

Introduction

Tom Christensen and Per Læg Reid

The Broader Picture

New Public Management (NPM) is a general concept denoting a global wave of administrative reforms that has had an impact on many countries' public sectors over the last 25 years (Pollitt and Bouckaert 2004). Most NPM reform efforts have had similar goals: to improve the effectiveness and efficiency of the public sector; to enhance the responsiveness of public agencies to their clients and customers; to reduce public expenditure; and to improve managerial accountability.

The term 'New Public Management' was coined by Christopher Hood in 1991 (Hood 1991), but it actually referred to a concept that dated back a decade. The first NPM reform ideas and measures were introduced by the governments of Margaret Thatcher in the UK and of Ronald Reagan in the USA from about 1979/80, while Australia and New Zealand followed suit in the mid-1980s. Although the reforms definitely have an Anglo-American flavour (Hood 1996a), they have spread widely around the world, driven partly by the forces of globalization and by international organizations dominated by the same countries, but also nationally by conservative and neo-liberal parties, in some cases in collaboration with mainstream social democratic parties.

The first part of this companion will focus on the driving forces behind NPM. It will analyse the main components of NPM ideology, focusing on the generic aspects of this brand of reform. A distinction can be made between reform ideas and more specific reform measures, and here we emphasize the coupling between the two. A broad transformative approach to public reforms contends that when a political and administrative leadership tries to handle and further public reforms it operates in at least three types of contexts that can both enhance and/or obstruct reforms: the constitutionally laid-down political and administrative structure; the political and administrative culture; and the environment, whether technical or institutional (Christensen and Læg Reid 2001b and 2007a). These different contexts will be discussed in separate chapters and their relevance for the NPM process analysed more generally.

The second part of the companion deals with the generic question of whether NPM is about convergence or divergence (Pollitt 2001a). One can argue that some major NPM reform ideas will spread around the world quite easily, while the more specific reform measures will show a pattern of divergence. One main reason for this may be national variations in the three contexts mentioned and the complex interaction between them, for each country has different constitutional/structural features, a different political and administrative culture, and a different environment (Christensen, Lie and Lægreid 2007). A quite common stereotype is that Anglo-American countries are NPM front-runners, followed by some Asian countries, while Continental Europe and Scandinavia have been more reluctant to take NPM on board. The four chapters examining each of these groups of countries will try to outline whether this stereotype reflects empirical reality or whether there are more similarities between the country groups or more variety within the groups than expected.

The third part will deal with whether there is a difference between 'soft' and 'hard' public policy areas with respect to implementation of NPM. Originally, NPM was often thought to be best applied to harder and more technical policy areas, where it was easier to set unambiguous targets and measure results (Gregory 2003a). In the meantime NPM seems to have spread to most policy areas, but does this distinction still exist?

NPM is said to be a 'shopping-basket' of different reform measures, not all pointing in the same direction. Part IV deals with this question and examines the spectrum of NPM reform measures, ranging from the more structural ones, to performance indicators, management and market elements, public-private partnerships and user-orientation.

Part V focuses on the effects and implications of NPM. NPM is broadly oriented and seems to produce both main effects and side-effects, according to Pollitt (2002). The most typical main effect is efficiency; but side-effects, concerning the larger questions of democracy, legitimacy, trust, accountability, control, professional competence and normative issues, seem to be just as important.

Part VI looks at what has followed NPM in terms of public reforms. Reforms that have emerged more recently have been variously labelled as post-NPM, whole-of-government, joined-up government, quality of government, New Public Governance and so on. A central question addressed in this part concerns what happens when different reform waves meet each other. Will NPM prevail, be modified and pushed back, or combined with newer reform measures?

The Content of NPM

One primary characteristic of NPM is the adoption by public organizations of the management and organizational forms used by private companies. This challenges two traditional doctrines of public administration (Dunleavy and Hood 1994): that public-sector organizations are 'insulated' from the private sector in terms of

personnel, structure and business methods; and that they operate in accordance with a precise set of rules limiting the freedom of public officials in handling money, staff, contracts and so on. In contrast the NPM movement ascribes to the generic principle that the formal organization of the public and the private sector should be similar and that managers in public sector organizations should have enough discretion and leeway in their daily work to be able to make efficient use of allocated resources.

