies of the determinants of social order have investigated group relations at a European level and at a local level, where the focus has mostly been on citizens' perceptions about people of diverse backgrounds getting on well together and on levels of interpersonal trust. In both settings, deprivation, or income inequality, has been shown to have a consistent and significant negative relationship with citizens' perceptions of social order. The logic which explains this relationship is that the most deprived groups within society lack the socio-political and economic resources to interact with or trust other groups (Almond and Verba, 1963; Putnam, 1993). Equally, ethnic diversity is sometimes shown to have a negative relationship with social cohesion as heterogeneity may prompt different understandings and perceptions of citizen engagement with political and government institutions (Andrews 2009; Gerritsen and Lubbers 2010). The negative relationship between income inequality and social order is apparent in analysis of Eurobarometer 74.1 carried out as part of WP6. Table 3 presents figures on the percentage of Eurobarometer respondents in the EU27 agreeing that there was a lot of tension between four types of social group: the poor and rich; management and workers; elderly and young; racial and ethnic groups. The table shows that some European countries have markedly higher levels of social tensions than others. This is clearly the case for Germany, France, Czech Republic, Hungary and Slovakia. It is also clear that perceived racial tensions are quite high across all countries, whereas generational tensions are comparatively low.

**Table 3: Tensions between social groups within European countries (2010).**

| % indicating 'a lot of tension' | Poor and rich | Management and workers | Elderly and young | Racial/ethnic tensions |
|---------------------------------|---------------|------------------------|-------------------|------------------------|
| Belgium                         | 25.6%         | 26.5%                  | 14.1%             | 48.5%                  |
| Denmark                         | 6.0%          | 2.9%                   | 3.7%              | 48.0%                  |
| Germany                         | 40.8%         | 40.4%                  | 18.1%             | 44.9%                  |
| Greece                          | 41.7%         | 45.7%                  | 15.7%             | 44.7%                  |
| Spain                           | 28.2%         | 35.5%                  | 15.8%             | 39.8%                  |
| Finland                         | 16.8%         | 13.8%                  | 5.7%              | 40.8%                  |
| France                          | 46.4%         | 45.3%                  | 16.7%             | 55.3%                  |
| Ireland                         | 22.4%         | 21.1%                  | 5.9%              | 30.6%                  |
| Italy                           | 27.5%         | 31.1%                  | 16.7%             | 45.8%                  |
| Luxembourg                      | 27.5%         | 31.7%                  | 14.2%             | 31.1%                  |
| Netherlands                     | 15.8%         | 18.8%                  | 11.1%             | 55.1%                  |
| Austria                         | 20.1%         | 23.3%                  | 12.5%             | 37.7%                  |
| Portugal                        | 15.9%         | 20.6%                  | 5.7%              | 18.4%                  |
| Sweden                          | 16.0%         | 12.3%                  | 7.5%              | 40.7%                  |
| UK                              | 25.9%         | 20.0%                  | 18.4%             | 44.8%                  |
| Cyprus                          | 13.3%         | 13.5%                  | 7.5%              | 30.1%                  |
| Czech Republic                  | 51.2%         | 38.8%                  | 22.5%             | 60.3%                  |
| Estonia                         | 32.7%         | 26.9%                  | 17.6%             | 22.2%                  |
| Hungary                         | 74.0%         | 58.4%                  | 26.3%             | 64.8%                  |
| Latvia                          | 41.0%         | 22.1%                  | 11.3%             | 15.9%                  |
| Lithuania                       | 51.5%         | 35.9%                  | 16.4%             | 14.3%                  |
| Malta                           | 27.7%         | 28.0%                  | 15.7%             | 54.1%                  |
| Poland                          | 36.7%         | 32.9%                  | 20.3%             | 23.3%                  |
| Slovakia                        | 40.6%         | 34.8%                  | 13.9%             | 40.1%                  |
| Slovenia                        | 41.2%         | 55.3%                  | 23.4%             | 30.6%                  |
| Bulgaria                        | 22.1%         | 14.5%                  | 10.7%             | 15.7%                  |
| Romania                         | 39.7%         | 43.3%                  | 21.0%             | 22.6%                  |

*Source: Eurobarometer 74.1 Poverty and Social Exclusion (2010)*

The recent Eastern enlargements of the EU and the potential accession of Turkey, have in combination with the impact of the global financial crisis and the subsequent troubles of the Eurozone, arguably placed more pressure on the relations between the social groupings within Europe countries than at any time in the post-war period (European Commission 2011). One of our interviewees suggested that there is ‘such a fragmentation at the moment... people can co-exist but not be inclusive’. As a result, the role that public management can play in building better social relations within and across Europe has taken on an increasing urgency.

