

# 1. Introduction

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Our increasingly globalized world economy is marked by increasing emphasis on systemic competition, and the development of the public sector has become an important parameter in this competition. Public sector reforms are further stimulated by new technological opportunities and new demands from citizens and private stakeholders. At the same time, both public administration research and public service organizations are becoming more evidence-based. The search for both ‘best practices’ and ‘next practices’ is accelerated by the development of public innovation units and by the growth of think tanks and other research-based organizations at the interface between academia and public policy, and the result is a more rapid selection process for what works in public governance and management (Margetts and Dunleavy 2013: 2). As such, we get more and different responses to the problems encountered in the existing approaches to managing the public sector. While the response to the alleged problems of public bureaucracy in the 1980s and 1990s was the introduction of market mechanisms and new forms of managerialism, the last two or three decades have seen the emergence of a host of competing understandings of what constitutes good public governance and management. While previous public sector reforms were narrow and technical, the new understandings of public governance give rise to profound changes and are subject to political contestation and public debate. A systematic way of analysing how public sector reforms aim to respond to emerging governance problems is urgently needed. In particular, we need to better understand the similarities and differences between the different underlying logics that inform public sector reforms.

## STUDYING PUBLIC GOVERNANCE PARADIGMS

This book aims to scrutinize, compare and discuss the shifting and co-existing governance paradigms that inspire public administration reforms, and shape and reshape the general functioning and daily operation of public organizations. It provides a research-based account of the governance paradigms that are relevant for understanding what is going on in the public sector today. As such, our ambition is neither to

scrutinize specific administrative processes and procedures nor to study the form, functioning and performance of particular public service organizations, but rather to uncover and describe the underlying policies, strategies, programmes and institutional templates that govern the particular manner in which the public sector is structured, functioning and operating. We refer to these policies, strategies, programmes and institutional templates as *public governance paradigms* in order to highlight the existence of relatively coherent and comprehensive norms and ideas about how to govern, organize and lead the public administration. Governance paradigms may be formed through an eclectic combination of ideas from different intellectual strands, but these ideas are re-articulated and integrated within a relatively coherent storyline that typically provides a diagnosis of current problems and challenges and a strategy for solving them. Adopting a governance paradigm may be partial in the sense of favouring some components over others and it will often involve adaptation of these elements to the context in which they are implemented. Hence, in reality the contours of a particular governance paradigm may be blurred, although at the level of discourse it provides a clear and distinct public sector approach to governing.

A particular governance paradigm may come to dominate the overall perception of the appropriate ways of structuring and operating the public sector in a particular country at a particular point in time. Nevertheless, it will compete and co-exist with old, institutionally embedded governance paradigms that continue to influence its daily operations and with new, embryonic paradigms that aspire to become the fad and fashion of tomorrow. The competing and co-existing governance paradigms may appeal to different political parties and different groups of public leaders and employees, and their support may be task-related and vary across different parts and levels of the public sector. As such, the official government discourse may be contradicted by ideas and practices at the level of local or regional government or in conflict with entrenched governance routines pervading the public school system or employment service. Indeed, the competing public governance paradigms will exist side by side within and across public organizations and create tensions and unintended effects.

The co-existing governance paradigms will enjoy different degrees of overall political and administrative support, and their relative popularity waxes and wanes over time. Hence, in retrospect, we may see that the overall design of public organizations, governance processes and forms of leadership at a particular point in time will be determined by a particular governance paradigm that promises to solve yesterday's problems and achieve desirable future results. Moreover, the predominant

public governance paradigm, which enjoys firm support from central government officials and those in control of central budget allocations, will tend to exert coercive pressure on lower-level agencies to adopt and implement its core ideas (DiMaggio and Powell 1983); the local decoupling from those core ideas may appear to be a risky and short-sighted strategy (Meyer and Rowan 1977).

A key argument in this book is that the predominant governance paradigm will not succeed in eliminating the other competing governance paradigms. They will all continue to co-exist, somewhat like layers in a layer cake. The recently added top layer and the most recent addition of cream and berries placed on top will obviously tend to be the most visible layers, but the lower layers deeper down formed by the older governance paradigms may continue to provide a solid foundation. Moreover, particular aspects of the competing and co-existing governance paradigms will sometimes be merged to produce hybrid forms of public governance with more or less ambiguous effects. As such, we can conclude that the competing and co-existing governance paradigms will both form a layer cake with relatively separate public governance regimes and a marble cake with mixed and hybrid forms of public governance.

How the public administration is governed, organized and led is characterized by a high degree of stability. The path-dependence based on self-reinforcing feedback mechanisms between structures, norms, skills and behaviour tends to turn the stability of public organizations into inertia, thereby creating a remarkable resistance to change. Nevertheless, the public sector is surprisingly susceptible to influence from fashionable ideas about how to govern and be governed (DiMaggio and Powell 1983; Røvik 2011). The Weberian bureaucracy model triumphantly swept the world many years ago and constitutes one of the most widespread and institutionally entrenched fashion waves to ever hit the public sector. The global diffusion and massive impact of new public management (NPM), which in many ways goes against the grain of public bureaucracy, provides a more recent example of a successful fashion wave. Today, there are several contenders to the fashion prize as new discourses on neo-Weberianism, public value management, digitalization and network governance exert a growing influence on how the public sector should be designed and governed.

