EDITORIAL

The New Public Governance?[1]

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INTRODUCTION

More than a decade has passed since the publication of Christopher Hood's influential piece that codified the nature of the New Public Management (NPM) (Hood 1991). At that time it seemed likely, certainly within the Anglo-American research community, that the NPM was a new paradigm of Public Administration and Management (PAM) and that it would sweep all before it in its triumphal re-casting of the nature of the discipline – in theory and in practice. One hundred-odd years of the hegemony of Public Administration (PA) in the public sphere seemingly counted for nothing in this momentous shift. Since then, though, the debate upon the impact of the NPM paradigm upon PAM, and indeed about whether it is a paradigm at all (Gow and Dufour 2000), has become more contested. This brief essay is intended as a contribution to this ongoing debate. It considers, somewhat provocatively, that the NPM has actually been a transitory stage in the evolution from traditional PA to what is here called the New Public Governance (NPG).

The argument advanced in this present article is that PAM has actually passed through three dominant modes – a longer, pre-eminent one of PA, from the late nineteenth century through to the late 1970s/early 1980s; a second mode, of the NPM, through to the start of the twenty-first century; and an emergent third one, of the NPG, since then. The time of the NPM has thus in fact been a relatively brief and transitory one between the statist and bureaucratic tradition of PA and the embryonic plural and pluralist tradition of the NPG. The remainder of this article will briefly expound upon the extant natures of PA and the NPM before arguing for the emergent characteristics of the NPG.

Inevitably, such a three-stage model is a simplification – elements of each stage can often coexist with each other or overlap. Many network systems often operate in the shadow of, or in spite of, the dominant mode of hierarchy, for example, while both PA and NPM contain strong, if differentiated, elements of hierarchy (Klijn 2002). The intention here is to tease out three 'archetypes', in the Weberian tradition, that will assist and promote analysis and discussion of the conceptual and practical development of PAM.

THE SHADOW OF THE PAST . . .

Public Administration

The key elements of PA[2] can be defined as:

- the dominance of the 'rule of law';
- a focus on administering set rules and guidelines;
- a central role for *the bureaucracy* in policy making and implementation;
- the 'politics – administration' split *within* public organizations;
- a commitment to incremental budgeting; and
- the hegemony of the professional in the service delivery system.

In the research community this has led to a focus on the policy making and implementation cycle, which work has often been located within political science departments.

Developing out of the early years of the public sector in the late nineteenth century, PA reached its high point in the UK in the post-1945 era of the welfare state, when the state was confidently expected to meet all the social and economic needs of the citizenry, 'from the cradle to the grave'. PA was to be the instrument of this brave new world. Predictably, perhaps, such a vision was doomed to failure and, in the latter days of their hegemony both the welfare state and PA came under increasing fire – first from their academic critics (for example, Ostrom and Ostrom 1971; Dunleavy 1985) and eventually from the political elite (see Mischra 1984 for an overview of these critiques). Most damagingly Chandler (1991) argued that PA had now entered terminal decline as a discipline, while Rhodes (1997) asserted that it has become a 'bystander' to the practice of PAM. This paved the way for the rise of the NPM.

The New Public Management (NPM)

The spread of the NPM, from the late 1970s onward, saw the growth of a new discourse of PAM. In its most extreme form, this asserted the superiority of

private-sector managerial techniques over those of PA and with the assumption that the application of such techniques to public services would automatically lead to improvements in the efficiency and effectiveness of these services (Thatcher 1995). The key elements of the NPM can be summarized as:

● an attention to lessons from private-sector management;
● the growth both of hands-on 'management' – in its own right and not as off-shoot of professionalism – and of 'arm's length' organizations where policy implementation is *organizationally distanced* from the policy makers (as opposed to the 'inter-personal' distancing of the policy – administration split within PA);
● a focus upon entrepreneurial leadership within public service organizations;
● an emphasis on inputs and output control and evaluation and upon performance management and audit;
● the disaggregation of public services to their most basic units and a focus on their cost management; and
● the growth of use of markets, competition and contracts for resource allocation and service delivery within public services.

