



Context and
Questions

Institutional
Status quo

Crucial
Factors

The German Case

A European
Agenda

Responses

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A New Public Management? Public Policy within the European Union and its Nation States

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A New Public Management?

Context
Structures

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Responses

Contents

- The role of **management** within the public sector: contexts structures matter
- The **institutional status quo**: macro, meso, and micro levels
- **Crucial factors/variables**: modes of regulation, policy (and business) cycles, resources, actors
- The **German case**: asymmetric modernisation
- The **European agenda**: ongoing integration and further challenges
- **Analytical responses**: learning from each other; a plea for comparative research and intercultural exchange

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What does *management* mean for and within the public sector?

- **Background:** New/changing demands, scarcity of resources, growing internationalisation, problems of legitimacy
- As a **consequence:** Review of main policy areas and normative concepts; ongoing institutional, instrumental (simplification) and procedural (flexibilisation) reforms as a global phenomenon
- **Multifaceted tasks - multiplicity of labels:** NPM, public policy, governance, public administration
- **Danger:** Instead of a consistent strategy tendencies to „ride the issue cycle“ (as a sign of weakness and a loss of traditions)
- **Management** to be understood as **guidance, steering, and control**

Changing context structures

Exogenous:

- **Asymmetric impact of the Europeanisation process** (within the established EU-member states, the Central and Eastern European countries in transition, and the European Union itself - as a supranational organisation *sui generis*)
- **Formation of (large scale) regional regimes** as background, incentive, and “threat”; growing importance of International Organisations
- **Transnational challenges:** competitive pressures, “global player”-ideologies and attitudes, security considerations
- Drive towards moving **from bilateral to multilateral cooperation**
- **Global governance** much **too unspecific an answer/concept**

Changing context structures

Endogenous:

- Unbalanced **demographic development**
- Ongoing **economic structural change**
- Growing **budgetary squeeze**
- New territorial, economic, social and ecological **disparities** (changing **cleavage structures**)
- **Altered relationships** between the **public and the private sector**
- **Innovation processes** at different speeds, substantial **modernisation deficits**

The institutional setting on the macro level

- Presidential versus parliamentary **political systems**; different legacies: Westminster, Napoleonic, Germanic/Scandinavian
- **Unitary versus federal states** (intergovernmental arrangements crucial for implementing within multi-level configurations)
- **Unbalanced vertical distribution of competencies**, policy formulation, and service delivery (EU, central, regional and local levels)
- **Horizontal distribution of power** to be further developed: *Gewaltenteilung*/balance of power between legislature, executive, and judiciary
- Growing pressure to complement the principle of **democratic representation** with **forms of direct democracy**

The institutional setting on the meso level

- **Vertical differentiation of the public sector:**
 - EU and other supranational/international organisations
 - state level: federal/central government, regional government (*Länder*), provinces, and districts; interorganisational arrangements
 - local government in counties and municipalities
- **Horizontal differentiation of the public sector:**
 - State government (ministerial level, agencies),
 - regional/decentral and local self government (territorial self-government)
 - functional self government with separate non-governmental legal bodies (social assurance agencies, central banks, NGOs, further non-profit organisations etc.)

Institutional Setting on the micro level: Different intra- and inter-organisational arrangements

- **Territorial versus task-/subject-related structures**
- **Vertical separated competencies versus horizontal (self-)coordination**
- **Bureaucratic versus project-related and entrepreneurial organisation**
- **Hierarchical order versus decentralized autonomy**
- **Supervision and control (in detail) versus steering at arms length**