Now while the search for legitimate and desirable ways of governing the public sector in general, and the public administration in particular, is influenced by new and shifting fashions, this does not mean that the new paradigmatic reform programmes are a result of irrational moods and whims on the part of elected politicians and executive civil servants. New

governance paradigms are developed and attract political and administrative attention and support because they appear to provide a plausible response to problems that the current thinking and practice in the public sector either fail to address or cannot provide an appropriate answer to. The proliferation and accumulation of problems and challenges within the predominant governance paradigm that informed the last round of public administration reforms spur critical reflection, pragmatic experimentation and mutual learning within and across public organizations. In addition, political and administrative entrepreneurs will look for inspiring solutions and positive experiences from other organizations, sectors and countries. Out of the learning-based search and development activities will eventually emerge a more or less coherent set of reform strategies that researchers, consultants and idea brokers will pick up, systematize, name and promote as a new and exciting governance paradigm that helps to answer pressing problems and challenges and promises to provide a viable path for the future development of the public sector.

New and emerging governance paradigms play an important role as they restructure and reorganize the public sector, change its interactions with the citizens and the private for-profit and non-profit sectors, and transform how public policies, regulations and services are produced, delivered and evaluated. Public administration researchers, political commentators and the mass media spend considerable time and energy analysing particular aspects of public governance, including the impact of new tax laws, the failure to provide adequate social housing or the efforts to meet ambitious goals for CO<sub>2</sub> emissions reductions. However, the detailed discussions about these important issues must not overshadow the more fundamental question about how we govern, organize and lead the public sector so that we are able to solve pressing societal problems in accordance with our overall goals and objectives and to support the development of the kind of society in which we want to live. There are many ways to structure, design and operate the public sector, and they have different effects on its processes, outputs and outcomes, which, in turn, affect the development of society and the economy. As public administration researchers, we want to clarify the differences between the relatively coherent public governance paradigms, scrutinize their strengths and weaknesses, and reflect on how it is possible to manoeuvre in the complex institutional terrain of conflicting and co-existing governance paradigms.

## THE RECENT REVIVAL OF ADMINISTRATIVE REFORM POLICY

Our focus on the analysis and evaluation of public governance paradigms takes us far into the realm of administrative reform policy in which recommendations drawn from particular governance strategies are not merely based on information, knowledge and scientific insights but also on political values, opinions and aspirations. This is dangerous territory for social scientists who want to abstain from making causal inferences between descriptive statements about what is happening in the world and prescriptive statements about what ought to happen. Nevertheless, we are convinced that a careful analytical mapping and comparison of relevant public governance paradigms and a research-based evaluation of their positive and negative effects will save us from illegitimate inferences and help to facilitate an informed political debate about the future development of the public sector.

While the study of public sector reform is an important and well-established part of administrative sciences, the study of administrative reform policy and shifting public governance paradigms is a relatively recent addition (see Christensen and Lægreid 2003; Barzelay and Gallego 2006; Hammerschmidt et al. 2016). For almost a century, the public sector was governed by ideas associated with Wilsonian and Weberian bureaucracy, which, to varying degrees, were combined with ideas about professional rule that were spurred by the post-war development of the welfare state that often delegated considerable power and influence on service delivery to strong professional groups of doctors, nurses, school-teachers etc. In this period, change appeared to be limited and there was little to study in terms of administrative reform policy and shifting governance paradigms. As Kettl (2015) has shown, however, North American presidents have played a crucial role in driving change in the bureaucratic and liberal-democratic governance paradigm, sometimes accentuating themes and ideas that have been taken up by later public governance paradigms. If continuity prevailed over discontinuity in most of the twentieth century, the period since the early 1970s has been marked by disruption and change. The growing critique of public bureaucracy and professional rule has exploded the post-war consensus about the virtues of the continued expansion of a professional public bureaucracy. In response, we have seen the emergence of a handful of new governance paradigms, of which NPM has by far been the most influential despite mounting criticisms and numerous alternatives.

The emergence of the public governance ideas associated with NPM and the political and administrative controversies it has engendered have spurred the current revival of administrative reform policy. Whereas the development of the public administration was long considered a technical issue that was left for executive public managers and public law experts to solve, the form and function of public administration became subject to political contestation. As such, both US President Ronald Reagan and UK Prime Minister Margaret Thatcher campaigned against red-tape bureaucracy and in favour of 'less state and more market'. Reagan famously claimed that 'government is the problem, not the solution', and Thatcher wanted to 'roll back the welfare state'. These controversial political statements heralded the arrival of a new era of administration reform policy. Political leaders in other countries echoed the Anglophone political leaders' calls for de-regulation, marketization and the dismantling of public bureaucracy and introduced public sector reforms that were later described as a part of the NPM revolution. Since the countries on the European continent had administrative traditions that were very different from the ideas encapsulated by the NPM reform programme, the introduction of NPM-inspired reforms was accompanied by great scepticism and mounting complaints and criticisms. The immediate politicization of NPM served to keep the debate about administrative reform policy alive. The defenders and critics of NPM engaged in fierce disputes with each other while the advocates of new and alternative governance paradigms gradually came onto the stage and enhanced the ideational complexity by increasing the number of governance options and multiplying the arguments for and against different governance paradigms.

The debate on administrative reform policy started at the national level, with politicians suddenly taking a keen interest in transforming the public sector and executive managers pushing administrative reforms. It spread from country to country with the diffusion and adoption of NPM reforms. Gradually, the debate caught on at the international and supranational levels as new players such as the World Bank, the OECD, European Commission and to some extent also the UN started to produce a series of reports recommending different kinds of public sector reforms. The World Bank promoted norms about good governance that emphasized bureaucratic values such as transparency, impartiality and the rule of law. The OECD initially embraced and promoted NPM-associated reforms but became increasingly critical and more focused on spurring public innovation. In 2001, the European Commission issued a White Paper on Governance (EU, 2001), which focused on citizen involvement and public and private collaboration in and through networks and partnerships, and in 2009 the EU Committee of Regions published a White

Paper on Multi-level Governance (EU, 2009). Finally, the UN sustainable development goals recommended relevant and affected actors to be involved in bringing about global change through participation in networks and partnerships. In sum, international and supranational organizations seemed to play an important role as idea brokers for national public authorities in the field of public governance and administration.

