Whatever Happened to New Public Management?

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ABSTRACT

This paper aims to take stock of the concept of New Public Management (NPM) to see what has happened with the concept, and to consider recent concepts and ideas that challenge NPM. The reason is that there is still much talk about NPM, although many now seem to think that we have gone "beyond" NPM or are in a "post-NPM" public management situation. The second part of the paper will deal with self-styled conceptual alternatives to NPM. These began to appear in the last decade. With "self-styled" I mean that they explicitly present themselves as alternatives to NPM and address the shortcomings in NPM to promote other conceptualizations. Combined, these alternatives approach a coherent research agenda. To be able to discuss these matters, the argument is presented through a theoretical approach that views public management reform as institutional change. This approach is now common in public management reform studies (Pollitt & Bouckaert 2004; Christensen & Lægreid, 2001, 2007, 2011), Knill (1999) and Barzelay (2001) and colleagues (Barzelay & Gallego 2010). The analytical framework comes from theories of public policymaking and theories of historical institutionalism in political science.

INTRODUCTION

This paper aims to take stock of the concept of New Public Management (NPM) to see what has happened with the concept since it was first introduced by Christopher Hood (1991) in his article "A Public Management for All Seasons?". The reason is that there is still much talk about NPM, although many now seem to think that we have gone "beyond" NPM or are in a "post-NPM" public management situation. The second part of the paper will deal with a select number of self-styled conceptual alternatives to NPM. These began to appear in the last decade. With "self-styled" I mean that they explicitly present themselves as alternatives to NPM and address the shortcomings in NPM to promote another conceptualization. To be able to discuss these matters, the argument is presented through a theoretical approach that views public management reform as institutional change. This approach is now common in public management reform studies (Pollitt & Bouckaert 2004; Christensen & Lægreid, 2001, 2007, 2011), Knill (1999) and Barzelay (2001) and colleagues (Barzelay & Gallego 2010). The inspiration comes from theories of public policymaking and theories of historical institutionalism in political science (Pierson 2004; Streeck & Thelen 2005). The main purpose of the paper is to ask "whatever happened to NPM" and to discuss the contenders to the throne of public management reform ideas.

A THEORETICAL APPROACH TO PUBLIC MANAGEMENT REFORM

Public management reform has been studied from an institutional change perspective, often informed by historical institutionalism.

Pollitt and Bouckaerts (2004) study focused on how public management reform is formulated, implemented and evaluated. They traced the idea of NPM and documented how governments around the world have taken steps top-down to change the structure and processes of the public sector. They developed a model of public management reform. They recognized that there were different ways to reform and termed these practices the NPM model and the Neo-Weberian State model. Kettl (2005) also recognized different models although he was more enthusiastic about the more general impact of NPM ideas across the globe.

Christensen and Lægreid (2001, 2007, 2011) followed the same argument. They examined the NPM idea, and explored how governments and international organizations implemented NPM. They too developed a model and focused on how institutions make reform outcomes different in different countries. They first compared Australian and New Zealand with Norway and Sweden (reluctant NPM-countries). In later works, Christensen and Lægreid have discussed a transformative approach where NPM is transcended into a post-NPM stage of development. In Asia, the same dynamics and results has been analyzed by Anthony Cheung (ref) recognizing the different implementation and outcomes in a number of Asian countries.

Knill (1999) used historical institutional theory to point out that Germany and the UK had different institutional conditions in the bureaucracy itself. One is autonomous, the other is instrumental. This explains the cross-national variance in public management reform according to Knill.

Barzelay and colleagues (2001, 2010) have combined three theoretical approaches: Kingdon's model of decision-making, Baumgartner and Jones' focus on policy sub-systems, and March's perspective on organizational innovation at the microlevel. Public management reform is described in particular "episodes" (which can be understood as cases). Barzelay identified an "NPM benchmark model" analyzing

countries such as the USA, the UK and New Zealand. Barzelay et.al. reach the conclusions that the NPM idea was made possible by an open policy window, that a sub-system often is in place to carry the reforms forward, and that the reforms coincide or relates to the constant micro-changes going on at the organizational level. In more recent work, Barzelay has pointed out that a closer inspection and attention to the detailed policy sub-systems and the dynamic aspects of institutional conditions of public management reform are warranted and not just looking at the more general country specific and static features. Policy-subsystems are important because they point to the fact that more actors are involved in public management policy-making and often over time too. So it is not just the sole actor (the government) or a limited reform period of 1-2 years. Reforms are made of the (same) set of actors who meet again and again in various settings, forums and arenas.

The dynamics in these studies are thus explained by the external driving factors, the attraction of the NPM idea, an active policy-subsystem and the institutional peculiarities connected to public management reform policy making in selected countries.

The findings are broadly related to the wider institutional change research agenda which emphasizes variety and some sort of path dependency.

The varieties of capitalism-literature (Hall & Sosckice 2001) emphasized the difference between a liberal market economy and a coordinated market economy with some advocating for a hybrid model in the Scandinavian countries. The arguments and analysis in the field political economy is thus in line with similar discussion in the literature on public management reform about cross-national variance.

