INTRODUCTION

The term ‘new public management’ has developed as ‘a handy shorthand, a summary description of a way of reorganising public sector bodies to bring their management, reporting, and accounting approaches closer to (a particular perception of) business methods’ (Dunleavy and Hood, 1994, p.9). As a doctrine, the new public management, points to the failures and inadequacies of public sector performance over time, and locates the problem as lying squarely in the nature and processes of public sector activity and public administration. Centralised bureaucracies, waste and inefficiency in resource use, inadequate mechanisms of accountability and redress are all problems which the new public management sought to address. This paper outlines the ‘shift’ from public administration to new public management and considers the principal expression of the new public management in the UK. Finally, the paper suggests lessons that may be drawn from the UK experience which might inform the more international shift towards the new public management in public administration.

FROM PUBLIC ADMINISTRATION TO PUBLIC MANAGEMENT

The study of public administration since the early 1980s has been concerned predominantly with the so-called ‘paradigm shift’ from principles of public administration to those of public management; that is,

the apparent move away from what is now seen as a traditional, progressive-era set of doctrines of good administration, emphasising orderly hierarchies, depoliticized bureaucracies, and the elimination of duplication or overlap, and toward what has...been described as the ‘new public management’ (Hood, 1996, p.268).

In its application, the term ‘new public management’ has come to identify a series of themes aimed at reforming the organisation and procedures of the public sector in order to make it more competitive and efficient in resource use and service delivery. In a very real sense, the new public management is concerned with the commercialisation, as far as is possible, of the state’s role in providing services to its citizens, and of the state’s relationship with its citizens. The central ‘doctrines’ of the
new public management, together with brief statements of their meaning and rationale, are set out in Table 1 below.

### Table 1  
**Doctrinal Components of the New Public Management**

<table>
<thead>
<tr>
<th>DOCTRINE</th>
<th>MEANING</th>
<th>JUSTIFICATION</th>
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<tbody>
<tr>
<td>Hands-on professional management of public organisation.</td>
<td>Visible managers at the top of the organisation, free to manage by use of discretionary power.</td>
<td>Accountability requires clear assignment of responsibility, not diffusion of power.</td>
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<tr>
<td>Explicit standards and measures of performance.</td>
<td>Goals and targets defined and measurable as indicators of success.</td>
<td>Accountability means clearly stated aims; efficiency requires a ‘hard look’ at objectives.</td>
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<tr>
<td>Greater emphasis on output controls.</td>
<td>Resource allocation and rewards are linked to performance.</td>
<td>Need to stress results rather than procedures.</td>
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<tr>
<td>Shift to disaggregation of units in the public sector.</td>
<td>Disaggregate public sector into corporatised units of activity, organised by products, with devolved budgets. Units dealing at arm’s length with each other.</td>
<td>Make units manageable; split provision and production, use contracts or franchises inside as well as outside the public sector.</td>
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<tr>
<td>Shift to greater competition in the public sector.</td>
<td>Move to term contracts and public tendering procedures; introduction of market disciplines in public sector.</td>
<td>Rivalry via competition as the key to lower costs and better standards.</td>
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<tr>
<td>Stress on private-sector styles of management practice.</td>
<td>Move away from traditional public service ethic to more flexible pay, hiring, rules, etc.</td>
<td>Need to apply ‘proven’ private sector management tools in the public sector.</td>
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<tr>
<td>Stress on greater discipline and economy in public sector resource use.</td>
<td>Cutting direct costs, raising labour discipline, limiting compliance costs to business.</td>
<td>Need to check resource demands of the public sector, and do more with less.</td>
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Underlying this new public management is the central belief that public service provision is improved by the introduction of those changes listed in Table 1, which serve to transform both the organisational structure of public organisations and the processes by which public services are delivered. Falconer (1997) provides a summary of these central characteristics:

**Hands-On Professional Management**  
Those people responsible for public service delivery should be proactive managers rather than reactive administrators. The modern public manager should have discretion in decision making within his or her particular area of responsibility. Unlike the traditional public administrator, who operated in accordance with established rules and regulations,
and who implemented the policies of government with little or no discretion and with no
direct responsibility, the public manager is a much more active individual, with decision-
making authority over, and responsibility for, the public service he or she delivers. Under
the new public management, management lies at the core of public sector activity, and
professional managers are viewed as the key to improved public sector performance.