Even if NPM fundamentally espouses economic values and objectives, as a concept it is loose and multi-faceted and encompasses a range of different administrative doctrines. It offers a kind of 'shopping basket' of different elements to reformers of public administration (Pollitt 1995). The advantage of having a wide variety of reform elements is that it allows public leaders wishing to introduce NPM to be flexible. They may be able to contextualize a broad reform wave that is presented as de-contextualized, that is, a set of measures that will fit everywhere. The disadvantage is that some of the reform elements may be inconsistent or in conflict with one another. This may create ambiguities, conflicts and problems of implementation.

One important set of NPM reform measures are structural ones, which involve splitting up public organizations through horizontal and vertical specialization (structural devolution), whether inter- or intra-organizational. The main vertical change introduced by NPM was increased structural devolution, meaning a trend towards more autonomous agencies and state-owned enterprises (Christensen and Lægveid 2001c). The other main reform element was increased horizontal specialization, based on the principle of the 'single-purpose organization', which makes different organizational units' roles more 'pure'. In other words, following reforms, each unit deals only with ownership, regulation, purchasing, provision and so on (Gregory 2003b). The combination of these vertical and horizontal reform measures led in many cases to structural fragmentation.

Another basic feature of NPM is managerialism and the management model. Boston et al. (1996) see the inclusion of management models primarily as related to the NPM ideals of further devolution, delegation of authority and autonomy. There seem to be at least two basic management models. The first model – let the managers manage – is connected to devolution. A main component of the NPM philosophy is hands-on professional management, which allows for active, visible, discretionary control of an organization by people who are free to manage; explicit standards of performance; a greater emphasis on output control; disaggregation of units; and private sector management techniques. The second model – make the managers manage – leans more towards the use of incentives to further certain decision-making behaviour. It implies increased exposure to competition, contract management and market orientation (contracting out, purchaser-provider models). A third kind of NPM reform measure, connected to the two mentioned above, involves performance management, cost-cutting and budgetary discipline. The increased use of formal performance indicators represents an attempt to quantify the activities of public organizations more extensively, while *ex post* scrutiny and auditing are ways of connecting and comparing goals and actual results. The

underlying principle is that good results should be rewarded while poor results should be punished.

Three types of reform measures deal with the connection to stake-holders in the environment – marketization, competition and privatization, which involves changing the organization of service provision. One NPM idea was that if services cannot be improved in the public sector, they should be privatized (Boston et al. 1996). Competitive tendering, whereby public and private providers compete for contracts, was advanced as one instrument for doing this; another was to get different private providers to compete for services once a decision had been taken to privatize them. The focus in these reform measures was often on service efficiency – that is, on getting providers to fulfil their contracts in the most appropriate way, to improve the service offered by public providers by introducing more competition and so on.

The flip-side of competitive tendering is its perception of citizens as users or consumers and its increased emphasis on service-orientation, user participation and satisfaction, and responsiveness to demands from customers, users and clients. Measures introduced to enhance these features include Citizens Charters and users' declarations. Private-public partnerships, on the other hand, entail a more formalized partnership between the public and the private sectors. Instead of giving public organizations sole responsibility for planning, developing, financing, building and operating large projects, such as infrastructure projects, private actors also participate in funding, building and operating them.

Summing up, one can distinguish four different aspects of NPM: the efficiency drive; downsizing and decentralization; the search for excellence; and public service orientation (Ferlie et al. 1996). NPM promised to integrate these themes, linking efficiency and accountability. Other distinctions are between 'hard NPM tools', which address accounting, auditing and performance measurement, and 'soft NPM tools', which include things like human factors, user-orientation, quality improvement and individual development.

Tensions arising from the hybrid character of NPM, which combines economic organization theory and management theory, are well known (Aucoin 1990). They result from the contradiction between the centralizing tendencies inherent in contractualism and the devolutionary tendencies of managerialism. By advocating both decentralization (let the managers manage) and centralization (make the managers manage), NPM thus simultaneously prescribes both more autonomy and more central control.

Many of the most important and problematic reform elements, such as the relationship between managers and elected officials, reflect the potential tensions in the way these reform elements are combined. Through devolution and contracting out NPM has sought to separate policy-making more clearly from policy administration and implementation. Policy-makers make policy and then delegate its implementation to managers and hold them accountable by contract.