Path dependency means that countries or organizations follow a branching pattern of development where increasing returns make sudden shifts in strategy or practice unlikely (but not impossible). Pierson (2004) has described the dynamics of the increasing returns argument for politics. Public management reform would be expected to follow a path caused by or initiated by a larger crisis. This could be the economic crisis of the 1970's which lead to the arrival of NPM-type reforms from the early 1980's onwards. The increasing returns identified by Pierson could be that more and more actors are tuned into NPM and that coordination costs come down because actors expect NPM initiatives. There are thereby increasing returns in continuing to use NPM. Speaking against this argument is the literature discussing unintended consequences of public policy reform (Margetts, Perri 6 and Hood 2010). Increasing returns for some, but also consequences felt by others.

The critique of path dependency arguments opened up for a more nuanced or detailed conceptualization of institutional change. Streeck and Thelen (2005) identified five institutional change mechanisms: displacement, layering, drift, conversion and exhaustion. They also distinguished between rule makers and rule takers, arguing that there is never a 1:1 relationship between rules proposed and rules enacted. Instead there is always room for interpretation and subsequent independent action. This is what keeps the system dynamic. Furthermore, as pointed by Skowronek (quoted in Pierson 2004), institutional changes may overlap and create a dynamic of their own as change in one set of institutions create or trigger a change process in another, related set of institutions. In the wider literature on institutional change, this has come to be known as institutional co,plementarity. The end result is a more dynamic conception of institutional change than the one offered in the original path dependency argument.

For our purposes here, it means that our theoretical framework consists of the following: a) an element of ideas and legitimacy in public management reform. These can be crisis or challenges/problems and reform concepts), b) an element of policy sub-systems devoted to public management reform, c) an element of institutional conditions and their capacity or mechanisms for change that may or may not be specific to a particular geographical area (country) and has a longer term history behind it building up to the current institutional configuration, and d) how actors react to institutional pressures is what we term strategic responses which can vary according to circumstances. We also would expect a close connection between the four elements so that ideas, interest and (historically created) institutions are interrelated dynamically. This has been proposed by Lynn (2006) and others recently. We must not see a case in isolation. Rather, cases should be viewed in a comparative perspective (George and Bennett 2005). This is part of a larger research project on reform and on institutional competitiveness. Each case or policy episode (see Barzelay) is analyzed in terms of previous events (PE), contemporary events (CE) and later events (LE).

WHATEVER HAPPENED TO NEW PUBLIC MANAGEMENT?

The purpose of this section is to present a short history of the NPM concept.

NPM as a concept was born in the article by Christopher Hood in the journal *Public Administration* in 1991. Peter Aucion (1990) had touched upon many of the same points in an article in the journal *Governance* a year before. And Hood had mentioned NPM also in his inaugrual lecture at the London School of Economics and Political Science called "Beyond the public bureaucracy state". In later works, Hood expanded and commented upon the concept (see for example 1994, 1998). For Hood the basic idea was a shift in values in public service delivery moving towards efficiency, markets and managerialism . He famously put up seven points that characterized NPM. Others have made roughly similar lists, if sometimes changing items here and there (Pollitt 2003, OECD 2010). On the other side of the Atlantic, the NPM was not so much used in the beginning of the 1990's, the preferred term there was "reinventing government" after the book by Osborne and Gaebler (1993). The term did begin to be used eventually in the US as well. The essentials of NPM were well caught by Donald F. Kettl in his profile of public management reform ideas which he described as "letting managers manage" and "making managers manage". The inspiration for NPM came from two very different sets of literatures. One was the new institutional economics led by authors like Williamson or Moe. The other literature was broadly interested in "managerialism" (Pollitt 1993, see also Clarke and Newman 1997) where inspiration came from a range of management theories used and applied to mainly private sector organizations. One mainstay idea has been "performance management" that has been put into practice across the OECD (Van Dooren, Pollitt & Bouckaert 2010; for a critique see Radin 2006). Dunleavy and Margetts put NPM on a formular when they characterized is as "disaggregation + competition + incentivation" (see Pollitt 2003) The basic parts of NPM was not all that new, as Gruenig (2001) forcefully demonstrated in his article on the "origins" of NPM where he showed that many of the ideas had a long pedigree in administrative thought. The urge to employ business ideas certainly was a regular feature of advice on how to reform public management. The two sides of NPM – the use of market mechanisms and market-based governance in public service delivery (Donahue & Nye 2002), and the use of management techniques from the private sector formed the core of the NPM concept. Hood and others also pointed to the use of IT and technology as a modernizing element that would come into play.

It is important already at this stage to note that NPM was never intended as a holistic, fully-fledged conception of how structure all activities in the public sector. Instead it was meant as way to perform a "policy injection" to use a phrase by Mark Considine (2006) of markets and management techniques into a perceived stale public sector. Pretty soon it was discovered that NPM's focus on outputs and performance results also warranted some sort of evaluation or follow-up on how results had been achieved. In short, there was an accountability mechanism that came with the NPM administrative doctrine. Hood and colleagues (1999) began to undertake work into the evaluation and regulation. In 1994, the British scholar Michael Power (1994) had published a pamphlet for the London think tank Demos on "The Audit Explosion" where he argued that many items in the public service delivery were becoming a target for auditing. Hood and his colleagues soon published new research on what they called "regulation inside government" and they soon stated that a theory of NPM also means a theory of regulation. No account of NPM is complete without the story of the subsequent regulation, it was stated in journal articles in 1999 and 2000 (ref). The book that reported this research was published in 2004 by Edward Elgar (ref).