## *5.2. Public management reforms and social order*

To date, research has yet to systematically assess the impact of European-wide public management reforms on social order within European societies. Yet, there is a widespread perception amongst European policy-makers that the social effects of the financial crisis represent, as one of our interviewees noted, ‘the biggest existential crisis that the EU has faced since 1957’. Evidence of the scale of this crisis for the EU can also be seen in figures showing a drop of over 25% in Europeans’ trust in EU institutions between 2007 and 2013 (Eurobarometer 79). One of the responses of the European Commission to this ‘loss of faith in EU institutions’ has been to initiate ‘citizens’ dialogues – to demonstrate the willingness of the Commission to listen to the concerns of citizens’. This reform indicates that at the supranational level, public management matters for what another interviewee described as the ‘invisible factors that underpin social cohesion... trust, recognition, reciprocity’.

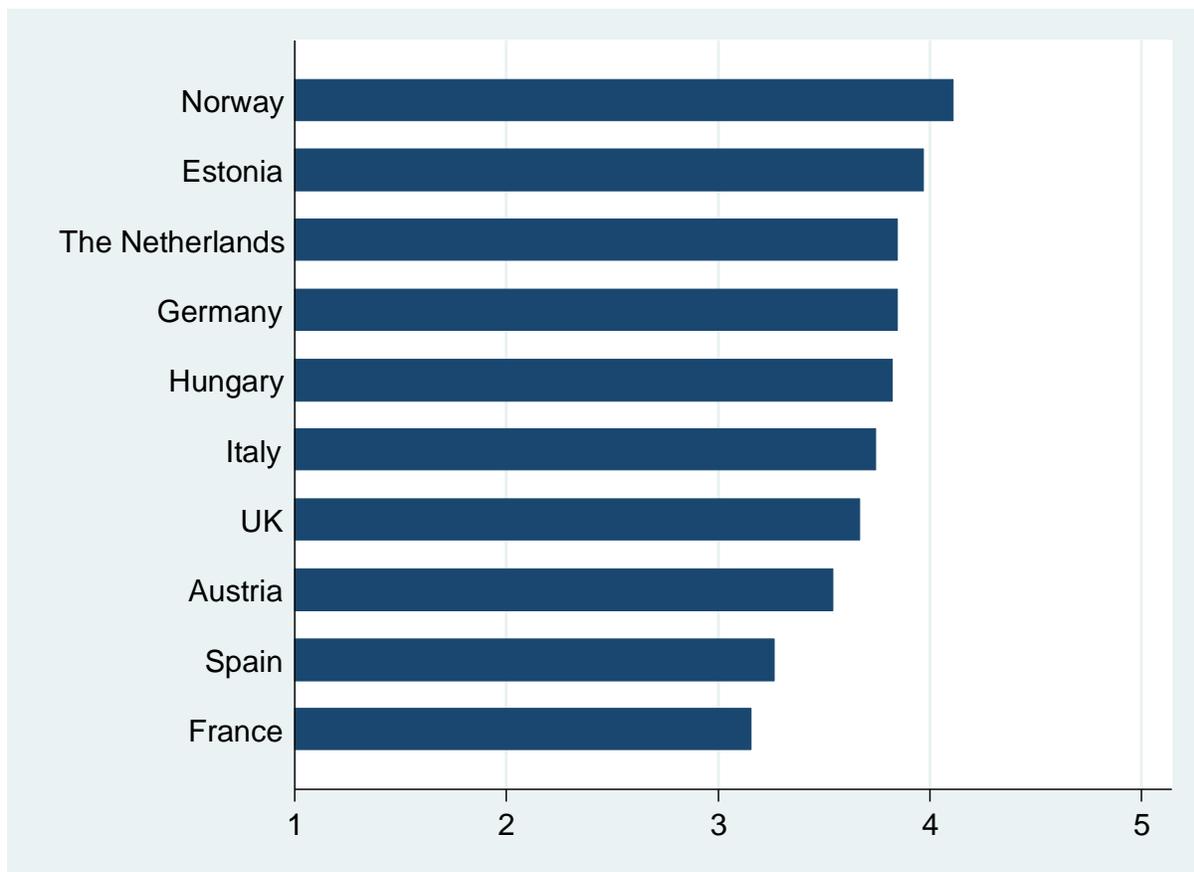
The literature on integration, which puts an emphasis on trust between EU nationalities, also underlines the importance of public management for enhancing political support and, hence, trust in government. In particular, practices pointing towards corruption of politicians and public servants or the neutrality of government in assigning public contracts have been shown to have a negative relationship with trust between member and accession states (Delhey, 2007; Gerritsen and Lubbers, 2010; Klingemann and Weldon, 2013). Government stability, durability and performance have also been associated with weakened trust between countries (Newton, 2006).