In countries where local governments and regional authorities are of a considerable size and possess sufficient resources, capacities and self-confidence, they have also entered the discussion of administrative reform policy. Big-city mayors have occasionally taken the lead. At other times, the national associations of municipalities or regional authorities have contributed to the governance debate. Both local and regional governments are under pressure to deliver societal solutions and public services to the citizens in a situation characterized by scarce public resources. The elected politicians are in close proximity to the citizens they are serving, and they are often less ideological and more pragmatic than the national-level political leaders (Barber 2013). Together with the executive administrators, they struggle to make ends meet and are often open to experimentation as part of their pragmatic search for solutions that work in practice. As such, they are busy creating public sector reforms 'from below'. They often go their own ways and frequently inspire national-level political leaders to go in a new direction.

Researchers, consultancy firms, think-tanks and mass media have also contributed to the debate on administrative reform policy. Researchers have not only published a series of critical accounts on the recent public sectors reforms but also contributed positively to the development of administrative reform ideas. The publication of the Blacksbury Manifesto, which aimed to counter the growing 'bureaucrat bashing' and called for a 're-founding' of the normativity of public administration within a democratic state based on effective public participation, provides a famous example of a research-based intervention in administrative reform policy (Wamsley et al. 1990). More recently and in a different part of the world, a large group of Danish public administration scholars published a similar manifesto entitled 'An innovative public sector that enhances quality and joint responsibility' (Andersen et al. 2012). Currently, a large-scale research project at Utrecht University financed by the European Research Council aims to inspire public sector reform by identifying, analysing and drawing lessons from successful cases of public governance. Scores of public sector consultants have also aimed to identify new positive trends in public governance. Working on a more operational level, they aim to discover and describe solutions to specific governance problems and turn them into marketable products. While some consulting houses work

closely together with researchers to learn about new theories and ideas, others take their cues from central government offices and the administrative circles that they are prescribing. Finally, mass media and a growing number of web-based newsletters and blogs have reported numerous policy and administration failures and given airtime to public sector commentators with different views and ideas about how to reform the public sector.

In sum, the political debate on public administration has attracted many different actors from multiple levels and circulated many conflicting ideas, views and assessments. It can therefore be difficult to obtain a clear sense of which way is up in the many debates. At the same time, the stakes in the debate are high since the choice of a particular type of governance or a particular administrative reform possibly has a profound impact on the ability of the public sector to deliver outputs and outcomes that are efficient, effective, robust, fair, democratic, sustainable, and so forth. This predicament explains why we have decided to heed the call for a systematic mapping, analysis and evaluation of the competing and co-existing public governance paradigms. We believe that this endeavour will provide a clearer understanding of the complex reform processes and institutional configurations in the public sector.

Depending on the individual reader's temperament, our book may be construed either as a scholarly contribution aiming to conceptualize and compare different governance paradigms, a guide for making well-informed decisions about public sector reform, or as yet another intervention in the ongoing political debate about administrative policy-making. Contrary to our intentions, if we have not succeeded in escaping the political debate that we want to inform (rather than contribute to), we hope that the political recommendation that can be gleaned from our exposition is that people in and around the public sector should make a pragmatic, context-sensitive choice of governance solutions while considering their complex environment and bearing in mind that the choice between competing governance paradigms has many trade-offs, and there is no one size that fits all. When it comes to the question of how to govern, organize and lead the public sector, there is no perfect and final solution, but rather only different and shifting combinations of imperfect – albeit perhaps adequate – governance solutions that match different public tasks, political ambitions and administrative cultures and contexts.

## DEFINITION, CONTENT AND DEVELOPMENT OF PUBLIC GOVERNANCE PARADIGMS

As hinted above, public governance paradigms are defined as a relatively coherent and comprehensive set of norms and ideas about how to govern, organize and lead the public sector. The normative and ideational components of a governance regime may have different origins, but these are re-articulated and form part of a relative unified discourse. The eclectic, but relatively coherent governance paradigms tend to offer a critical diagnosis of the past and promise to provide solutions to the most pressing problems and challenges confronting the public sector in the future. The new solutions frequently recycle old ideas and practices, thereby contributing to the reinvention of the past. The old ideas are connected to new ones, however, giving rise to new practices with new functionalities. Public governance paradigms tend to be structured around a few core beliefs and assumptions that inform a larger set of loosely connected ideas and recommendations about how to govern and be governed, how to structure and organize the public sector, how it relates to wider society, and how leaders, managers and employees interact in the delivery of solutions and services to citizens and private stakeholders. As such, they provide an instance of ‘third-order governance’ that creates the normative, ideational and institutional conditions for the structure and processes of the overall system of public governance (‘second-order governance’), which in turn conditions the daily interactions and operations through which concrete solutions, regulations and services are produced and delivered (‘first-order governance’) (see Kooiman 2003).