By the turn of the millennium it was reasonably clear what the NPM doctrine stood for. The main reason given for why NPM was introduced in the first place was the economic crisis in the beginning of the 1980's and the perceived failure of planning and of the Keynesian economic model. NPM represented a break from previous times' big government and big bureaucracy. Emphasizing market mechanisms and new managerialism was the components that were supposed to remedy the ills of the larger bureaucratic state. Therefore, the economic crisis and its quest for quick solutions should be present in any full picture of the NPM doctrine. The following components can be said to be a part of the NPM in its fuller version:

- Economic crisis requiring new solutions and new budget models (economic pressure & crisis)
- Managerialism, including a focus on performance management (letting managers manage)
- Market-based governance (making managers manage)
- Focus on consumer choice (citizens as consumers)
- A focus on technology (IT) as a key tool to achieve efficiency
- An accountability model focused on accountability for results (audit and regulation inside government).

It would seem that NPM, although it was not a holistic design, had a focus on the main challenges (get a better economy going and save money instead of expanding budgets), the public manager as the main driver of change, the introduction of market-based governance as the main governing mechanism, a conception of the citizen as mainly a consumer that craves value for tax payers money in the service delivery, and the accountability through results that public managers were directly answerable for.

It is important to note that NPM was not thought of as a separate theoretical idea (although theoretical and ideological arguments about markets for public service delivery had been debated from the early 1970's onwards among economists), but was born out of the practice in "leading" NPM-countries as well. As many researchers have shown, New Zealand, Australia and the UK were three countries that experimented with managerialism and markets, and the NPM concept was largely borne out of observing the practice in these two countries. Hood himself had stayed as a researcher in Australia and observed what was going on there and in New Zealand in the 1980's. And the Thatcher government was actively trying to reform the public

sector with managerialism and most market-based governance during the 1980's. NPM as a concept was more of an afterthought than a spearheading theoretical idea that countries first should learn to adapt to.

During the 1990's and the 2000's NPM has been adopted by many countries around the world. There is a part of the literature that only focuses on public management reform and how reforms are implemented. Donald F. Kettl called it "the global public management revolution" (2005). At first there was some discussion if NPM was all a mirage and a concept that was all form and no substance. But gradually researchers and international organizations have shown and documented that NPM ideas have been implemented in many countries in the world. Pollitt & Bouckaert (2004) remains the leading work in the field, and they concluded that NPM was implemented many places, but that it was implemented in the context of different institutional contexts leading to very different results. They suggested characterizing an Anglophone "NPM model" with the European model called "Neo-Weberian State". Christensen & Lægreid also talked about different implementation practices in Australia and New Zealand versus the Scandinavian countries, and Barzelay compared the "NPM benchmark cases" of the UK, Australia and New Zealand with other countries. The main work documenting the results of the implementation was OECD's "Modernising Government" publication in 2005 which documented in detail how NPM had been implemented (see also a recent report from OECD 2010 describing the situation "after New Public Management"). OECD ended up concluding that public management reform was context dependent and no overall model should be expected. Lynn (2006) reached the same conclusion in his book on *Public Management: Old and New*. Knill (1999) had already pointed to the fact that the administrative system were geared differently, so more widespread reform was more do-able in a Westminster system of government ("instrumental bureaucracies") than in countries, like Germany, where the civil servants could block change ("autonomous bureaucracies"). Many, many studies have documented the implementation of NPM in separate sectors or separate countries or levels of government and have shown empirically the variation of reforms and effect.

The debate since has concerned the question if NPM has run its course, and if it is about to be replaced by other public management reform ideas or practices? The literature has been somewhat divided over this while some see NPM clearly on the demise (Dunleavy et.al 2006), while others see it as the center for discussion and practice in many countries still (Lapsley 2008, 2009). How to explain the possible change from an NPM model to something else? In an IPMN-list-server debate, Alasdair Roberts at one point referred to statement that said "NPM is gone, thank God" which sparked a controversy and a fierce list-server discussion (ref). Van Thiel and Pollitt (2007) discussed NPM in Europe in a publication. Lapsley has declared that many of the NPM ideas and indeed the practices are still around. Lapsley is more skeptical about declaring the demise of NPM. A set of studies by Christensen and Lægreid argued for a "transformative perspective" that would lead to a transcendence of NPM into something unknown. From a related perspective, Clarke and Newman (2009) recently argued that elements are being "reassembled" constantly. (note: This section needs to be expanded more)

It could also be discussed if there is a New "New Public Management" in the sense that the public sector keeps important ideas of supposed efficiency and effectiveness from the private sector. Consider the following elements: 1) Call-centers and administrative service centers: the banks have been doing this for years in creating centralized units that deal with administrative matters, and shutting down local banks. 2) The focus on "lean management" that made the Toyota-management procedures so popular in the private sector and is now being implemented in the public sector. 3) Strategy and strategy maps that follow on in

the footsteps of the balanced score card models of the 1990's. The public sector is still copying the private sector's preferred efficiency elements to this day.