Explicit Standards of Performance
Public management embodies the important belief that public sector organisations should
increasingly be subjected to rigorous measures of performance. This means that these
organisations must pay closer attention to what it is they are doing (i.e. objectives).
Subjecting public managers to performance evaluation introduces disciplinary
mechanisms which compel public sector bodies to focus on their specific responsibilities
and carry out those tasks efficiently and effectively. As the public management school of
thought argues, performance measurement also enables public sector bodies to be held
directly to account for their activities (as will be discussed below). Under the regime of
performance measurement, public sector organisations should be committed to an ethos
of continuous improvement in levels and standards of service delivery.

Greater Emphasis on Output Controls
Allied to performance measurement is the need for a focus on results rather than
processes. For too long, public sector organisations failed to concern themselves with
their outputs (i.e. the quality of services). Rather, the focus was on inputs, given that
political debates on public sector matters usually revolved around the question of
resources. Under the new public management, the focus is shifted to that of results. The
important question for the proactive public manager is what he or she actually achieves
with the resources available. As such, the most important concern of the public manager
is with results.

Disaggregation of Public Sector Units
In order to facilitate much of the above, the new public management calls for
decentralisation in public sector organisation. Given that public management embodies a
strong criticism of the bureaucratic form of organisation, it is not surprising that it
advocates a disaggregation of bureaucratic units in order to form a more efficient,
accountable public service. It is more efficient because smaller units of activity are better
able to establish objectives and work toward achieving them more quickly and more
directly. It is more accountable, because the new public management replaces the
'faceless bureaucrat' with visible, responsible managers who are directly accountable to
the public.

Greater Competition in Public Service Provision
Two central arguments within the public management approach are that:

- the market, not government, is the best allocator of resources;
- individuals are the best judges of their own welfare.

As such, market disciplines are advocated for the public sector, in line with the belief that
the threat of competition and rivalry between providers fosters efficiency in service
 provision and choice for the customer. This has important implications for both public
service providers and users. On the provider side, public service delivery agencies,
through market forces, will supposedly be compelled to improve the quality of service. On the customer side, the member of the public is supposedly transformed into a consumer with rights in the new public sector marketplace.

**Private Sector Styles of Management**
An important theme within public management is that the public sector should seek, as far as possible, to behave in a more business-like manner (i.e. more like the private sector). The recommendation is that the efficiency of public service provision is enhanced where a public sector agency conducts its affairs in accordance with business principles. Therefore, public service agencies should adopt reward structures for their employees, much like those in the private sector, encompassing such mechanisms as performance-related pay and more flexible working practices.

**Greater Discipline and Economy in Resource Use**
Underpinning these different recommendations is the important requirement that public service agencies must pay much greater attention to the way in which they use the financial and human resources at their disposal. The emphasis in the new public management is very much on cutting the cost of public service provision, while, at the same time, increasing its quality (i.e. doing more with less).

The fundamental nature of the shift from public administration to new public management is illustrated in Figure 1 below.

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**Figure 1**
**From Traditional Public Administration to New Public Management**

As Figure 1 indicates, the ‘shift’ from public administration to new public management involves a move in the basic design co-ordinates of public sector organisation. On the one hand, the public sector becomes less distinctive from the private sector, while on the other, the degree of discretionary power (particularly over staff, contracts and money) enjoyed by public managers is increased, as the procedural rules emanating from the centre are relaxed. More specifically, this ‘shift’ consists of:

- Reworking budgets to be transparent in accounting terms, with costs attributed to outputs not inputs, and outputs measured by quantitative performance indicators.
- Viewing organisations as a chain of low-trust principal/agent relationships (rather than fiduciary or trustee-beneficiary ones), a network of contracts linking incentives to performance.
- Disaggregating separable functions into quasi-contractual or quasi-market forms, particularly by introducing purchaser/provider distinctions.
- Opening up provider roles to competition between agencies or between public agencies, firms and not-for-profit bodies.
- Deconcentrating provider roles to the minimum-feasible sized agency, allowing users more scope for ‘exit’ from one provider to another, rather than relying on ‘voice’ options to influence how public service provision affects them (Dunleavy and Hood, 1994, p.9).