The third-order concept of public governance paradigms draws on Thomas Kuhn’s famous idea of scientific revolutions that lead to the formation of new scientific paradigms that are gradually taken for granted by the scientists involved in ‘normal science’ (Kuhn 1962). Based on the spectacular transition from the old geocentric to the new heliocentric view of the universe, Kuhn perceives scientific paradigms as logically consistent theories that are tested rigorously in evidence-based ways. He also asserts that paradigmatic change will tend to be rare, exceptional and triggered by the continuous problematization of its basic assumptions.

As Margetts and Dunleavy (2013) rightly observe, these conditions do not apply in the social sciences and even less so in the non-academic spheres of life (e.g. public administration). Public governance paradigms are not logically consistent theories with a strong evidence base. They initially tend to consist of vaguely defined, loosely connected and

normatively charged ideas. Depending on their political support and resonance with the administrative culture, they might gradually gain momentum and assume a more consistent form. Systematic evidence of their positive role and impact that goes beyond the sampling of isolated success stories tends to come much later. Moreover, changes in public governance paradigms tend to be more frequent and much faster than change in the more fundamental scientific paradigms. The heightened frequency of change is explained by the acceleration of global policy learning based on the exchange of best practices, the proliferation of think tanks and other idea brokers, and the steadily stronger interface between academia and public policy-making that has accelerated learning processes and boosted the circulation and selection of new ideas about what works in public administration and management.

Given these differences vis-à-vis Kuhn's theory of scientific paradigms, perhaps we should rather talk about 'quasi-paradigms' in public governance than paradigms in the Kuhnian sense of the term. However, we agree with Margetts and Dunleavy (2013) that public governance paradigms behave like ordinary paradigms in two important respects. First, they tend to have two levels, with an overall macro-level theory based on a few propositions that pull together and give direction to a wider range of supplementary concepts, detailed recommendations and preferred methods. Second, they develop in response to the problems of their predecessor, enter a period of relatively successful 'normal governance' and are problematized by the accumulation of problems to which they cannot provide an appropriate response. These resemblances to Kuhnian-type scientific paradigms serve to justify the notion of public governance paradigms.

Public governance paradigms give direction and meaning to specific governance reforms and the daily efforts to optimize the role and functioning of public administration in order to deliver solutions and services of high quality with the available means. However, we should not forget that the initial formulation of the governance paradigms is inspired by new developments in actual forms of public governance and administration. Thus, Weber (1947) got the idea for his famous bureaucracy model by studying the successful operation of the German postal system. Hood (1991) observed some new empirical reform tendencies in the public sectors in Australia, New Zealand and the UK, drew a ring around and named them 'New Public Management'. Pollitt and Bouckaert (2004) saw that some countries were not buying the whole NPM package, aiming instead to preserve classical Weberian values while making the public sector more efficient and user-friendly. This observation led them to coin the notion of the Neo-Weberian State. In much

the same way, Dunleavy and his collaborators (2006a, b) and Osborne (2006, 2010) identified new trends in public governance that aimed to solve some of the problems created by NPM and denoted these trends Digital Era Governance and New Public Governance, respectively.

As such, the public governance paradigms are not invented out of thin air, but instead are inspired by actual trends and developments that are stylized and idealized in order to be able to provide a more generic account of the core governance principles and how they may offer a way forward for the public sector. When public governance paradigms have first been formulated and described in generic terms by academic researchers, they quickly attain their own life and provide a more or less coherent and comprehensive framework for thinking about and practising public governance. Supporters and advocates help fill in the blanks, and the number of specific recommendations grows while key ideas are adapted to new circumstances and new and compatible ideas are integrated. In sum, what begins as an ex-post rationalization of empirical trends that are subjected to academic scrutiny and systematization ends up being a result of a dialectical interplay between theory and practice.

The public governance paradigms discussed among researchers and practitioners are often reified and assumed to have an independent existence in reality. Frequently, they assume the character of an acting and wilful subject aiming to infuse the public sector with a particular set of norms and ideas. A particular government agency or think tank is sometimes seen as an incarnation of a particular governance paradigm that it promotes in any way possible. However, the only thing that exists in reality is a diverse set of governance ideas and administrative practices that, according to particular researchers, can be re-described as an integral part of particular governance paradigms. Hence, although the public governance paradigms provide different prescriptive models for how to govern, organize and lead the public sector, they are ideational constructions in the heads of the researchers and practitioners who subscribe to their core ideas. The constructed character of the public governance paradigms does not prevent them from having a real impact on administrative practices and the form and functioning of public organizations. When social and political actors in and around the public sector act, they tend to draw on relational systems of concepts and ideas and they shape the world of administrative practices based on these ideas and concepts. Their actions are subsequently legitimized with reference to the core beliefs of particular governance paradigms. Hence, what come to exist in reality are particular enactments of different governance regimes that over time are institutionalized and thus become relatively entrenched.

There is an interesting dynamic between norm and fact that feeds on the interface between academic scholars and public administration practitioners. Academics may aim to capture new empirical trends by describing new and important governance paradigms. The new norms and ideas about public governance are disseminated through white and grey literature, the graduation of new generations of public administration students and teaching in the growing number of mid-career management training programmes. Practitioners apply the new paradigmatic ideas about how to govern and be governed in their daily administrative practices, which are shaped and reshaped by new reform initiatives that also take their inspiration from the new governance paradigms. Researchers then conduct careful studies of what is going on in the public sector. While the studies tend to confirm the relevance of the public governance paradigms, they also detect deviations, conflicts and dilemmas; and perhaps even some new and emerging trends. This owes to the fact that the governance paradigms and the magic concepts they deploy do not come with easy-to-follow instructions. Rather, they are interpreted and translated in the course of the implementation process, where they tend to clash with ideas and practices associated with pre-existing governance paradigms leading to either reinventions or hybridization. As such, the object of study in the field of public administration is a moving target. The researchers will eventually come up with new ways of making sense of the dynamic changes in reality, which will in turn inform the practitioners' reflections and practices. A new dynamic and dialectical cycle begins.