NEW CONTENDERS TO THE THRONE OF IDEAS FOR PUBLIC MANAGEMENT REFORM?

During the 2000´s, the public management reform literature became filled with discussions of many types of alternatives to NPM. A select number of researchers have actively and self-confidently presented more explicit alternatives. The following discussion focuses on these often self-styled alternatives. They are the Neo-Weberian State (NWS), the New Public Governance (NPG), Digital-Era Governance (DEG), and Public Value Management (PVM), including work on strategy and innovation. A recent focus on "sustainable public management" (SPM) could also have been considered.

Neo-Weberian State (NSW)

Background: This was the alternative that Pollitt & Bouckaert (2004) came up with when they had investigated the implementation of NPM reforms. They found that many especially European countries had not taken the model to their heart. In a now familiar account, UK, New Zealand, Australia and the US were seen as implementers of NPM whereas the Scandinavian countries were more reluctant reformers (this has since changed!), and a number of countries withstood the pressure to reform the NPM way, notably France and Germany, but also southern European countries like Spain and Italy.

Ideas: The main ideas were some Weberian elements: reaffirmation of the state as the main facilitator of problems connected with globalization, reaffirmation of the role of representative democracy, a distinct public service status and culture, and some new elements: increasing external orientation towards citizen, more consultation with citizens, more focus on results and move towards ex-post control, but not without abandoning the en-ante controls (see also Lynn 2008: What is a Neo-Weberian State?).

Interests: Main interests and policymaking sub-system is here the upper echelons of the state and some citizens groups. Public managers are still considered to have a distinct ethos that they are fighting to preserve.

Institutionalization: The NWS-model is mostly to be found in France and Germany according to the authors Pollitt & Bouckaert. In the US, the correct term for a more plural state would be "the neo-Madison (neo-pluralist) state according to Lynn (2008). He says that "to an American listening in on European discussions, these kinds of speculations resonate. The American state is Madisonian, that is, concerned with perfecting institutions that control faction and power on behalf of a "public interest" or in obedience to a "a public will". Accountability is an institutionalized acceptance of the authority of the separation of powers in a Madisonian sense. The American administrative state is, therefore, a creature of politics and subordinate to representative and judicial institutions" (Lynn 2008: 7).

New Public Governance (NPG)

Background: "Whatever happened to public administration?" asked H. George Frederickson (2005) (which inspired me to the title of this paper) and answered himself: "governance, governance everywhere" in the *Oxford Handbook on Public Management*. Governance is the style of relationship between government and civil society (Burger). Governance describes a situation where public services are not just delivered by public organizations, but by a combination of public, non-profit organizations and for-profit organizations in a network-like structure. The governance approach to public management has been present for some time, and gained prominence already in the 1990´s with Rod Rhodes seminal book "Understanding Governance". The Dutch network scholars Klijn and Koppenjan wrote a book together with Walter Kickert about the same time entitled "Managing Complex Networks". The main idea has been neatly described by Mark Consdine in his book on Making Public Policy (2006). In the US, Donald F. Kettl addressed "the transformation of governance" (2002) and again in Kettl (2009). The NPG goes beyond manageralism and markets and takes a more holistic perspective and also recognizes that collaboration is necessary in today's complex world.

Ideas: One of key insights is that the public policy challenges governments are facing cannot be handled by any one organization, but require cooperation and collaboration. In a recent book on collaboration, John Wanna (2009) wrote" "Collaboration means joint working or working in conjunction with others. It implies actors – individuals, groups or organizations – cooperating in some endavour. The participants are "co-labouring" with others on terms and conditions that, as we know, can vary enormously (2009: 3). And he carries on: "By the turn of the century, governments were becoming interested in higher levels of collaboration – especially in vertical and horizontal collaboration, in whole of government integration, joint solutions and in various active partnerships. Governments began to redefine themselves as "facilitators" engaged in "value chains" and working through markets rather than autarkic "doers" who owned, operated and produced everything themselves. They realized and accepted they were dependent on a host of other actors in order to deliver effective outcomes" (Wanna 2009: 6). This includes contracting arrangements with for-profit and nonprofit organizations (see, for example, Amirkhaynan 2010: Romzek & Johnston 2005). In 2006, Stephen Osborne published an article (an editorial in his journal Public Management Review) discussing "a new public governance". It was followed by an edited book by Stephen Osborne in 2010 with the title *The New Public Governance?* The question mark was important as other researchers were arguing that it was mainly public governance and not "new" public governance. The NPG pointed an overarching theory of institutionalized relationships within society, and Lynn et.al. (2001) saw governance as the main concept for relations between governments and non-profit and for-profit sectors. A key characteristic of the NPG is focuses attention on partnerships, networks, joined-up services and new ways to work together. The numerous ways that citizens can become active and enter into co-producing relationships are noted by many observers (for a recent treatment, see Newman & Clarke 2009).