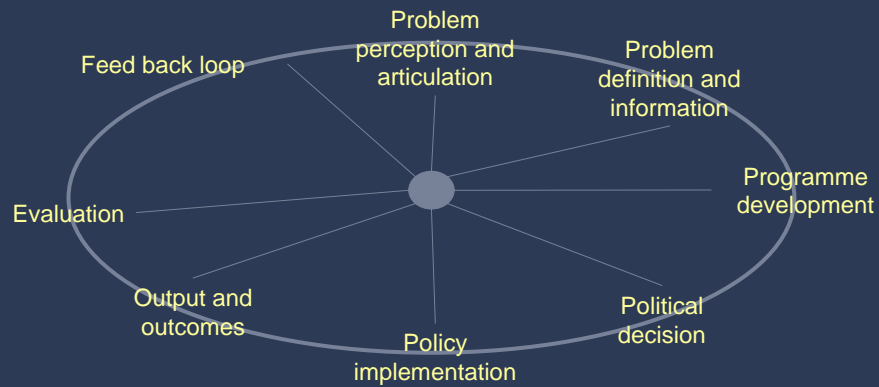
Revisiting the institutional setting

- Mostly **over-complex institutional configurations** (this applies to federal as well as unitary state systems)
- Vertical and horizontal **imbalances** (multi-layered legislative, executive, and judicial systems)
- Growing **coordination deficits**
- Need for enhanced political and **administrative cooperation** to avoid inertia and blockage
- However: **limits to joint-policy-making** (*Politikverflechtung*)
- Attempts at **fostering participatory government**

Modes of regulation

- **Continuum between unilateral/vertical order and multilateral/horizontal coordination:**
 - autocratic intervention
 - legally required compliance
 - coordination (enforced - induced - voluntary)
 - cooperation
 - communication and moderation
 - peaceful coexistence (negative coordination by *"tit for tat"*)
- **Different modes of reforms:**
 - organizational privatisation, functional self government
 - functional privatisation, outsourcing, marketisation, (complete) privatisation

Policy (and business) cycles



Given resources and their distribution

- **Economic** resources (capital stock, technological potential, productivity levels, qualified labour force etc.)
- Tax basis and **financial** resources
- **Human** and **social** capital
- **Environmental** resources
- **Stock of and access to** private and public goods
- **Cultural**, historical and political bases and modes of (re-)distribution

Actors and personnel

- „Bureaucracy“ as too unspecific a category
- In need of a **civil service** in a broader understanding (administrative staff, political actors, non-governmental stakeholders)
- Crucial elements of **personnel development**: education, recruitment, training and retraining, remuneration and other incentives
- Actor-specific **preconditions**:
 - Professionalising administrative rules and behaviour (overcoming the generalist-specialist dichotomy)
 - Fostering entrepreneurship and political will
 - Multi-functional access to public positions
 - Moving in between different environments
 - Educational and cultural prerequisites for leadership

A first summary

- **Growing number of** exogenous as well as endogenous **tasks and challenges** to the public sector
- Structures (**polity**), processes (**politics**) and outcomes (**policies**) **in flux**
- Institutional and **administrative policies/reforms/adaptation** as **ongoing task**
- **Flexibilisation** of the regulatory environment
- The public sector **between adaption and structural reform**
- New public management? **Better public management!**

The German case : Asymmetric Public Sector Reforms

- **Germany as a latecomer:** substantial reforms only since the beginning of the 1990s
- **Local authorities as champions of NPM-debate;** attempts at managerial reform, cost-conscious budgeting and broad attempts at privatisation
- **Enhanced functional reform activities** at the regional level (*Länder*) since the end of the 1990s
- Mainly **incremental initiatives** by the **Federal government;** new attempts by the "Grand Coalition" (reform of federalism, debureaucratisation, *Aufgabenkritik*)
- **Sectorally:** emphasis on the **labour market, health and social security systems**
- **Slow EU-adaptation;** hardly proactive European policies

Major criteria for administrative reform

- Raising the **efficiency** of public services (budget driven, input-output ratios)
- Improving the **effectivity** of administrative actions (functionally driven, impact/outcomes orientation)
- Fostering **transparency, political control, participatory forms** of policy formulation and service delivery (to avoid a further de-legitimisation of public policy)
- Observing the **politico-administrative feasibility** of the policies pursued (to avoid "symbolic politics")
- **Coping with EU/international obligations** (compliance)

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Context and Questions	Institutional Status quo	Crucial Factors	The German Case	A European Agenda	Responses
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Reform models at the *Länder*-level as an example

The diagram illustrates three reform models at the *Länder*-level:

- Two-Level-System:** State Government delegates authority to County-Level, which then delegates to Local Government. This is labeled as 'Comprehensive Delegation'.
- Three-Level-System:** State Government delegates authority to Regional State Agencies (Regierungspräsidien), which then delegates to County-Level, which delegates to Local Government.
- Regionalization:** State Government delegates authority to Regional Self-Government, which then delegates to County-Level, which delegates to Local Government.