THE NEW PUBLIC MANAGEMENT: THE UK EXPERIENCE

In the UK, the new public management has found expression in the economic policies and related public sector reforms of Conservative governments since 1979. Such has been the impact of these changes that the new Labour Government has left untouched the vast majority of Conservative reforms. Indeed, since taking office in April 1997, the Labour Party in government has vigorously pursued policies which it had strongly contested in Opposition. Essentially, the new public management has revolved around a central goal of making public sector organisations more economically efficient and more accountable for performance to the public they serve. A key to the achievement of this objective has been a major decentralisation exercise, through which large public bureaucracies have been disaggregated into smaller units of operation that are more visible and, thus, allegedly more accountable. Along with this decentralisation effort came the policy of ‘marketisation’, by which public sector organisations were to be subjected to the disciplines of the market. In this way, the public sector would operate in a competitive market environment in which members of the public could make demands of the public sector, holding public service providers accountable for performance in the same way as they did in the private sector. It is not possible, here, to provide a comprehensive review of the UK public management reform experience. However, we can consider briefly the central tenets of new public management in Britain:

- the ‘Next Steps’ initiative and the establishment of executive agencies;
- decentralisation;
- the ‘new contractualism’ in public administration;
• accountability for performance;
• the establishment of markets or quasi-markets
• the separation of policy making from policy implementation;
• the Citizen’s Charter initiative.

The ‘Next Steps’ Initiative and the Establishment of Executive Agencies

Perhaps the most important development in public service reform in the UK has been the establishment of executive agencies, designed to carry out the service delivery activities of central government departments. Following its 1987 general election victory, the Conservative Government published a report, *Improving Management in Government: the Next Steps*, which advocated far-reaching reforms in the organisation of the British civil service. Under these reforms, the civil service would be disaggregated into a series of distinct agencies, each responsible for delivering a particular public service. These agencies (first referred to as Next Steps agencies, but now described as executive agencies) would be responsible to the respective ministries of government. Currently, there are over 100 executive agencies, ranging from the very large Benefits Agency (around 66,000 staff) to the Wilton Park Conference Centre (30 staff). Some two-thirds of the civil service are now employed in executive agencies which deliver the bulk of services previously provided under the auspices of the centralised departments of state.

Decentralisation

The principal rationale for the Next Steps programme was the then Government’s desire for decentralisation, a policy which has been at the heart of public management reform in the UK. As Falconer (1997: 92) states, during the 1980s and 1990 significant decentralisation has occurred throughout the British governmental system:

- through a vigorous and wide-ranging programme of privatisation, under which the public industries and many public service organisations were removed from the public sector and subjected to the disciplines of the private market;
- through the increased use of the voluntary sector in the provision of public services, most notably in the area of social care and residential care of the elderly;
- through a dramatic increase in the number of appointed bodies responsible for the delivery of important public services, such as higher and further education, and the management of hospitals.
- Through a devolution of responsibility within local government by way of the introduction of market disciplines in local service provision.

The ‘New Contractualism’

An important part of this reform effort has been the advent of ‘contractualism’ in the public sector. This has taken the form of ‘market testing’ in central government and compulsory competitive tendering (CCT) in local government. Under market testing
and CCT, private companies can compete with public agencies for the contract to deliver public services. There can be either contracting-out (where the service contract is won by a private company), or contracting-in (where the contact is won by the public agency’s own direct service organisation). As an essential precondition for the establishment of market relationships in the public sector, a separation was instituted between the role of deciding what to provide and the role of actually providing it. This purchaser-provider distinction has promoted a movement toward contracts as the basis for public service delivery. Through contracts, public sector managers or local authorities act as agents for the definitive client, namely the public. As an important element in the desire of the Thatcher Government in the early 1980s to reduce the level of public expenditure, the decision was taken to first encourage then compel public sector bodies to open many of their services to competitive tendering. Moreover, the introduction of contracts in public service delivery was consistent with a second objective of the Conservative Government, namely to separate the process of service provision from politics (Walsh, 1995: 112).