Driving Forces Behind NPM Reforms

A distinction can be drawn between reform ideology and ideas on the one hand and reform practice on the other (Christensen and Læg Reid 2001b). The relationship between them may be variously interpreted. First, there may be a clear decoupling between the two, as emphasized in myth theory in general and the theory of ‘double-talk’ and hypocrisy more specifically (Meyer and Rowan 1977, Brunsson 1989). Second, at the other extreme, if reform ideas are driven by a strong leadership and prove to be compatible with the prevailing administrative culture they may be fully implemented. Third, between these two extremes, we have partial and pragmatic implementation of reform ideas, brought about by mechanisms like ‘rational shopping for reform elements’, editing or translation of reform ideas, ‘short-term failures and long-term successes’ (March and Olsen 1983), or a ‘virus mechanism’ (Røvik 2002).

The institutional dynamics of reforms can best be interpreted as a complex mixture of environmental pressure, polity features and historical-institutional context. These factors define how much leeway political leaders have in making choices about reforms – that is, they may both further and hinder NPM reforms (Christensen and Læg Reid 2001a and 2007a). One school of thought points to the fact that different countries have different *constitutional features and political-administrative structures* and contends that these factors go some way to explaining how they handle national problems and reform processes. The constitutional and polity frames relevant here concern first, whether political and administrative leaders are constrained by constitutional factors that limit their ability to implement reforms decisively and swiftly, or whether they have more leeway. The second factor is whether the leadership operates within a homogeneous or heterogeneous political-administrative apparatus. A homogeneous apparatus allows leaders to exercise their hierarchical authority more easily, while a heterogeneous apparatus often engenders turf wars and negotiations among leaders and units (March and Olsen 1983). From a structural or instrumental point of view the reforms may generally be seen as conscious organizational design (Egeberg 2003). This perspective is based on the assumption that political and administrative leaders use the structural design of public entities as an instrument to fulfil public goals (Weaver and Rockman 1993).

According to Dahl and Lindblom (1953) two aspects are important in instrumental decision-making processes – social or political control and rational calculation or the quality of organizational thinking. Major preconditions for instrumental design of NPM reforms are that leaders have a relatively large degree of control over change or reform processes and that they score high on rational calculation or means-end thinking. With respect to constitutional and structural frames, one can say that leaders in political-administrative systems with few constitutional constraints and a homogeneous apparatus will probably be able to exert more control over reform processes and will have fewer problems of rational calculation.

Another view holds that reforms are primarily a product of the *national historical-institutional context*. Different countries have different historical-cultural

traditions and their reforms are 'path dependent', meaning that national reforms have unique features. Informal norms and values established in their formative years will influence strongly the paths they follow later on (Krasner 1988). There are two crucial aspects of institutional culture: how strong and influential overall the cultural path is for decision-making and the quality or content of the culture. The reform roads taken reflect the main features of national institutional processes, where institutional 'roots' determine the path followed in a gradual adaptation to internal and external pressure. This view stresses institutional autonomy and internal dynamics.

Thus, the cultural context of reform is important. The cultural features of public organizations develop gradually in institutional processes, giving institutionalized organizations a distinct character or cultural 'soul' (Selznick 1957). How successfully a reform wave like NPM is applied in a public organization has a lot to do with cultural compatibility (Brunsson and Olsen 1993). The greater the consistency between the values underlying the reforms and the values on which the existing administrative system is based, the more likely the reforms are to be implemented. Generally speaking, culturally based adaptation tends to be partial.

The relationship between structure and culture is also of relevance for understanding NPM reform processes. On the one hand, culture can develop gradually in an ever more distinct path and eventually lead to structural adaptive changes. On the other hand, structure may heavily influence the development of the culture, either directly or indirectly (Christensen and Røvik 1999). A third alternative is that the structural and cultural processes may be rather loosely coupled. The potential for controlling NPM reform processes is definitely strongest when either a culture is compatible (reflecting the structure) or else rather weak, while a strong and incompatible culture makes political-administrative control difficult.

A third view regards NPM primarily as a response to *external pressure*. This environmental determinism can be of two kinds: either institutional or technical (Meyer and Rowan 1977). In the first instance a country may adopt internationally based norms and beliefs about how a civil service system should be organized and run simply because these have become the prevailing, ideologically dominant doctrine diffused all over the world. This diffusion process implies isomorphic elements, creating pressure for similar reforms and structural changes in many countries. The institutional environment may exercise one of several types of constraints on the leadership, but may also be rather dominant in certain countries in particular periods. The institutional environment may be either homogeneous or heterogeneous, whereby the latter is the most challenging for both executive control and rational calculation.