Institutionalization: Many researchers (Lynn and colleagues) for example use the concept of governance or public governance as the starting point when describing relationships between actors in society, including the politicians and public managers. In the view of OECD (2005: 16), "governance refers to the formal and informal arrangements that determine how public are carried out, from the perspective of maintaining a country's constitutional values in the face of changing problems, actors and environments. Public administration is a constituent pillar of governance" . For the World Bank (2009 website), "governance consists of the traditions and institutions by which governments are selected, monitored and replaced; the

capacity of the government to effectively formulate and implement public policies, and the respect of citizens and the state for the institutions that govern economic and social interactions among them". The World Bank has initiated a worldwide governance project that measures the degrees of (good) governance.

Digital-Era Governance (DEG)

Background: Information technology (IT) had played a part in the early NPM thinking, but always as one element out of several elements. New technologies develop all the time, as we know, and in the 1990's the internet and the web was a major innovation which eventually also affected the institutions of public management and governance. Patrick Dunleavy and colleagues from the London School of Economics and Political Science began in the 2000's to view digitialization or "e-government" as something more profound than just a supportive tool for the New Public Management (see also Fountain 2001). They wrote articles, including one prominent article where the headline was: "New Public Management Is Dead –Long Live Digital-Era Governance". A book on on Digital-Era Governance with comparative experiences with e-government around the world soon followed.

Ideas: For Dunleavy et.al, digitalization is about to replace NPM as the dominant doctrine or paradigm in public management and governance. Dunleavy et.al. declared that NPM had run its course and that different NPM elements were being halted or were backtracking fast. Instead, they saw DEG as the main alternative and characterized it as being composed of three elements (Dunleavy et.al. 2006: table 2):

- Reintegration including roll back of agencies, joined-up governance, re-governmentalization, reinstating central processes, radically squeezing production costs, re-engineering back office functions, procurement concentration and specialization and network simplification
- Needs-based holism including client-based or need-based reorganization, one-stop provision, interactive and ask-once information seeking, data warehousing, end-to-end service re-engineering, agile government processes
- "Digitazation" processes including electronic service delivery, new forms of automated processes, radical disintermediation, active channel streaming, facilitating isocratic administration and co-production, moving toward open-book government

Institutionalization: In many countries, e-government or e-governance reforms are being carried out which change or alter established institutionalized relationships. This include a renewed focus on transparency which is one the hallmarks of the Obama administration in the US (Obama 2009). Local governments are being challenged by central government who push forward for new digital-era projects. Denmark is among the leading countries in e-government as described by OECD and in other rankings. The USA is also in the lead.

Public Value Management (PVM)

Background: A long-time idea has been that management in the public sector is different from management in the private sector, but the tricky part has always been to describe or characterize the important activities that public managers do in terms that could be measurable or recognizable to the outside world also. Building on years' experience with executive education of public managers at Harvard's John F. Kennedy School, Mark H. Moore (1995) came up with a framework and a concept that seemed to

capture what public management was all about. Moore accepted the institutional conditions that public managers were working under and did not set out to establish a theory of institutions as such. Instead he saw that public managers produced service that were valued by politicians and by citizens, and made the analogue to the private sector value creation. His answer was that public managers are engaged in "creating public value" (the title of Mark Moore's 1995-book), and that public managers are in "a strategic triangle" between a legitimizing and authorizing environment, an organizing environment in their focus and an environment of results; i.e. efforts to produce results that is, in effect, a value creation process. The concept of "public value creation" began to disseminate from Harvard to the rest of the world, and it was taken up by many schools and institutions that had executive master programs in public administration, management and governance as one of their degrees (Harvard, of course, and ANZSOG and Warwick).

Ideas: The idea of public value management takes its cue from the creating public value framework that Moore first formulated. Since then, a number of scholars have taken up the concept and carried it further. It is the subject of a new book "Public Value" coming out in 2011 and co-edited by Mark Moore and John Bennington from University of Warwick. It is still the basis for almost all teaching in the MPA program at the John F. Kennedy School. In Australia, the concept was embraced by the Australian and New Zealand School of Government (ANZSOG). A reappraisal of the concept has been written by John Alford and Janine O'Flynn (2007) from Australia. They write that:

"More recently, however, cracks have appeared and the search for a new way of thinking, and enacting public management practice has begun, in part to address the supposed weaknesses of NPM. This is unlikely to underpin a return to the bureaucratic model, but rather spark a paradigmatic change which attempts to redefine how we think about the state, its purpose, and thus ways of functioning, operating and managing. Within this search for meaning and direction, a "public value" approach is attracting considerable interest, both in the practioner and academic circles (…)" (Alford & Flynn 2007: 353).

For Alford & O'Flynn and others with them, the public value management framework has something different to offer than NPM. NPM is competitive government, PVM is post-competitive, NPM focuses on results, PVM focuses on relationships, NPM defines the public interest as aggregated individual preferences, PVM sees collective preferences as expressed, NPM's performance objective is managing of inputs and outputs to ensure economy and responsiveness to consumers, PVM sees how multiple objectives are pursued, including service outputs, satisfaction, outcomes, trust and legitimacy, NPM's accountability is upwards via performance contracts and outwards to customers via market mechanisms, PVM sees multiple accountability systems, NPM's preferred system of delivery is the private sector or tighly defined arms-length public agencies, PVM's delivery system is a menu of alternatives selected pragmatically.