In the research community, this led to a focus upon public management as a discipline in its own right often located, in the UK at least, within management and business schools.

In the years since it first contested the territory of PAM with PA, though, the nature and/or success(es) of the NPM have been questioned on a range of grounds (see, for example, Farnham and Horton 1996; Ferlie *et al.* 1996; McLaughlin *et al.* 2002). Critics have argued, *inter alia*, that:

● the NPM is not one phenomenon or paradigm, but a cluster of several (Ferlie *et al.* 1996);
● the NPM has a number of distinct personae, dependent upon the audience, including ideological, managerial and research-oriented personae (Dawson and Dargie 1999);
● the geographic extent of the NPM is limited to the Anglo-American, Australasian and (some) Scandinavian arenas, while PA continues to remain dominant elsewhere (Kickert 1997);
● the nature of the NPM is also geographically dependent with, for example, the British and American variants actually being quite distinct from each other in their focus and locus (Borins 2002);
● in reality, the NPM is simply a sub-school of PA that has been limited in its impact by the lack of a real theoretical base and conceptual rigour (Frederickson and Smith 2003);

- the benefits of the NPM are at best partial and contested (Pollitt and Bouckaert 2004); and
- the NPM is a failed paradigm (Farnham and Horton 1996).

Similarly, in the dedicated textbooks on this topic, one will find both advocates of the NPM (Hughes 2002) and its critics (Flynn 2002).

The NPM has been criticized most devastatingly for its intra-governmental focus in an increasingly plural world and for its adherence to the application of outdated private-sector techniques to PAM, and in the face of evidence about their inapplicability (Metcalfe and Richards 1991) while Hood and Jackson (1991) concluded that the NPM was a 'disaster waiting to happen'.

The state of the art

Increasingly, then, both PA and the NPM have begun to look like partial theories, at best. The strength of PA is in its exploration of the essentially political nature of PAM and of the complexities and nuances of the public policy making process. The extent to which the implementation studies literature in PA has been able to unpackage the differential influences upon public policy implementation has been disappointing, however. There is a tendency for implementation to be seen simply as a 'black box' with no apparent will to un-package the complex sub-processes of the management of the outputs of the policy process – public services themselves (Schofield 2001; Hill and Hupe 2003). At worst, public managers and management are portrayed as the villain(s) of the piece, thwarting the resolve of their political masters and often subverting the intentions of new policy to their own ends.

By contrast, the strength of NPM has been in its ability to address precisely the complexities of this black box, though with an equally irritating tendency to see the public policy process as simply a 'context' within which the essential task of public management takes place. In its most extreme form, the NPM has even questioned the legitimacy of public policy as a context for public management, arguing that it imposes unreasonable democratic constraints onto the management and provision of public services (Meier 1997). Most damagingly, though, is that the NPM has become perceived as limited and one-dimensional in its ability to capture and contribute to the management and governance of public services and of Public Service Organizations (PSOs) – whether situated in the public, private or voluntary sector – in an increasingly plural and pluralist world (Rhodes 1997).

Given such criticisms of both paradigms, therefore, it is time to question whether there is a pressing need now for a more holistic theory of PAM – one that moves beyond the sterile dichotomy of 'administration versus management' and that allows a more comprehensive and integrated approach to the study, and practice, of PAM. It is suggested here that this theory may well be the New Public Governance.

. . . AND THE SHADOW OF THE FUTURE

The New Public Governance (NPG)

At the outset it is important to be clear that 'governance', and 'public governance', are not new terms and they come themselves with considerable prior theoretical and/or ideological baggage. A range of existing approaches to governance can be uncovered within the existing PAM literature:

- most expansively, Kooiman (1999) argues for 'social-political governance' as an over-arching theory of institutional relationships within society;
- Kickert (1993) and Rhodes (1997) define governance as the machinery of 'self-organizing inter-organizational networks' that function both with and without government to provide public services;
- Frederickson (1999) contends that governance, taken together with the theory of 'administrative conjunction' is in fact a way to re-position PA as the continuing pre-eminent discipline for the realities of the modern world;
- Marsh and Rhodes (1992) and Kickert *et al.* (1997), building upon the work of those such as Hanf and Scharpf (1978) use governance as a way to explore the workings of policy communities and networks;
- Salamon (2002) uses governance almost as a proxy term for the generic practice of PAM, while Lynn *et al.* (2001) also use it as a catch-all term to try to create an holistic theory of PAM in conditions of the 'hollow state' (Milward and Provan 2003); and
- Kettl (2000) uses governance as a concept with which to explore the internal processes and workings of the NPM.