The institutional environment generally involves the development of myths and symbols in the macro-environment of public organizations to a considerable degree. In a complicated world, where political-administrative systems, patterns of actors, problems, solutions and effects are complex and difficult to understand, there is a need to have certain 'rules of thumb'. These are supplied by myths and symbols that evolve and spread between countries, sectors and policy areas. They

represent a kind of ‘taken-for-grantedness’ concerning which ideas, organizational structures, procedures and cultures are appropriate. Such myths may be provided by international organizations, like the OECD, the IMF, the World Bank, the WTO and the EU, but also by national organizations working as reform entrepreneurs. They may take the form of broad myths or else they may be narrower institutionalized standards (Røvik 2002). The myth theory stresses that myths imported to public organizations remain superficial, functioning as ‘window-dressing’, enhancing legitimacy without actually affecting practice (Brunsson 1989). But there are also some more instrumental versions of this theory that talk about the editing and translation of myths.

In the second instance, NPM may be seen as the optimal solution to widespread technical problems – that is, it is adopted to solve problems created by a lack of instrumental performance or by economic competition and market pressure (Self 2000a). In this instance NPM reforms are adopted not because of their ideological hegemony but because of their technical efficiency. Quite often, NPM reforms have been initiated or heavily influenced by the technical environment, because of an economic crisis or changing political or administrative pressure. The technical environment may also be either homogeneous or heterogeneous (Scott and Davies 2006). Overall technically-based pressure on a public organization to reform may be strongest either if it has to reply on one strong actor in the environment or if several actors have demands pointing in different directions.

Summing up, external reform components and programmes are filtered, interpreted and modified by a combination of two nationally based processes. One is a country’s political-administrative history, culture, traditions and style of government. The other is national polity features, as expressed in constitutional and structural factors. Within these constraints political and managerial executives have varying leeway to launch NPM reforms via an active administrative policy.

Studies of NPM reform processes around the world reflect many of the theoretical points outlined (Christensen and Lægveid 2001b and 2007a, Pollitt and Bouckaert 2004). Political and administrative leaders are often able to control the processes, even though there is also substantial evidence of negotiations, cultural resistance and pressure from the technical and institutional environment. While political leaders have tended to accept the main norms and values of NPM (which may be regarded as natural since they are the ones responsible for the reform processes), resistance in many countries has come more from the administrative grassroots. Acceptance of NPM among civil servants also varies according to educational background, with jurists most sceptical and business economists most accommodating, while national economists and political scientists are somewhere in between, generally leaning towards the positive side.

NPM processes seem to pose great challenges concerning rational calculation. The complex and turbulent waters of different and changing environments for reform, different cultures and structures, multiple goals, intentions, interests, problems and solutions certainly make organizational thinking problematic. There is a tendency to label many NPM reforms and measures in a similar way, as myths and symbols, even if NPM actually covers a much broader range of reform measures

and thinking. The more problematic the rational calculations behind the NPM reforms, the more likely new reform processes are to have symbolic features.

Convergence and Divergence

In terms of the control and organization of public service, NPM represents a global change of paradigm, according to the OECD (OECD 1995). This convergence thesis is, however, contested (Pollitt 2001a). NPM has led to major changes in the public sector in many countries (Pollitt and Bouckaert 2004), yet the process of reform has not been the same everywhere. In some countries there might be a strong element of diffusion of NPM ideas from outside, whereas in others the reform process might be more a result of national or local initiatives that have subsequently acquired an NPM label. Thus, the spread of NPM is a complex process, going through different stages and packaged in different ways in different countries, with each country following its own reform trajectory within a broader framework. In other words, NPM is not an integrated and coherent set of reforms with a specific starting point and following a specific path towards a common destination (Wright 1994).

NPM ideas have been implemented to different degrees, at different paces and with differing emphases in different countries and sectors. A general finding is that the degree of variation between countries and also between policy areas increases when we move away from the world of ideas, talk and policy programmes and look at specific decisions, and even more so when we consider the implementation and impact of the reforms (Pollitt 2001a). One can argue about whether NPM has led to the convergence of administrative systems in different countries, yet there is much to suggest that ideas and policy programmes resemble one another more than the corresponding practices do. One mechanism here is 'double-talk', whereby leaders seek political support by publicly espousing modern principles of government, but in fact experience resistance when they try to implement NPM reform measures. How well broad NPM ideas are received may also vary, depending on cultural compatibility, for example.