Looking back at the post-war period, there is little doubt that the shifting governance paradigms have played a crucial role in prompting and guiding the development of the public sector. At first, the public sector was shaped in accordance with the principles of Weber's *bureaucracy model*, and this development created what researchers today refer to as Old Public Administration (OPA). Politics and administration were separated, a hierarchical chain of command ensured centralized control, a horizontal division of labour between different departments facilitated specialization, policies were created based on rational decision-making and implemented through rule-based governance, and public employees were hired based on their merits. The bureaucratic governance paradigm came to have different expressions in the European countries, where it is possible to identify different administrative traditions reflected in the different legal regimes in, for example, France, Germany and the UK (Andersen, Leisink and Vandenabeele 2017).

Some public bureaucracies developed a strong welfare sector in which professional groups with a specialized education have a large influence

on service production. In countries with a high degree of devolution to local authorities and specialized public service organizations, a low level of centralized control based on rules and targets, a strong recognition of the need for professional discretion in public service delivery and a high degree of occupational closure, the power of welfare professionals became so strong that we can talk about *professional rule* (Noordegraaf 2016). Although professional rule is conditioned by the professionalization of the public sector, which is inherent to public bureaucracy, it introduces an autonomous power based on professional norms, values and theories that challenges the hierarchical chain of command. Professional rule is based on horizontal collegiality, and the professional leaders are considered as *primus inter pares*. In some cases, the loyalty of the employees and their professional leaders will primarily be with their profession and their professional associations or trade unions rather than with the public sector as such.

In the 1970s and 1980s, there was growing criticism of public bureaucracy and the professional rule that it had nurtured in countries with strong, decentralized welfare states. Bureaucracy was criticized for its centralized steering and planning model and the rule-governed administration that creates unfortunate rigidities, as well as for the lack of competition and entrepreneurship that result in high-cost, poor-quality services. The autonomous, norm-based professional rule was criticized for leading to an upward drift in public expenditure, and the powerful welfare professions were accused of being self-serving, paternalistic and politically tone-deaf. The anti-bureaucratic backlash found academic support in public choice theory and principal-agent theory, and it did not take long before neo-liberal and neo-conservative politicians called for radical reforms of the public sector.

Reforms combining marketization with a new kind of managerialism were introduced under the umbrella term New Public Management (NPM), which also included a preference for contractualism, agentification and so forth. NPM was the name of the game in most countries in the Western Hemisphere throughout the 1980s, 1990s and 2000s. Many of the newly industrialized countries in South-East Asia also introduced NPM-inspired reforms that became a global reference point for public governance and administration. Despite its positive effects on budget discipline, result-orientation and user satisfaction, the criticisms of the broken promises and the unintended negative effects of marketization and managerialism soon picked up. Academics documented the failure to deliver on the promises of deregulation, innovation and cost-efficiency, as well as the negative impact on public service motivation, organizational fragmentation and core bureaucratic values such as fairness, equity and

political accountability. Public employees complained that the strict enforcement of performance management distorts goal-attainment in the public sector, eliminates the room for professional discretion and takes precious time away from the production of core services. While central government offices continue to support the NPM paradigm, some countries have seen a growing popular mobilization against it. In some cases, the critique of NPM has led to a critique of public steering as such, and there are also examples of criticisms of NPM being merged with criticisms of globalization and neoliberalism, which when taken together are seen as the source of all evil. In most cases, however, the criticisms of NPM have spurred discussions about which parts should be abandoned or retained, which parts call for adjustment and reform, and which alternative governance paradigms the future may bring. In particular, four governance paradigms claim to remedy the problems with NPM and reinvigorate the public sector: the Neo-Weberian State, Digital Era Governance, Public Value Management and New Public Governance.

The Neo-Weberian State (NWS) paradigm has developed in countries that have been reluctant to implement NPM reforms (Pollitt and Bouckaert 2004) but may offer a bureaucratic corrective to NPM in other countries as well. The main concern is to return to classical bureaucratic values such as competence, fairness, equity, impartiality and political accountability. Here, the Neo-Weberian State paradigm draws on discussions from the late 1960s and early 1970s that are commonly referred to as New Public Administration (Marini 1971; Waldo 1971; Wamsley and Zald 1973). The position vis-à-vis NPM is somewhat ambivalent, as the marketization part is rejected whereas the strategic management part is welcomed. Finally, classical forms of bureaucracy are criticized for neglecting the needs and demands of the citizens. Hence, the paternalistic ethos that pervades public bureaucracy must be counteracted by a new responsiveness.

Its advocates depict Digital Era Governance (DEG) as a response to the crisis of NPM early in the new millennium and the fiscal crisis since 2008, which has emphasized the need to cut spending. The idea at the core of Digital Era Governance is to draw the full consequences of the digital revolution in information and communication technology for the development of public service delivery (Dunleavy et al. 2006a, b). Not merely a tool for enhancing administrative efficiency in the back office, digitalization may also help to reintegrate fragmented public and private service-delivery agencies, provide more holistic service to citizens and enhance democratic participation and public deliberation.