At the same time, European level policy change around the issue of social cohesion has occurred following the 2004 enlargement of the EU. As one of our interviewees emphasised that in the wake of the Eastward enlargements and the financial crisis ‘we’ve seen for the first time [real] strains in social cohesion between countries. We’ve also seen anti-migration sentiment’. According to the interviewee, social cohesion ‘was previously more about social class and has turned toward ethnic diversity’. In particular, because ‘migration tensions are now at the level of member states... the EU is being drawn into the debate around immigration and social cohesion’. As a result, ‘social cohesion is no longer restricted to the labour market, that’s something new’.

In response to these social and political developments, studies have begun to incorporate proxies for the effects of enlargement in their analyses, typically either trust between different nationalities or levels of labour migration. At the European level, similarities in language and religion between old and new member states have been shown to produce higher levels of trust, as have such similarities between natives and immigrants within European countries (Delhey, 2007; Kingemann and Weldon, 2013). At the local level, similar findings have been observed within the rural areas of England that experienced high levels of worker migration from Central and Eastern Europe following the enlargement of the EU in 2004

(Andrews, 2011). One conclusion drawn from this research is that government and public services need to do more to manage the impact of enlargement on social order. In fact, it is quite conceivable that public management reforms themselves have important implications for the relations between different social groups.

Respondents to the survey carried out as part of WP3 did not believe that public administration, with regard to social cohesion (which we here assume captures the presence of positive membership attitudes), had improved significantly in the five years prior to 2011. From the total sample, 19% of respondents confidently believed that it deteriorated as opposed to 6% who thought it improved. Across European countries, although presenting low average scores, Norwegian public managers were the most optimistic in thinking social cohesion improved, followed by Estonians, Germans and the Dutch (Figure 1).



**Figure 3: Thinking about your policy area over the last five years how would you rate the way public administration has performed on the dimension: social cohesion?; 1=Deteriorated significantly, 7=Improved significantly).**

Correlations were again calculated between the level of social cohesion improvement and the policy areas covered by respondents' job responsibilities. Only finance, economic affairs, defence and employment have a statistically significant level of association with performance on cohesion (see Table 4). Of these areas, only employment again exhibited a positive relationship with social cohesion, highlighting once more that employment services may be especially likely to have benefits for the cohesiveness of European societies.

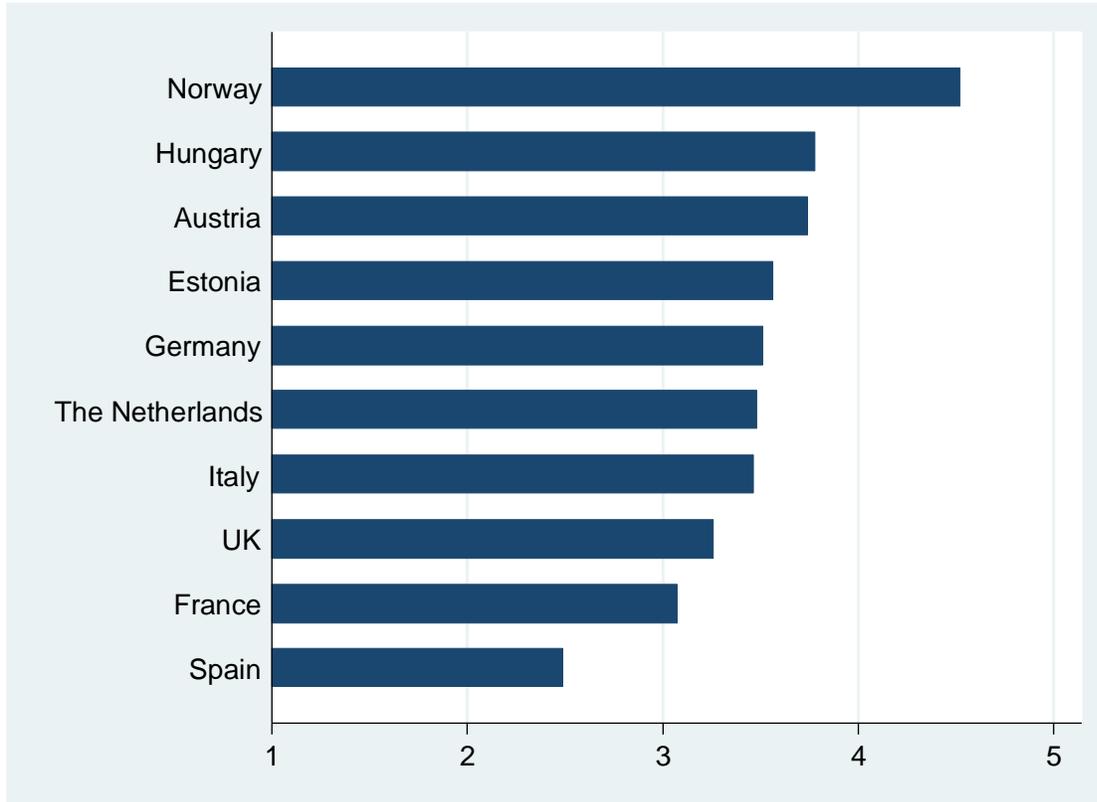
**Table 4: Correlations between social cohesion and policy area.**