In order to better understand the divergence between reform decision-making, implementation and practice, we may combine the insights derived from the three contexts presented – structural, cultural and environmental. An instrumental ideal is for the political-administrative leadership to design systematically the NPM reform system by controlling reform processes, managing organizational thinking well, being able to control potential cultural resistance and utilizing or neutralizing environmental pressure, thus achieving the effects expected from reforms. This combination of factors furthering NPM reforms is more likely to occur in Anglo-Saxon countries where there is 'elective dictatorship, cultural compatibility and often strong environmental pressure for NPM reform' (Christensen and Lægread 2001b).

At the other extreme, weaker control of processes, cultural incompatibility and low environmental pressure may lead to reforms that are much less NPM-oriented,

as has traditionally happened in Continental Europe (Hood 1996a). A wide variety of countries fall between these extremes, however, Asian countries being a case in point. In many cases, for example China, they are eager to imitate some of the main NPM reform measures coming from the West (Christensen, Lisheng and Painter 2008), yet these attempts are often modified by strong traditional cultures that are not compatible with the norms and values of NPM. Another common feature is quite dominant but complex political parties or else a complex coalition of political, administrative and business elites, like in Japan and South Korea, which are not always conducive to reforms.

Whether NPM is a kind of generic reform-wave, or whether it is primarily suitable for particular types of public policy areas is a question that has been debated for some time now. One rather sceptical view is that NPM, with its focus on efficiency, should be used primarily in technically and economically oriented policy areas (Gregory 2003a), while in policy areas like education, health, welfare and environment which are qualitatively different and where it is difficult to quantify and measure goal achievement it is less easy to apply. What is more, certain norms suggest that these so-called 'soft policy areas' should be protected from or not exposed to efficiency reform measures. This view holds that the use and effect of NPM should vary considerably between different policy areas.

The opposite view is that NPM should be applied to all policy areas equally, because public and private organizations are alike and efficiency is equally important in both sectors – in other words, no policy area should be treated in a special way. This view, which advocates considerable convergence in the implementation and use of NPM reform measures, is evident in the efficiency-oriented university reforms that have swept through many countries.

A third way to look at convergence and divergence is to examine the political importance of policy areas. If one assumes that NPM will undermine central political control (Christensen and Lægveid 2001b), political salience may influence the balance between political control and autonomy. The argument then goes that the more important the policy area, the less NPM should be used, because the political leadership will want to have hands-on political control.

Although different countries present their reforms in similar terms and support some of the same general administrative doctrines, closer scrutiny reveals considerable variation. Pollitt and Bouckaert (2004) distinguish between four groups of NPM reformers: the maintainers, the modernizers, the marketizers and the minimal state reformers. Countries like the United Kingdom, Australia and New Zealand fit the marketizer profile; while the Scandinavian countries and even more the Continental Europeans are more sceptical about NPM fitting more into the modernizer profile.

Having begun in Britain, NPM gained strongest hold in the Anglo-American countries. In Westminster-style parliamentary systems NPM reforms fell on fertile ground and were therefore far-reaching and implemented early (Gregory 2003b). This was due, on the one hand, to strong external economic and institutional pressure and, on the other, to few constitutional and administrative obstacles, a compatible culture and parliamentary conditions that favoured a radical strategy

and reform entrepreneurs. By contrast, the Scandinavian countries were reluctant to implement reforms. Environmental pressure was weaker, their *Rechtsstaat* culture and strong egalitarian norms were less compatible with the values of NPM, there were more obvious constitutional obstacles, and parliamentary conditions often characterized by minority coalition governments made a radical reform strategy difficult to pursue (Christensen, Lie and Læg Reid 2007).

Thus there is no consistent movement towards a new isomorphic model of civil service systems. Most governments still share some main elements of the traditional system of public administration, but some strong common modernization trends have emerged in public services across groups of countries. One of these trends has been a reduction in the differences between the public and private sectors. Nevertheless, the story is not only one of convergence (meaning that all countries are moving in the same direction); neither, however, is it a story only of divergence (whereby all countries follow their own trajectories constrained by their specific context, legacy and tradition). Instead, what we are seeing is a complex mixture of robustness and flexibility and of reform paths that can hardly be explained by using a single-perspective approach.