The Public Value Management (PVM) paradigm shares some of its core ideas with the Neo-Weberian State paradigm, but there is much

greater emphasis on stakeholder involvement in public governance. The basic argument is that the public sector is not merely a parasite feeding off the value produced by the competitive and innovative private sector and validated by consumers in private markets. The public sector is unique in its production of tax-financed public value that is validated through political and democratic debate and processed by public bureaucracy. While the original contributions to Public Value Management (Moore 1995) place the responsibility for public value production with public managers engaged in strategic management combining the development and authorization of public value propositions with organizational capacity building, recent interpretations (Stoker 2006; Bryson et al. 2015) claim that the public value perspective opens up for the involvement of a plethora of public and private actors in collaborative governance taking place in networks and partnerships. Public Value Management thus lends itself to conflicting interpretations: its inherent managerialism points towards NPM while its potential support for network governance aligns it with New Public Governance.

New Public Governance (NPG) (Osborne 2006, 2010) claims that the reliance of the public sector on hierarchies and markets is problematic and that collaborative governance based on networks partnerships and the cultivation of an active and engaged citizenship is the only way to counteract organizational fragmentation, solve complex problems and mobilize resources and ideas capable of spurring public innovation. Its recommendation of horizontal forms of governance provides a radical departure from both the traditional forms of top-down government and the recent marketization of the public sector that replaces political rule with competition. Collaborative governance and the attempt to spur service innovation calls for leadership and management to be based more on trust-based facilitation and empowerment than on control-based performance management.

These four governance paradigms can all be seen as a reaction to the problems and challenges associated with NPM. At the risk of simplifying the rich and sophisticated arguments, the Neo-Weberian State can be said mainly to be a reaction to how NPM has undermined core public values. Digital Era Governance is a digitally enabled response to the need for continued efficiency gains and the need to ensure service quality for the citizenry through the integration of service and the adoption of a more holistic perspective. Public Value Management is a reaction to the failure of NPM to appreciate the unique character of the public sector, which consists of its contribution to public value production. New Public Governance represents a response to the growing fragmentation and pervasiveness of wicked problems that call for cross-cutting collaboration

and public innovation. The triggering factors behind the emergence of the new governance paradigms are both functional (new problems require new solutions) and dynamic (unintended negative effects call for adjustments). Hence, public sector reforms can be seen both as planned and emerging, and they both represent continuity and discontinuity. While the new governance paradigms may introduce entirely new elements into the debate, they also react to excesses; rather like a pendulum that swings too far in one direction after which it swings back, albeit perhaps in a slightly different or new direction.

There are three important drivers in the development of public governance paradigms (Pollitt and Bouckaert 2004). The first is the societal and socio-technical development that both propels the formulation of new demands and provides new opportunities. Economic growth and decline, changing demographics, the growing service expectations of the affluent middle class, functional differentiation of society, new technologies and competitive pressures from economic globalization have each influenced the shifting conceptions of the role and functioning of the public sector. The second driver is the critique of the predominant governance paradigm and the organizational learning that it engenders. New and emerging public governance paradigms initially tend to produce gains and benefits. After a period of consolidation, their marginal return to scale slowly begins to decline and the unintended negative consequences become increasingly apparent. The accumulation of problems and criticisms triggers the search for new solutions. The third driver of change is the diffusion of new paradigmatic ideas about public governance across organizations, sectors and countries. Organizations may learn from their own experiments or from successful reforms in other organizations. Ideas from private sector governance may also find their way into the public sector. Most importantly, however, governments at different levels learn from the best in the class and copy governance designs from governments elsewhere. The new ideas circulating between organizations and governments and across sector boundaries may gradually congeal and assume the form of best practices that provide building blocks for the construction of new governance paradigms.

New paradigmatic ideas about public governance will only have an impact and become the new dominant trend if supported by political and administrative elites. While local-level public organizations and professional groups may exploit their relative autonomy to develop and test new paradigmatic governance practices, it is impossible without support from above to mainstream the new governance ideas and to realize their full potential. Hence, public administration politics is ultimately the result of elite decisions that are influenced by ideological and tactical

concerns and often place considerable power in the hands of executive public managers who prefer stability and continuity rather than disruptive change, which creates uncertainty and the risk of failure. Despite the pivotal role of the political and administrative elites in driving public sector reform, we should be careful not to believe that central decision-makers are acting in accordance with a hidden masterplan. The intentions behind administrative reforms are not always clear, and compromises between the desirable and the possible are constantly being made (Pollitt and Bouckaert 2004). Considerable gaps often exist between the stated reform intentions and the reforms that are ultimately carried out, and the implementation of these reforms is an adaptive process that may result in administrative designs and governance solutions that nobody really wanted.

Finally, the development and implementation of a new governance paradigm does not mean that the old governance paradigms are eliminated and replaced with new ones. Drawing on the insights of historical institutionalism (Streeck and Thelen 2005),<sup>1</sup> we can safely say that the effect of the institutionalization of past political compromises means that new and old governance paradigms will co-exist, although in unstable and shifting relations of dominance. A new and fashionable governance paradigm may successfully relegate the existing governance paradigms to more marginal positions and will sometimes manage to transform their role and content to better match the new, predominant way of thinking and acting. The old paradigms will nevertheless continue to play a role and may delimit and obstruct the functioning of the new governance paradigm.