|                  |        |
|------------------|--------|
| Finance          | -0.03+ |
| Defence          | -0.04* |
| Economic affairs | -0.04* |
| Employment       | 0.04** |

N=4179 Spearman correlations (2 tailed) +p.>=.10, \*p.>= 0.05, \*\*p.=0.01

To build on this analysis, we assessed the importance of organization type using bivariate correlations. On this occasion, these correlation results showed, in particular, that subnational level agencies tended to be less positive about the extent to which social cohesion had improved over the last five years than their central government counterparts (Spearman correlation = -.026\*).

To further our understanding of the impact of public management on social order, we also examined the levels of trust in government (a variable closely related to interpersonal trust – see Brehm and Rahn, 1997). As for the scores on social cohesion, respondents did not believe that public administration improved significantly, in the last five years, with regard to citizen trust in government (see figure 4). From the total sample, 26% confidently believed that trust in government had deteriorated as opposed to 6% who thought it had improved. Senior civil servants in France and Spain affirmed only a weak level of citizen trust in government, with only their Norwegian counterparts indicated that citizen trust was above the mid-point of the Likert scale.



**Figure 4: Thinking about your policy area over the last five years how would you rate the way public administration has performed on the dimension: citizen trust in government?; 1=Deteriorated significantly, 7=Improved significantly).**

In terms of the correlations between performance on citizen trust and policy area, we observed statistically significant relationships for only four key policy areas (general government, foreign affairs, infrastructure and environment) (see Table 5). Of these areas, environment exhibits a noticeably strong negative relationship with citizen trust, highlighting that managers in this policy area have concerns about the contribution of their work to social cohesion.

**Table 5: Correlations between fair treatment and policy area.**

|                    |        |
|--------------------|--------|
| General government | .03*   |
| Foreign affairs    | .05**  |
| Infrastructure     | -.04** |
| Environment        | -.06** |

N=4227 Spearman correlations (2 tailed) +p.>=.10, \*p.>= 0.05, \*\*p.=0.01

Further analysis revealed that national level organizations again tended to believe more than subnational bodies that citizen trust in government improved during this period (Spearman correlation = .066\*\*). It is possible that because respondents within subnational institutions are closer to the ground they are more familiar with the problems caused by social tensions within Europe's cities and regions, whereas those at the centre see the bigger picture in terms of a country's overall international standing. One of our interviewees also noted that 'action is possible and interesting at the local level... at the local level some improvement is possible', indicating that national agencies may be less inclined to engage with the issue of social order than their local counterparts. Even so, 'some regions do bring the [national] public administrations to have a more strategic vision rather than responding to need on an on-going basis'.

Whatever the causal mechanism that lies behind the variations in social cohesion at the national and local levels, it is nonetheless important to examine in more depth how public management can make a difference to social order. Quantitative research carried out as part of WP6 highlights that trust in national political institutions is positively related to perceptions of better relations between different social groups across European societies – and that it can negate the corrosive effects of economic strain (Andrews, Jilke and Van de Walle, 2013). Prior evidence also shows that the more satisfied citizens are with government performance the higher their trust in it is (Newton, 2006). Consequently, trustworthy governments will be more effective in bringing people together to work on (local) problems and public affairs (Newton and Norris, 2000). These findings about the potential impact of national institutions on social order are corroborated by analyses of local level data within England carried out as part of WP6.