Variations in reform practice from one country to another are the rule rather than the exception. Different countries and governments face different contexts, risks and problems and start out with different values and norms. In other words, they have different starting points, are at different stages of reform and face different external and internal constraints (Wright 1994). What we might see is two trajectories (Halligan 2003): one represented by civil services that have been modernized within a state tradition and are therefore rather closed and resistant to external pressure (here the reform process is more hesitant and does not involve major shifts); and the other by civil services that are more vulnerable to external pressure and more open to New Public Management concepts, resulting in more radical reforms.

Effects and Implications of NPM

The main hypothesis of NPM reforms is that increased market orientation and management focus will lead to increased efficiency without having negative side-effects on other goals and concerns. So far this hypothesis has yet to be confirmed as evidence-based fact. While it may be correct under specific conditions, it cannot be said to apply generally to NPM reforms everywhere and at all times. Effects are often assumed or promised, but there are few systematic and reliable studies of whether they actually happen, so hard evidence is often lacking. Attention tends to be more focused on strategies, plans and selective success stories than on systematic analyses of results. Moreover, research has generally tried to find out why reform happens rather than looking at the effects of reform initiatives (Pollitt 2002). We know less about external political learning and societal effects than about internal administrative effects on efficiency (Olsen 1996).

To look at the effects and implications of NPM we need to specify what we mean by effects. Pollitt and Bouckaert (2004) distinguish between operational effects, process effects and system effects. In addition, we may focus on effects on the main goal or on side-effects on other goals; on jeopardy or on bonuses (Pollitt 1995 and 2003a, Hesse, Hood and Peters 2003). The main goal of NPM is related to different aspects of efficiency. One way to measure efficiency gains, for instance – the main goal of NPM – is to look at the major macro-economic performance of a country. However, it is not easy to establish whether improvements in performance are the result of NPM, since there are many other factors that play a role. Nevertheless, few studies have demonstrated a favourable macro-economic effect for NPM.

Another way to look at the effect of NPM on efficiency is to focus on increased service efficiency. Have public services become more efficient as a result of NPM? And if so, is it the reorganization of services or increased competition that has brought this about? The literature disagrees over these questions. Economists often conclude that NPM has increased efficiency, while some political scientists are more sceptical and come up with contradictory findings (Boyne et al. 2003). The latter group also has more of a problem with efficiency studies, pointing to the difficulty of comparing the same services over time, given changes in organization, content, choice and competition.

Putting a greater emphasis on efficiency also raises questions about which factors are included in the equation. Have employees been sacked to make services more efficient, for example, and what are the wider implications of this concerning retraining or possible permanent job losses? Have services increased in efficiency but decreased in quality or created more social inequality (Fountain 2001)? Or has the focus on increased efficiency resulted in a narrower and more economically-oriented view of public policy? Does NPM result in more trust towards the public authorities and hence more legitimacy, or vice versa?

Another question concerns the broader democratic effects of NPM reforms – often seen as side-effects in the NPM literature. One line of inquiry asks whether NPM leads to less emphasis on input democracy and more on output democracy (Peters 2008). The argument here is that people become less focused on participation in the traditional election channel (as evidenced by declining party membership or less participation in elections) and instead try to influence the civil service and the services it provides directly through contact and influence. A counter-argument would be that because executive leaders (whether via political-administrative control or through strong professional competence) still wield more influence over the civil service than users or consumers the election channel is still important. A middle position would be to point to a shifting balance between the channels of influence.

A related question concerns political control, steering and accountability. The bulk of comparative studies of the effects of NPM reforms seem to stress that the control of political executive has decreased as a result of NPM reforms (Christensen and Læg Reid 2001b and 2007a, Pollitt and Bouckaert 2004). If this is a fair account, what are the main reasons for this? Is it because of a formal undermining of the leaders' instruments of control? What is the significance of increasing complexity

in the structure and culture of political-administrative systems? And what about the increasing turbulence in and pressure from the environment? Is the conclusion that political control has been undermined too sweeping? Do we need to qualify it and find factors that explain variety in control under NPM?