Not all new governance paradigms succeed in capturing the hearts and minds of the political and administrative elites, thereby constituting the new ideational horizon for designing public governance and administration. While new embryonic governance paradigms might appeal to particular groups of public and private actors and to particular parts of the public sector, they may continue to live in the shadow of other dominating governance paradigms. The new and emerging governance paradigms may fulfil a particular function by offering solutions to well-known problems but may lack active support from the political and

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<sup>1</sup> While our overall argument about the competing and co-existing governance paradigms finds support in historical institutionalism and its keen eye for both the dynamic interaction between institutional structure and social and political agency and its emphasis on institutional inertia, this book is not based on a particular theory or theoretical framework. Theories are only invoked in order to shed light on the public governance paradigms that we aim to map and reconstruct.

administrative elites. They may supplement mainstream ideas for decades before losing their grip on the collective administrative imagination. Alternatively, they may suddenly become fashionable and guide public sector reforms. The fate of new governance paradigms is unpredictable; all we can do is to carefully map the ongoing transmutation of the norms and ideas about public governance and the actual ways that people are governed, processes are organized, society is regulated and services are provided.

## THE PUBLIC GOVERNANCE DIAMOND

This book aims to analyse and evaluate no fewer than seven public governance paradigms in order to provide a solid foundation for discussing the need for public sector reform and understanding the current state and future development of public administration. In the presentation and analysis of each of the seven governance paradigms, we first describe its background before proceeding to account for its theoretical sources of inspiration and its main ideas and assumptions. Next, we examine the empirical evidence of its diffusion and impact. And finally, we discuss the arguments for and against its application in particular contexts and reflect on the governance dilemmas emerging from its usage.

In the analysis of the core ideas of a specific governance paradigm, we draw on the ‘public governance diamond’ we have developed to capture and compare different dimensions of the seven governance paradigms. Hence, we will place each of the paradigms on the five axes of the governance diamond, which enables us to visualize the variation on the key dimensions that we are interested in compared across the governance paradigms. They capture key aspects of how the governance of the public sector should be organized according to the governance paradigms.

The analytical dimensions that we measure from low to high along the five axes of the governance diamond are:

1. *Centralized control*: The degree of recommended centralized control in the vertical chain of command.
2. *Horizontal coordination*: The degree of recommended horizontal interagency coordination and collaboration.
3. *Use of value articulation*: The degree to which public governance should be based on the articulation of public values.
4. *Use of incentives*: The degree to which public governance should be based on conditional positive and negative incentives.

5. *Societal involvement*: The degree to which private for-profit or non-profit actors, including citizens, should be involved in public governance.

The first two dimensions focus on the vertical and horizontal structures in relation to governing processes in the public sector. The next two dimensions concern the preference for particular tools of governance, and the last dimension aims to capture the interface between the public sector and the surrounding society. The analytical dimensions aim to capture the institutional mechanisms through public governance that is produced and delivered rather than the political and democratic aspects of public governance.

The degree of centralized control considers where the key governance decisions are made. To what extent is the power to make key decisions about governance, regulation and service delivery concentrated at the top of the public sector? And to what extent is it devolved to lower levels and frontline organizations, managers and employees through deconcentration or decentralization? The continuum along the first axis goes from local, institutional and professional autonomy, via management by overall budgets and objectives, to centralized control with key governance decisions.

The degree of horizontal coordination aims to assess the relative importance of institutional specialization based on a strict separation of administrative departments and agencies vis-à-vis collaborative problem-solving across administrative agencies and silos. The continuum along the second axis goes from the strict separation of administrative silos, via knowledge sharing, negative coordination to avoid conflicts, gaps and overlaps and the occasional formation of an ad hoc task force, to holistic interagency collaboration and 'joined-up government' based on inter-organizational networking.

The use of value articulation concerns the active use of values in public governance. While all of the public governance paradigms are based on a particular set of norms and values aimed at capturing the content of good and desirable governance, they may not use norms and values actively as a tool of governance that endeavours to ensure that local agencies and public employees wholeheartedly pursue the goals they are supposed to pursue. In line with key academic contributions to leadership and management theory (Burns 1978; Bass and Riggio 2006), we define transformational leadership as behaviour that seeks to develop, share and sustain a common vision and to norms and values that may spur the production of desired outputs and outcomes. Influencing the normative perception of why, how and to what effect public agencies and employees

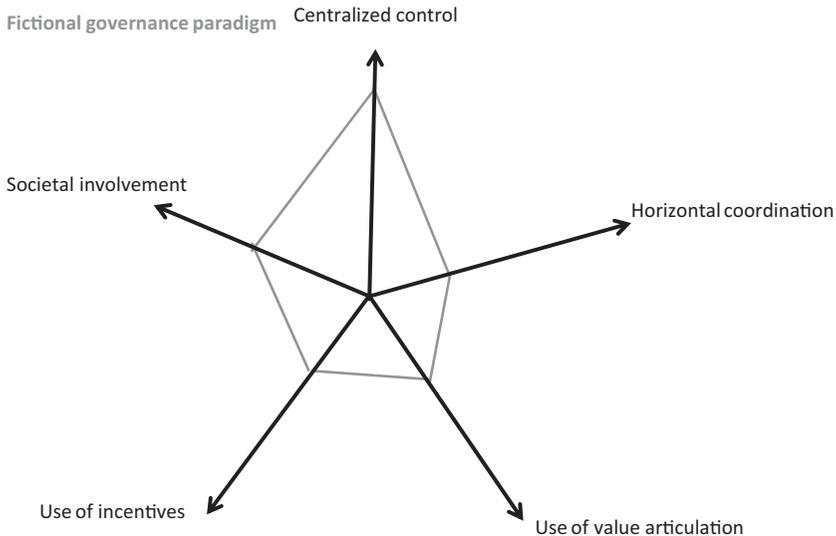
should deal with particular public problems, challenges and tasks might provide a potent governance tool, but it is not recommended and deployed with equal strength and vigour by the different governance paradigms. Its prominence seems to depend on the underlying theory of social action. As such, it tends to be favoured by governance paradigms that assume that social actors are normatively integrated and basically do what they have been socialized to believe is appropriate to do in the situation in which they are placed (March and Olsen 1989, 1995). The continuum along the third axis goes from a relative absence of normative appeals, via occasional reminders of goals and purposes, to an active use of visions and values to influence public employee behaviour and the group and organization of which they are a part.