In PVM, public value creation "is said to rely on the politically-mediated expression of collectively determined preferences, that is, what the citizenry determines is valuable (360), and PVM is also said to be characterized by a new pragmatism as "it requires an ability to weigh up, for example, which governance structures will work best in what circumstances, or which relationship form is most appropriate under what conditions" (Alford & O'Flynn 2007: 362).

The innovation agenda can be accommodated in the discussion of public value management as Moore emphasized the strategic and innovative aspects of public management in his writings (see also Borins 2008) on innovation, and Bryson (2004) on strategy).

Institutionalization: PVM was certainly the next big thing in the UK for a while under New Labour, and has been prominent in discussions among public service organizations in Australia and New Zealand while many US organizations for obvious reasons (i.e. Moore) have long been thinking along these lines. It resonates with a broader tradition of public stewardship combined with a performance leaning in the US., and it has been a key inspiration for public managers in Australia in recent years.

Table 1 about here

DISCUSSION

This section first examines the overall trends in public management reform ideas, second considers the interests involved, and third discusses institutional change mechanisms at play. The consequences for public managers are touched in the end of the section, but deservers a fuller discussion in another paper.

From NPM towards a new agenda? Changes in public management reform ideas

In our discussion of first NPM and then the contenders to the throne, the paper notices some trends that could be summarized as follows:

- From economic efficiency challenges to a concern with broader societal challenges (including issues of sustainability) that no-one organization can solve by itself
- From managerialism and narrow results to a focus on public value management that include a focus on long-term outcomes
- From market-based governance to a focus on networks in the new public governance
- From citizens as consumers to citizens as co-producers, co-innovators and co-creators
- From IT supporting efficiency to IT as part of a digital-era governance profile, including web 2.0. social media
- From accountability for results (outputs) to a broader understanding of transparency and accountability in networks and a focus on longer-term results (outcomes).

The new agenda for public sector is therefore concerned with broader, societal, cross-boundary and even global challenges , public value management, new public governance, public service motivation, co-creating citizens, digital-era governance, transparency and shared accountability in networks rather than for single organizations.

This agenda on public management reform ideas is more focused on capacity building than on immediate results. This agenda is more focus on the longer time perspective, than the shorter, more economic based time perspective. This agenda is more focused on process than on the content itself.

The new agenda can be summarized as this: (1) There exist many complex public policy problems/challenges to deal with, including the meta-narrative of sustainability, (2) in this complex world, public managers strive to produce and create public value, (3) they frequently organize themselves in public policy and management networks to share experiences, risks and results, (4) citizens are seen as allies and partners and co-innovators more than customers to be serviced or citizens to be served, (5) the digital era makes encounters increasingly digital and makes connections easier and provides a possibility for transparency, (6) there are consequently many sites and opportunities for accountability that extends the traditional ones. A suggestion could be to call this new agenda, the xx agenda (note: to be filled in!).

This of course means that there are also still public policy- and management-areas that are not necessarily complex (see Thompson 1967 on task environment or Wilson 1989). Some tasks will continue to be mundane and easily manageable. But the trend (where reforms have been initiated) is towards the situation where more tasks become complex and complicated and more complex to handle.

The interests and the reform coalitions?

Who are the actors driving the change? Here we also note a shift reported in the new literature.

- From top-down politicians and top managers to a wider set of actors at all levels of government – downward reach.
- From a centralized perspective to a perspective where inclusion of many more actors, including in partnerships and alliances with the private sector for-profit organizations and non-profit organizations as well as engaged citizens acting through social networks and the internet plus organizations concerned with audit and with "watch"-tasks. – outward reach
- From a predominately national view of reform to a view on reform that includes international actors and cross-national initiatives, including the fluent stream of interchanging ideas – international reach

Before (in the 1980's and 1990's), public management reform was mainly driven by ministries of finances and central government departments and communicated downwards to agencies and other levels of government (local and regional governments. Now (from 2000's onwards) government organizations at all levels are contributing ideas. Before government organizations were mostly those who called the shots and formulated the policies. Now we have consultancy companies, government organizations, private sector corporations, interest groups , non-profit organizations, networked project groups and engaged citizens sharing ideas about public management reform initiatives. Before, reform initiatives were born out in a national context and designed for national purposes. With NPM it already shifted somewhat. Now reforms are formulated in an on-going dialogue between international organizations, other national governments and through an epistemic community of professionals debating the ideas and implications of reforms. With the use of social media, these interactions have been sharpened even further.

The politics of public management reform: The implication of this is "from the few to the many". Many more organizations are now engaged in a professional way in debating and arguing for new models of organizing the public sector, public services delivery and extending the cooperation to the private sector. Governments seem to have lost their superior knowledge base on how to suggest new organizing principles. The European Union, the OECD and the World Bank all produce knowledge on how to organize

governments differently. Governments must therefore constantly borrow terms or new ideas, or, formulated more pro-actively, governments must enter into dialogue and alliances with producers of knowledge elsewhere in order to try keep abreast of events. In practice we see governments go into partnerships or collaborations for new conferences, workshops etc to listening in and to be one of many organizations developing new ideas. We will see new "reform coalitions", but we will also expect governments to work closely with selected partners. Public management has become a centre for political struggle.