Concerning responsibility or accountability, NPM studies tend to point to a formalization of the relationship between political leaders on the one hand and managers and the administrative grass roots on the other and to an increase in mistrust (Christensen and Læg Reid 2001b). This represents a change from a more culturally based relationship, characterized by mutual respect and common values, to a system where subordinates are required to account for themselves and the principal does not have much trust in the agent. These two trends are shown in the greater use of contracts, performance management and incentive systems. If this main trend is significant, what are the effects and implications of it? Will it be more problematic for executive leaders to exert control and implement policies? Will the content of policies change as the influence of administrative leaders and their subordinates grows?

The effects of NPM may not only concern political-administrative relationships or relationships with users, but also the relationship with civil service unions (Roness 2001). Historically most unions have been rather sceptical towards NPM reforms. The strong pressure towards reform has, however, presented them with two equally unattractive options: either they resist reforms completely and try to obstruct them, thus risking losing influence and being seen as old-fashioned and inert. Or else they try to retain their influence by participating in the reform and implementation processes. It is, however, important to analyse what actually happens in practice. Have the unions really been able to influence decisions about NPM reform measures and their implementation and, if so, in what ways? Or have they simply been captured by the reformers?

One conclusion to be drawn is that the design of the various NPM reforms may vary considerably between countries, tasks, sectors and administrative levels and will have consequences for effects studies. The implication is that discussions of the effects of reform must strive for exceedingly precise terminology and must not be conducted at a general level. In sum, it is hard to say unequivocally what the effects of NPM reforms are, and they are often disputed and uncertain. The paradox as stated by Christopher Pollitt and Geert Bouckaert (2004) is that these kinds of reforms do not seem to need results to fuel their onward march.

NPM and Beyond

Currently the central question is whether NPM has peaked, thus requiring us to look beyond, or transcend NPM (Christensen and Læg Reid 2007a).

One view is that NPM is still alive and kicking and will continue to be a major force in the near future. The major argument is that NPM has proven successful and has spread all around the world; moreover, it would be difficult to reverse many of

the NPM reform measures. A further spread of NPM measures is predicted: either within countries that have chosen to follow the NPM path or from these countries to those that have been more reluctant.

A second view is that there is a new generation of reforms emerging, often labelled post-NPM, but also whole-of-government, joined-up government or New Public Governance (Osborne 2006, Christensen and Lægreid 2007b). This reform wave is seen as either replacing or modifying NPM. The reasons why post-NPM reforms have emerged are complex, but it seems to be at least partly a reaction to a loss of political control, NPM is not delivering on economic measures, and the 'fear factor' – that is, terrorism, pandemics, tsunamis, climate threats and financial recession – has created a greater need for control. There have been strong demands for more central control and capacity and more coordination of sectors, polices and programmes, which is reflected in various features – both structural and cultural – of the new post-NPM reforms.

We will further explore what is typical for post-NPM processes, and what their implementation, effects and implications are. What are the main characteristics of post-NPM and how does it deviate from the NPM measures? What happens when post-NPM meets NPM? Are the reform waves combined in a complex and multi-layered way? What are the consequences of this potential complexity for decision-making?

A main finding in the research in this area is that administrative reforms have not taken place along a single dimension. In practice we face mixed models and increased complexity. It is fair to say that NPM is still very much alive in many countries, and NPM reforms have normally not been replaced by new reforms but rather revised or supplemented by post-NPM reforms. The pace and comprehensiveness of these trends has varied significantly from one country to another and from one policy area to another, and reform activities embrace a wide spectrum. Even though NPM in certain ways has been a success, it is too early to conclude that the old public administration model is unsustainable. It has considerable capacity to adapt and is both robust and flexible, even after a long period of NPM reforms and emerging post-NPM reforms.

Typical for the NPM reforms was that the formal structure changed from an integrated to a fragmented one. The formal levers of steering were weakened, the distance to the agencies grew, political signals became weaker, and horizontal specialization increased according to different principles. The second generation of reforms uses formal structures to regain control or modify the loss of political influence by making them more centralized, complex and varied. Formal structural instruments have been used to modify devolution and vertical specialization, but also horizontal fragmentation and specialization, especially in Australia and New Zealand (Gregory 2003a, Halligan 2007b). Vertical control and levers of control are increasingly being applied, while a 'whole-of-government' approach uses new co-ordination instruments and cross-sector programmes and projects to modify horizontal fragmentation.