The scope of CCT in local government was significantly enhanced through the Local Government Act of 1992. Under the terms of this legislation, the Audit Commission was empowered to publish performance indicators for local authorities and to monitor performance in regard to these indicators. As such, local authorities were required for the first time to publish information on their performance. This requirement was specified by the Audit Commission in December 1992 as part of its role under the Act and as part of the Citizen's Charter initiative (Audit Commission, 1994). In local government, the introduction of compulsory competition had a number of important implications for service provision. First among its main effects was the way in which competition provided an impetus for service review, in the sense that local authorities were now more concerned with monitoring the management of services. According to one local government officer, competition 'sharpens people up and shakes old practices out of the system. People had to take a long hard look at what they do' (Walsh and Davis, 1993: 165) Second, competition facilitated an improvement in the level of knowledge within local authorities of the cost of service provision (Lawton and Rose, 1991: 145-6; Walsh and Davis, 1993: 165). Third, local authorities now have clearer statements of performance targets to be achieved. Indeed, these targets have become something of a 'justification and a rationale for action' within local authorities (Walsh and Davis, 1993: 165). Finally, the introduction of competition highlights the issue of accountability, both to elected members and the public:

> elected members were having to learn to operate new approaches, for example with more concern for strategic issues. Questions were raised about the appropriate form of local democracy in a competitive system, for example whether existing reporting systems are adapted to the new circumstances. The public had had little involvement in the process of compulsory competitive tendering in the early stages, for example in the definition of specifications (Walsh and Davis, 1993: 166).

In terms of accountability, the increasing shift to service on the basis of contract has significant implications. Under contractualism, we have two sets of actors: the public sector body or local authority which puts the contract out to tender, and the contractor
who physically provides the service. As such, the basis of their relationship is the
contract. The public sector agency responsible for drawing up the contract is required to
specify the standard of performance required in service delivery and thus becomes
acutely aware of the true cost of service provision. As such, the process of accountability
is sharpened. The contract becomes the focus and the increased concern with
performance standards embodied within contracts makes public sector agencies and local
authorities more directly concerned with efficiency in resource use and quality of service.
Moreover, the contractor is responsible for delivering the service as specified in the
contract and will be judged on that basis by the client, the public sector agency.

Accountability for Performance

Underlying these reforms has been an attempt to enhance the accountability of public
sector institutions to the public they serve through a greater concern with performance
measurement. Through the shift toward service on the basis of contract, public service
providers are forced to engage directly with the question of service standard and service
quality. This links directly to a central issue which lies at the heart of the consumerist
ethos and the Citizen's Charter, namely the establishment of performance indicators and
performance targets in the public sector.

Concern with the improvement of public services has focused on the pursuit of greater
efficiency and effectiveness. Indeed, the quest for improvement in these areas has
dominated government thinking toward public sector management since the early 1980s.
However, while it is not difficult to subject private sector enterprises to performance
measurement, a similar exercise in the public sector is more problematic. There are a
number of reasons for this difficulty. First, many public sector organisations are
monopoly suppliers of services. For example, there is only one Department of Social
Security. Consequently, a member of the public dissatisfied with the quality of service
received at his or her local benefits office cannot go elsewhere. In a competitive
environment, the producer has a clear incentive to maintain a high level of performance
in relation to the service provided to the customer. Monopolists lack that incentive. In
order to counter this situation, as will be discussed, the Citizen's Charter embodies strong
complaints mechanisms whereby the public sector consumer can claim redress should he
or she be unhappy with the standard of service provided. Second, the public sector does
not always provide a clearly identifiable product. What, for example, does a university
produce? What is the 'product' rendered by the prison service? Such ambiguities make
performance measurement more difficult in the public sector. Third, the public sector
often lacks a clearly identifiable customer. In the private sector, the customer is the
individual to whom the provider wishes to sell his or her goods. In the public sector,
however, the situation is not so straightforward. For example, a civil servant working in
an executive agency established under the Next Steps programme could view several
people as customers: the member of the public with whom he or she is dealing; the
minister with responsibility for the service; Parliament which is elected by, and
accountable to, the electorate and which approves the level of funding for agencies; or
the taxpayer who might not use the service in question but who contributes through
taxation.