While all of these visions of governance are legitimate within their own parameters, it is argued here that the term has the capacity to be much more than a walk-on part or surrogate for other approaches to PAM. Indeed, some writers, notably Kickert, Kooiman and Rhodes above, have begun to move in that direction. The intention here is to carve a distinctive niche for the NPG that both has the capacity to be intellectually coherent and rigorous and has the capacity to capture the realities of PAM within the plural and pluralist complexities of PAM in the twenty-first century. This brief article may not go all the way to meet these two self-imposed conditions, but it is a commencement to the process of reaching such rigour and relevance.

Working with the above definitions of public governance of Kickert (1993) and Rhodes (1997), and building upon the insights of Peters and Pierre (1998), it is contended here that it is possible, indeed desirable, to develop a theory of the NPG that does capture these realities and complexities. This theory is not integral to PA or to the NPM but is rather an alternative discourse in its own right. It is predicated upon the existence of a *plural state* and a *pluralist state* and it seeks to understand the development

and implementation of public policy in this context.[3] A fully blown theoretical exposition is beyond the scope of this brief essay, and would require greater sophistication than is attempted here. None the less, it is possible to sketch out the elements of such a theory. This is attempted in Table 1, with explicit contrasts to the theories of PA and the NPM.

As outlined earlier, therefore, PA is situated firmly within the political studies discipline. Influential theorists include Woodrow Wilson (1887) and William Robson (1928). It has at its core a concern with the unitary state, where policy making and implementation are vertically integrated within government. It focuses precisely upon this *policy making and implementation system*, or cycle, with an assumption that effective PAM is comprised of the successful implementation by public managers of policies decided 'up stream' in this system by democratically elected (and it is implicitly assumed, accountable) politicians. Because of its vertically integrated nature, hierarchy is the key governance mechanism for PA, with a focus upon vertical line management to ensure accountability for the use of public money, while its value base is strongly that of an explicit public-sector ethos (see, for example, Day and Klein 1987; Simey 1988). Some writers, of course, have long recognized the fallibility of the PA paradigm without entirely dismissing it as a framework for the design and delivery of public services. The theory of 'street-level bureaucrats' (Lipsky 1979), for example, seeks to explain the breakdown of the 'policy maker – administrator' divide in conditions of resource shortage, but without dismissing in its entirety the framework of PA for the provision of public services.

By comparison, the NPM is a child of neo-classical economics and particularly of rational/public choice theory. Influential writers include Tiebout (1956) and Niskanen (1971). It is concerned with a disaggregated state, where policy making and imple-mentation are at least partially articulated and disengaged, and where implementation is through a collection of independent service units, ideally in competition with each other. Its focus is almost wholly upon *intra-organizational processes and management* and it emphasizes the economy and efficiency of these service units in producing public services (conceptualized as the outputs of these processes).[4] As already noted, it assumes competitive relationships between the independent service units inside any public policy domain, taking place within a horizontally organized market-place – and where the key governance mechanism is some combination of competition, the price mechanism and contractual relationships, depending upon which particular variant of the NPM one chooses to expound. Its value base is contained within its belief that this market-place, and its workings, provides the most appropriate place for the production of public services. An extreme form of this argument is made by Pirie (1988). An alternative version, that emphasizes contractual mechanisms *within* rather than *without* government is offered by Schrijvers (1993).