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Challenges, constraints, chances

- **Growing influence of the Europeanisation process** (Public procurement, compulsory tendering, limitations to entrepreneurial activities by public actors, adaptation towards EU-rules and regulation, cooperations towards EU-funding)
- **Redrafting of intergovernmental relations** in reaction to internal frictions and external demands
- **Balanced approaches** at liberalisation, privatisation and (de-/re-)regulation
- **Overcoming the public-private dichotomy**
- **Experimenting with legal and organisational innovations** (to allow for time- and resource-saving policies)
- **Saving the *bonum commune*** by institutional decentralisation and participatory policy-making

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 <h2 style="text-align: center;">A New Public Management?</h2>					
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The European Agenda I: Ongoing EU integration

- **Widening:** After Eastern Enlargement enhanced variety of vertically and horizontally differentiated actors and interests
- **Deepening:** Complementing EMU with "Political Union" via further institution-building, permanent interaction and daily practice
- But: growingly **contentious relationships between the EU and its Member States** due to conflicts over policies, resources and modes of decision-making
- **Step-by-step formation of a multi-level governance-system**, based on a clear division of (vertical and horizontal) competencies
- Overcoming the lack of (direct) legitimacy and an European identity through **enhanced transparency and participation**

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The EU Agenda II: Exploiting economies of scale

- **Ongoing de-territorialisation** of markets and jurisdictions as chance and challenge
- **Further developing the common market** by pooling resources and adopting a "global player"- trade strategy
- **Agreeing on ambitious objectives** (Lisbon-Agenda) to "softly" secure cooperation and compliance
- **Creating new tools for joint-policy-making** (OMC, closer cooperation, cross-border initiatives)
- **Aiming at a governmental system and administrative procedures sui generis**, incl. a distinct personnel policy

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The EU Agenda III: Creating a European Constitution

- **Draft of a "European Constitution"** to overcome the patchwork of Treaties (Maastricht, Amsterdam, Nice) and to induce a European identity
- **Agreeing on *finalité*** (territorially as well as formally and functionally)
- **"Professionalising" the institutional setting** (EP, Commission, Council) by further democratising decision-making, strengthening the executive and seeing to a visible leadership)
- Acting against an untrammled capitalism (seen as an uncontrolled/ uncultured/socially irresponsible form of economic behaviour) by **holding on to an** (undefined) **"European social model"**
- **Redesigning major policies** (agriculture, regional funds, science and technology)

Analytical responses

- **Public policy** in need of both **interdisciplinary** and **intercultural** approaches
- Most urgent: further **policy-related and empirically based** applied **research**
- **Danger of running "issue cycles"** (global governance, NPM, best practise) instead of securing continuity
- Strong **ideological** (neo-liberal) **undertones**, **ubiquitous marketing** ("one size fits all")
- **Governance**-debate as an example of "fashionable" **catch-all categories**
- **"Europeanisation"** in part an expression of "wishful thinking" rather than a methodologically controlled concept/policy
- **Need for solid comparisons** of **problem solving- and service delivery- capacities within different contexts**

Learning by doing or learning from experience? A plea for comparative public policy and transnational exchange

- **“Learning by doing” still the dominant mode** in many administrative contexts (as a result: dated policies, sub-optimal outcomes, waste of time and resources)
- **“Learning from experience” to be preferred** (especially at the EU level)
- **Preconditions:** openness, flexibility, and the understanding of different, not least cultural contexts
- **Distinct role of historical legacies, constitutional traditions,** national, regional, even local **specifics**
- **Comparative assessment of the successes and drawbacks** of different governmental settings and administrative policies as a way to overcome (too) narrow bilateral exchanges