Institutionalizing public management reforms?

The question is how the changes described above will occur in the institutions of the public sector and the public services, that is, the formal and informal sets of rules that guide the behavior of actors connected to the public sector? This paper takes a theoretical point of departure in institutional theory, especially historical institutionalism. According to many insights from this theory, public sector institutions ought to be change resistant. However, we have seen in recent years that change does occur, also changes connected with NPM (Pollitt & Bouckaert 2004, OECD 2005). The question is if the new agenda describe about will supersede NPM? Or if NPM has been too much institutionalized already? This is, of course, an empirical matter in the end. But let me try to offer a few observations to set the discussion of. There are two related, but slightly competing understandings of institutional change. The path dependency view of Pierson and others is that change patterns become "locked in" and where changes, once set in motion, are likely to continue for some time because of the increasing returns to key participants. The related perspective is the focus on institutional change mechanisms associated with Streeck and Thelen and others and the mechanisms of displacement, layering, convergence, drift and exhaustion. Both perspectives, however, offers a more nuanced analysis than simply stating or declaring the age of NPM over and the heralding of a new era out of the blue. In a historical institutional perspective, such statements will be contested. Let me try to discuss each and turn before offering some concluding thoughts.

In a path dependency view, we would look for a critical juncture or some sort of event that waved goodbye to the dominant NPM agenda and laid the grounds for something new. To some people, mostly in the popular domain, NPM has run its course and gotten distorted out of all proportions in evaluation, regulation and control regimes. In the literature, as we have seen, regulation and evaluation following NPM is not really a surprise, but has been considered a constituent part of the NPM agenda since the late 1990's, and has been recognized as such in the writings of Christopher Hood, Michael Power and others. Another view would be to point to a dramatic event that made collaboration more important than competition. In the literature on man-made and natural disasters (9/11, hurricanes etc), there is a certain trend towards stating that these events made it clear that the dots need to be connected; that cooperative responses are important in times of crisis and that a simple "more market, more competition" –approach is in adequate (Kettl 2009). For some, like Dunleavy et.al. (2006), it is the advent of the internet and new forms of digital-government that is putting NPM to rest. While some of these explanations are interesting, they are not wholly convincing, and they are certainly not saying anything about institutionalization of public management reforms.

Let us therefore turn to the explanations that institutional change mechanisms can help us focus on. The Streeck and Thelen argument is that change takes place more gradually, a concept that has been in vogue before and certainly is connected to Lindblom's studies of incrementalism and "muddling through" decades ago and has to Campbell's (2004) point about "bricolage". For public management reform it might make sense to think of some of changes in this way. Consider the following: Displacement: Some of the new ideas can be thought of as "displacement", as in many digital initiatives where "E-day 2" (a project by the Danish digital task force) imposes new ways for citizens of dealing with public management electronically literally from one day to the other. Layering is perhaps one feature that could characterize many of the changes going on: Strategy and public value management is a gradual response to many of the reforms, not a new approach that suddenly presents itself. The focus on public service motivation comes from a long-standing desire to understand what moves public employees and public managers in their daily work-life. Conversion is taking place when citizen involvement through new innovations is taking place in dialogue with citizens. Websites can be used for dialogue instead of one-way information. Drift is when NPM control regimes gradually fade out or nobody is paying much attention to performance contracts (but they are still there nominally). Exhaustion is when market-based governance in the shape of contracting out fails to delivers the promised results, or when budget instruments actually have put budgets under control, and that strict budget regulations are no longer needed. As an idea, NPM became exhausted in the new decade.

In short, the changes are taking place gradually, piecemeal and over longer time spells. We have not seen the end of performance contracts yet, but we have discovered new ways of communicating with citizens through social media in the meantime. We have not yet seen the focus on economic efficiency disappear, but we have become more away of societal challenges that require collaboration. We have not witnessed the demise of market-based governance, including privatization or contracting out, but we have noted the rise in interest in public-private partnerships and the need to find creative solutions to mutual challenges. These observations call for a more nuanced and detailed understand of the changes in public management reform that occur before us. Streeck and Thelen have provided some of the vocabulary and analytical approaches, but we need to go further into the understanding of the changes before us. It is undoubtedly the mix and the collisions between change mechanisms that should attract interest. As Newman & Clarke have pointed it out in their 2009-book on *Publics, Politics and Power*:

"This profilation of forms (of hybridity, ed.) has taken place as governments have attempted to make greater use of commercial and not-for-profit actors to design, manage and deliver public policy; and as organizations have sought competitive advantage (…) But for us, such organizations might be better understood as complex assemblages, combining and condensing different forms of power" (Newman & Clarke, 2009: 92, 94).

For Newman & Clarke (2009) public management change is all about constant re-assembling of different parts. (INSERT OTHER QUOTE HERE).