At the local level, studies have shown that government efforts to reduce disaffection and bring people from different backgrounds together may contribute to positive levels of social cohesion (Andrews, et al., 2010; Andrews et al. 2013). In particular, the setting of targets for improvements in social cohesion through local strategic partnerships has prompted English local governments to work more effectively in implementing programmes that bring people together to work and improve their community and to socialize in a wide range of cultural events (Andrews et al, 2013). Other key factors relevant to local levels of social cohesion are government expenditure and dedicated programmes promoting social order. In their study, Andrews et al. (2010) find that government funding for neighbourhood renewal is a significant variable for improving relations between diverse social groups. Importantly, although these types of initiatives are run by local levels of government, they are designed and administered by national government. Nonetheless, there are several ways in which local public managers can promote better relations between different social groups.

According to Andrews (forthcoming), local governments in which managers devote more time to managing outwards by building external relations outside the organization and working more closely with external stakeholders reap the benefits of better relations between different social groups. Research into how local governments can contribute to community development provides numerous pointers about the ways in which public managers can manage outwards more effectively in pursuit of social cohesion (Lowndes and Thorp 2011). One of our interviewees highlighted that the work of their unit in this area has ‘involved local administrations in changing conditions to somehow change social cohesion and to be involved in a more interactive process with citizens’.

At the same time as managing outward, it is important that public managers still devote enough time to developing inward relations which focus on the effective internal functioning of their organizations (Andrews, forthcoming). The initial results of WP5 too underline that regardless of the collaborative mechanisms inaugurated to develop social cohesion, the development of strong policy and administrative capacities are crucial for the successful implementation of policies for bringing diverse social groups together. As one of our interviewees emphasised ‘the problem of public administration [of social cohesion] is the fragmentation of policies. It has always been problematic dealing with different administrative structures’.

### *5.3 Future developments*

Given that there is so little systematic research on the impact of public management reforms on perceptions of social order amongst the citizens of Europe, it seems clear that some kind of discussion of the areas in which additional evidence might be necessary would be useful. This is especially important when one considers that the communitarian view of social cohesion is gaining greater traction within European policy-making circles, and that this viewpoint is focused very much on creating an inclusive and “transversal” notion of well-being within Europe’s societies. In fact, it seems quite clear that it is only by devoting attention to enhancing the connections between social groups, that many of the social problems within Europe’s cities and regions can be effectively addressed by local, national and supranational institutional bodies. In particular, as our review of the scant available evidence underlines, the role of national governments has not yet been eliminated from the field of social cohesion.

As the project of European integration has progressed so too has the part played in its development by European national governments. For example, although originally envisaged as the main bodies responsible for ensuring the well-being of all citizens through universal social protection and guaranteed legal right to work, the Europe-wide liberalisation of labour markets has seen many national governments struggling to meet the responsibility to guarantee workers’ rights (Cressey 2009). In fact,

one consequence of the extension of the single European market has been that more emphasis has been given to national governments to coordinate the sharing of social responsibilities with sub-national levels of government, citizens and other relevant stakeholders (CoE, 2010). From the COCOPS project, the findings from WP5, for instance, underline that the central health and employment ministries across Europe are now routinely involved in attempting to improve efforts to achieve better coordination of cohesion-related activities across multiple agencies. More specifically, the WP5 research suggests that collaborative arrangements in health were related to the provision, distribution and consumption of health-care services and health-care policy-making, whereas in the employment sector, arrangements were developed to ensure the coherence between the fields of employment and social security and social inclusion.

Since the role of national and sub-national agencies remains critical in delivering improvements on social cohesion it is only natural that more thought should be given to considering how they might maximise their contribution to the evolving communitarian agenda around this. Going forward, Table 6 lists some of the activities that the Council of Europe's Strategy and Action Plan for Social Cohesion (2010) suggests national governments can do to promote its communitarian vision.