The use of incentives provides an alternative to the active use of norms and values as a governance tool. The reward and punishment of particular forms of behaviour is at the core of transactional leadership, and the use of 'sticks and carrots' as an alternative to 'sermons' reflects a reliance on a *homo economicus* model of social action that assumes that individuals aim to maximize their personal utility by seeking to receive as many rewards as possible while avoiding punishment. The alternative to such an extrinsic utility-maximizing motivation would be a more intrinsic task motivation or public-service motivation that is stimulated by the transformational form of leadership captured by the third axis. The continuum along the fourth axis, which measures the active use of transactional leadership, goes from the relative absence of incentives beyond the basic understanding that job security depends on a certain level of task compliance, via occasional use of praise and encouragement to create a positive working environment, to an active use of high-powered positive and negative incentives dependent on an individual or collective performance assessment.

Societal involvement is the last dimension in the public governance diamond. It captures the extent to which the different governance paradigms aim to involve private actors from civil society and the economy in public governance activities. If they are keen to involve private actors, the next question becomes who are these private actors (merely a small segment or a broad range of private actors?), and how deeply are they involved in public governance (are they merely endorsing or choosing between public services? Or do they play a role in shaping them?). The continuum along the fifth and final axis goes from the exclusion of external actors from the private sector beyond the role of citizens as voters and clients, via the inclusion of a few actors in clearly defined parts of public governance, to the full-scale involvement of relevant and affected actors in different phases of the governance process.

The five axes of the public governance diamond are shown in Figure 1.1. The figure also illustrates how a fictional public governance paradigm can be displayed graphically by connecting the dots on the five axes to form a diamond. The scale has the following categories: very low, low, low to medium, medium, medium to high, high and very high. We use these ascending categories to compare the seven governance paradigms. For example, when placing the paradigms on centralized control, the paradigm with the lowest degree of centralized control (New Public Governance) is categorized as ‘very low’ despite still having some centralized control. In other words, the categories are used relatively to compare the seven paradigms on each dimension of the public governance diamond.

The diamond will tend to expand when the values on the five dimensions (centralized control, horizontal collaboration, use of value articulation, use of incentives and societal involvement) increase. Since the dimensions measured along the five axes are forms of governance rather than governance objectives, the size of the diamond is less important. What is important is the shape and profile of the different



*Figure 1.1 Public governance diamond with fictional example that illustrates its usage*

governance diamonds that we will be analysing and how they either overlap or deviate from each other, reflecting their different assumptions, tools and strategies.

As the figure indicates, the five axes of the governance diamond go from low (close to the centre) to high (at the tip of the arrow). We have decided not to place any numerical values along the axes in order to avoid a false impression of the degree of precision that we can obtain when placing the seven governance paradigms along the five axes. In placing the governance paradigms on the five scales from low to high, we rely on our professional judgement, which is based on a mixture of analytical reasoning, academic studies and professional intuition. While we are quite confident about the relative ranking of the seven governance paradigms along each of the five dimensions, their precise location in the axes is less certain. What counts, however, is not so much where precisely we have placed the dots that are connected to form the various governance diamonds. The only thing that ultimately matters is the sequence of the dots (i.e. how they follow one after the other), thereby indicating their relative position on the axes when compared to each other on the particular dimension. As such, the governance diamonds that are constructed based on the different governance paradigms provide neither descriptive nor prescriptive measures for reality; rather, they constitute a heuristic device that enables the discussion of the similarities and differences between the different governance paradigms.

## THE CONTENT, TARGET AUDIENCE AND PRACTICAL USES OF THIS BOOK

This book presents and discusses seven public governance paradigms, all of which have a certain relevance for understanding how the public sector is shaped and reshaped by countless administrative reforms, which ultimately determine the outputs and outcomes of public governance. The analysis and evaluation of the public governance paradigms draw on state-of-the-art research, and the chapters are structured in a manner that helps create overview and facilitates comparison. The chapters discussing each of the seven governance paradigms are followed by an overview chapter comparing the governance paradigms on the different dimensions and discussing whether there is a pattern or trend in their movement along the axes of the governance diamond. The book concludes with a chapter reflecting on how public leaders and managers can manoeuvre the complex terrain of competing and co-existing governance paradigms that call for a new type of situational leadership.

The target audience includes public leaders and managers, present and future generations of public employees, lay actors with a keen interest in the development of the public sector, and students and researchers who are curious about how the competing and co-existing governance paradigms compare on key dimensions. The book might supplement other scholarly texts in courses taught at institutions of higher education or be used in mid-career master programmes or leadership training initiatives.

Our hope is for the book to provide the reader with a deeper understanding of the main differences as well as the promises and pitfalls of the different governance paradigms that contribute to shaping the public sector. There is no perfect solution – only a series of context-dependent attempts at finding a satisfactory balance between different governance paradigms, and perhaps the opportunity to develop a contingency approach that brings different governance paradigms into play in different areas with different problems and tasks. Nevertheless, any reflection on the future governance of the public sector must begin with an understanding of the available options and trade-offs involved. We aim to take the first steps in providing such an understanding, thus enabling an informed and reasoned scholarly debate and policy choice.