In contrast to both of the above, the NPG is rooted firmly within organizational sociology and network theory and acknowledges the increasingly fragmented and uncertain nature of public management in the twenty-first century (Haveri 2006). It

Table 1: Elements of the NPG, in contrast to PA and the NPM

Paradigm/key elements	Theoretical roots	Nature of the state	Focus	Emphasis	Relationship to external (non-public) organizational partners	Governance mechanism	Value base
Public Administration	Political science and public policy	Unitary	The policy system	Policy implementation	Potential elements of the policy system	Hierarchy	Public sector ethos
New Public Management	Rational/public choice theory and management studies	Disaggregated	Intra-organizational management	Service inputs and outputs	Independent contractors within a competitive market-place	The market and classical or neo-classical contracts	Efficacy of competition and the market-place
New Public Governance	Organizational sociology and network theory	Plural and pluralist	Inter-organizational governance	Service processes and outcomes	Preferred suppliers, and often inter-dependent agents within ongoing relationships	Trust or relational contracts	Neo-corporatist

draws much from the influential work of Ouchi (1979) and Powell (1990) on networks and from the substantial organizational social capital literature within organizational strategy (such as Tsai 2000). It also has the potential to derive insights from the relational marketing literature (for example Groonroos 1994). Thus it has the potential to tap into a more contemporary stream of management theory, concerned with the 'relational organization', than does the output and intra-organizational focus of the NPM. It posits both *a plural state*, where multiple inter-dependent actors contribute to the delivery of public services and *a pluralist state*, where multiple processes inform the policy making system. As a consequence of these two forms of plurality, its focus is very much upon inter-organizational relationships and the governance of processes, and it stresses service effectiveness and outcomes. Further, it lays emphasis on the design and evaluation of enduring inter-organizational relationships, where trust, relational capital and relational contracts act as the core governance mechanisms (Bovaird 2006; Teicher *et al.* 2006).

The NPG thus has the potential to provide a framework both to fuel the generation of new PAM theory[5] and to support the analysis and evaluation of public policy evolution. In a parochial UK context, for example, it can provide a framework to evaluate and critique the neo-corporatist assumptions of the Voluntary Sector Compact, as well as the emphasis upon 'preferred supplier' models and voluntary sector modernization within the recent cross-cutting review of the role of the voluntary sector in providing public services (Osborne and McLaughlin 2002, 2004).

The NPG paradigm has inherent strengths for the study and practice of PAM. It combines the strengths of PA and the NPM, by recognizing the legitimacy and inter-relatedness of both the policy making and the implementation/service delivery processes. It also breaks new ground by appreciating and laying out the challenges of PAM in the plural world that now comprises the environment of public services and of PSOs. Finally it provides a coherent conceptual framework from which to develop theory and research that can inform the practice of PAM in the twenty-first century.

Significant work has already taken place that might legitimately be said to fall within the boundaries of this emergent paradigm. This includes work upon the nature and governance of the policy process (Klijn and Koppenjan 2000, 2004), the development of key management skills in an inter-organizational context (McLaughlin and Osborne 2006) and the governance of inter-organizational relationships themselves (Hudson 2004; Huxham and Vangen 2005). Now is surely the time for such micro- and macro-level work to be integrated with the meta-level elaboration and development of the NPG paradigm itself.

NOTES

1   This article is a revised version of the keynote address to the annual conference of the Finnish Association of Public Administration in Rovaneimi in December 2005. The author also acknowledges the useful and insightful comment of both Brint Milward and Erik-Hans Klijn on an earlier draft of this final version. Responsibility for the contents lies with the author alone, however, as always.

2 Brint Milward has made the point to me in a personal communication that there is an inevitable national variance in the nature of Public Administration, and of the other modes. The 'politics – administration' split, for example, is perhaps a particularly European, and especially British, emphasis within PA. Moreover all the elements are liable to buckle under extreme stress – the incrementalism of PA was clearly put on hold during the two World Wars of the twentieth century, for example.

3 These concepts of the *plural state* and *pluralist state* are reviewed further later.

4 Though Ostrom and Ostrom (1971) do offer a more explicitly *inter-oganizational* approach to public choice theory as a basis for the NPM.

5 Kate McLaughlin at the University of Birmingham, for example, is currently exploring the adaptation of the concept of 'relational capital' in order to deepen our understanding of partnering between public service organizations in a public policy context.

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