**Table 6: Role of national governments in promoting social order.**

- i. Ensure that policy objectives are elaborated and decisions made in a transparent manner and that they involve all citizens – men and women – and stakeholders in the debate on the vision and policy content of a cohesive society;
- ii. Ensure transparency in the determination of the objectives of public expenditure with a view to the integration of specific groups of citizens, particularly those in a situation of vulnerability;
- iii. Make non-discrimination, independent living and full participation in the life of the community the guiding principles of all relevant legislation, policy and practice;
- iv. Create the necessary conditions for elaborating a shared vision of well-being, including for future generations, together with citizens and other stakeholders;
- v. Explore a new vision of security, based on non-material values, in particular social links and solidarity;
- vi. Recognise the valuable role older citizens can play in society and provide adequate and sustainable pension schemes and other support services, while strengthening intergenerational solidarity;
- vii. Devote more attention to the sustainability of social security systems. Facilitate the adequacy and accessibility of certain benefits.

Source: Strategy and Action Plan 2010, Council of Europe

Interestingly, many of the key action points in the CoE strategy plan mirror our evidence on the impact of public management reforms. Points i and ii in Table 2 mention transparency and accountability issues, which allude to the importance of corruption and its negative relation with trust in studies of European integration. Setting the framework and standards of social cohesion targets is another competency that can be attributed to national governments. However, the Council of Europe warns about the narrow vision that this type of target may address when it only focuses on public administrative cost-saving of equality and social justice, instead of also focusing on other dimensions, such as individuals' attitudes and behaviour, which include their commitment in broader society (Farrell, 2013; also see <https://wikispiral.org>). Nonetheless, significant challenges remain for those committed to making this happen. As one interviewee stressed 'There is frustration due to concentrations of wealth... I don't know if this rich is in society... it was extremely difficult to have the well-off in our meetings – what can they contribute to society?' As Europe moves forward into a new and uncertain future, research that can illustrate the ways in which governments can best promote a broad and inclusive vision of social cohesion will be of immense value.

## 6. Conclusions

In Europe, the economic crisis of the past few years has led to a reemergence of social tensions, at least in public debate if not always in reality, between rich and poor, social classes, young and old and different ethnic groups. High youth unemployment has generated resentment among the young about the wealth and pensions of the old and fuelled discussions about the affordability of the current welfare state arrangements. Mass dismissals and frequent strikes have re-emphasized social class struggles, and classic tensions between rich and poor have found a new vocabulary in slogans such as ‘we are the 1 per cent’. With unemployment in many EU countries at record levels, it seems likely that the goal of a more cohesive Europe has been seriously threatened. The relationship between government and society within European countries is therefore an issue of the utmost salience and importance. Yet, despite the high political visibility and salience of the cohesiveness of European societies, little attention has been devoted to exploring how public management might shape citizens’ perceptions of their access to key services or inter-group relations. In this report, we have brought together insights from across the work packages of the COCOPS project to provide an initial assessment of the ways in which public management reforms have influenced social cohesion in Europe.

We have identified a mixed picture of evidence on the impact of NPM on social solidarity but enough to suggest concern about access to services for ‘vulnerable consumers’ such as the elderly, the unemployed and the less-educated. While the Council of Europe is advocating the co-responsibility of its various stakeholders (public and private players, citizens) to improve social cohesion (Farrell 2013), it is clear that national and local governments, and the EU need to think not only in terms of cost-effectiveness but to improve policy inputs to protect weaker groups of society so that equity and access to services can be improved. This issue is even more important at a time when public spending is reducing. The analysis of EU data over time and across a number of services shows that policy reforms can have different effects on citizens, and so ‘regulatory reforms should incorporate citizens’ heterogeneity as consumers in their design, implementation and evaluation, in order to avoid possible harmful effects of market-driven reforms in terms of equity and social cohesion’ (Clifton et al. 2012).

The evidence on the impact of NPM on social order offers a clearer set of answers, with multiple ways for public management to create positive benefits for inter-group relations. Yet, most of the cohesion success stories are to be found at the local rather than the national or European level. If we were to draw a distinction between the existing European-level and local-level analyses, it could be said that the former studies locate issues of public management in a secondary plane. For example, variables with regard to trust in government and institutional performance tend to draw upon macro-level variables capturing high-level phenomena that may only be dimly perceived by the typical citizen. In contrast local-

level analyses, arguably because of the proximity between local government and citizens, have made greater use of key public management variables into their equations. Interestingly both approaches, underline the importance of the national tier of government, which could be regarded as the intermediary between sub-national and European levels of reform, as well as one of the chief venues for setting the agenda for coordinating for cohesion in the public sector of the public sector. Time will tell how lessons learned from the multiple levels of governance will be shared between those different levels.

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