Public management reform needs the results achieved by NPM to build on. It is not a matter of unlearning or undoing the NPM reforms. They form the basis for the next wave of reforms as noticed by Newman and Clarke (2009). Another argument could that the NPM ideas were a digression, and that we are now "on track again" in perceiving many challenges as complex challenges which is the way the public policy literature has addressed them for years. NPM was a digression allowed by making economists and management people roam the streets of public management, and recently the knowledge that complex

public policy is still here and maybe even proliferating means that we have to think again about "managing uncertainties in networks" as Klijn and Koppenjan (2004) put it.

We should therefore expect public management reform to be an on-going process which mixes ideas, interests and institutions. At the level of public management reform ideas, we might detect a change and might even be able to label it. At the level of interests, we can note changes in who is participating, and also note changes here about reform coalitions. At the level of institutional changes, the job is more difficult as Pollitt & Bouckaert (2004) have pointed out, and it will therefore take more studies and longer time to declare the period of NPM "over" or declare a "beginning" of a new era.

What are the implications for public managers? This is for another paper. But a preliminary suggestion might be the following: Less in the center as in all eyes are on them as managers. More in the center as in an important part in co-creation, but in collaboration with a number of others. Key competences are to understand and to thrive in complexity, including economics, (which implies robustness), to contribute to capacity building/process building often through institutional design and participate in management teams, and to inspire fellow collaborators and to think creatively about solutions to immediate challenges and secure results with an eye to future challenges. (quote?).

Table 2 about here

CONCLUSIONS

This paper has wondered "whatever happened to New Public Management" and has examined the debate on NPM in recent years. The paper has shown that there is now widespread rejection of the NPM term as a new trend, but that interests may still push for NPM results, and that institutionalization of NPM and institutional change in public management practice is a more complex area that do not call for immediate verdicts. The paper has used a predominantly historical institutional framework, highlighting the distinction between ideas, interests and institutions, and focus on institutional change mechanisms that allow for analysis over time. The paper has found that the idea of NPM has challenged by a number of contenders to the throne: Neo-Weberian State, the New Public Governance, Digital-Era Governance, and Public Value Management (including strategy and innovation); all of them self-styled "alternatives" or supplementary ideas to the NPM doctrine and movement. The paper has lastly discussed the changes witnessed in ideas, interests and institutions, and the paper has that there definitely is a new vibrant research agenda on public management reform ideas present these years, that the reform coalitions have broadened to include more actors, that the analytical lenses of institutional change mechanisms allow for a more nuanced and detailed analysis that focuses on piecemeal and incremental changes in public management reforms rather than whole-sale change.

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Table 1: The contenders to replace NPM

	NWS	DEG	NPG	PVM
Main idea	A renewed and streamlined bureaucracy resting on European state traditions (or American tradition of government in the US).	Digital-era elements of re-integration, needs-based holism and digitization will be the driver of future reform initiatives	Societies facing cross-border challenges that require collaboration, network solutions, and partnering, including new forms of interactions with citizens	Public managers strategize and innovate to co-create public value for citizens and politicians both in the short and the long run
Rejection of NPM because…	NPM lost sense of the values connected to the good parts of bureaucracy and the recthsstat	Market solutions not enough to explore new opportunities provided by the web and digitalized solutions	Too much focus on markets and output results meant not enough room for collaboration across organizational borders	NPM managers focused too much on short-term results
Main proponents	Pollitt & Bouckaert	Dunleavy, Fountain	Osborne, Klijn & Koppenjan, Kettl, Lynn, Newman & Clarke	Moore, Alford, O'Flynn, Bennington
Weakness	Not convincing that bureaucracies can change the way P&B see them	Too much hype (again) over the digital era reflects well-known technology debates and arguments	Is collaboration as pervasive as the proponents claim or think?	Is the regulatory framework too strict for public managers to be able to strategize? Is strategizing healthy for public managers?

Table 2: NPM and the new agenda in relation to the categories suggested by Moore (1995)

	NPM	New agenda
Legitimacy	Financial pressure Accountability for results	Sustainability, problem solving capacity – survival/outcomes
Purpose	Creating results (outputs)	Creation of public value – Public value management through strategizing and innovation
Organizing	Markets Customer orientation – citizens-as-consumers IT as efficiency driver	Networks, broader governance arrangements, partnerships User driven innovation and co-production with citizens Digital-era governance
Managers	Managers as CEO's Competitive advantage in the market plus salary incentivatization	Managers as collaborators and team players that explores opportunities in the surrounding governance structures

With the NPM reform approaches, individual managers do have greater scope to exercise initiative as long as these innovative approaches are in the interest of government. However, the risk then emerges of managers positioning themselves to be able to answer the performance expectation set out in contractual arrangements as opposed to managing the delivery of quality services (MacDermot, 2008). By implication, entrepreneurial management in the public sector means managers need to take calculated risks in implementing business strategies. Whatever happened to the beauty of mundane conversation? You know, of the glorious 'Would you look at the weather!' or the 'How's your dog?' variety? I for one have sat through many an awkward mid-tutorial break, twiddling my thumbs as those around me reach for their iPhones. Eventually, I cave, too. Clearly everyone in the room is extremely sociable – if this can be judged by a sky-high score in video messaging applications. Yet through some unfortunate twist of fate, it just so happens that the exact individuals my pupils absolutely must speak to are anywhere but our current classroom. Spont