These problems render the pursuit of efficiency and effectiveness in the public sector
more difficult. Nevertheless, a great deal of effort has gone into subjecting the public
sector to strict performance measurement. Indeed, this lies at the core of the Citizens Charter which has enshrined within its pages a clear commitment to service quality on the part of the public sector; clear and agreed criteria of assessment for public service providers; increased visibility of people working in the public sector to provide a more tangible and accountable posture for the customers; a strong commitment to the public sector and to continued improvement in service provision; and a requirement that those delivering services be directly answerable to the public. Indeed, through the establishment of performance targets within the Citizen's Charter, public sector managers are supposed to be responsible for, and accountable to, the public for their organisation’s use of resources.

The Establishment of Markets or Quasi-Markets

'Traditionally, the public services have been monolithic organisations with overall management, finance control and budgetary control all held in the centre' (Major, 1989: 4). A key element of reform has been the replacement of this centralist organisational structure with a decentralist, market-oriented structure in which the different parts of the public sector are subjected to competitive forces. In this way, attempts were made to create multiple service providers in as many individual public services as possible as, for example, through CCT. Furthermore, as Stewart and Walsh (1992: 506) assert,

in the government's proposals on community care, local authorities are to be encouraged to use many alternative sources of provision. In health and education, the emphasis is placed on the independence of the separate institutions through opting out, or on greater control over their own management by the institutions through devolved control. The 'monolithic' institutions of the health service and of the education service is being broken down into its component parts.

As such, the possibility arises for competition between alternative providers in the different sectors of public service. Of course, not all these markets which have been established are consumer-led. For example, in the National Health Service, markets are still largely dominated by health care providers, with health authorities, clinicians or general practitioners making choices on behalf of their patients. Even where the consumer does have a degree of choice, as in education where parents have some discretion over the choice of school for their children, we still have not moved to a fully market-oriented environment. As Stewart and Walsh (1992: 507) state, ‘because there is no question of direct payment, and because of the limitation on the number of places available, what are being created are quasi-markets rather than markets. There is limited freedom on the demand side, with very little change as yet on the supply side’.

A further element in the effort to subject the public sector to market forces has been the increased use of fees and charges for public services (Bailey, Falconer and McChlery, 1993; Walsh, 1995: 83-109). Across a wide range of public services, including health care, education and a wide range of local authority services, charges are used in different ways and for different purposes. Charges for prescriptions, dental and ophthalmic treatment in health care, for school meals, school trips and music lessons in schools, and for admittance to museums, recreational facilities and care for the elderly in local authorities; all these charges serve as signals of demand to service providers as to what
consumers are willing to pay for a service. Charging is thus deemed to be fair in the sense that an individual who makes use of a particular service is paying directly for the benefit he or she receives. As such, charges serve not only as a way of introducing market mechanisms into the delivery of public services, but also as a means of reducing public expenditure since people are paying for a service which otherwise would require to be funded publicly (Bailey, Falconer and McChlery, 1993: 29).
The Separation of Policy Making from Policy Implementation

Traditionally, public service delivery was subject to political control exercised through departments of state, their ministers and thereby the government of the day and the elected legislature. (The House of Commons). An important element of reform has been the attempt to separate the process of policy making from the operational management of the public services. For example, in the National Health Service, responsibility at the national level is exercised through both a Policy Board and a Management Executive. Basically, the role of government lies in setting the broad policy goals for the service, funding the service, and being accountable to Parliament for these policy decisions. Operationally, however, government has removed itself from the day-to-day management of the service, responsibility for which lies with the Management Executive.

We see a similar pattern emerging across the public services. This change has clear implications for the nature of accountability in the public sector, as more traditional forms of political accountability are being replaced with a more direct form of managerial accountability which forges a linear relationship between public service providers and the ‘consumers’ of these services. However, this attempted shift from political to managerial accountability has not been accompanied by a commensurate alteration in the constitutional convention governing the relationship between elected politicians and the citizenry (see Pyper, 1996). Consequently, while government ministers might wish to ‘transfer responsibility’ to public sector managers for the delivery and quality of public services, these same ministers cannot escape the fact that they are still constitutionally accountable for public services by virtue of their status as elected representatives of the people. Public service deliverers may indeed be directly responsible in managerial terms to the public as consumers, but ministers remain equally accountable politically for that service to the public as citizens.

The Citizen’s Charter

The Citizen’s Charter emerged in 1991 as the centrepiece of John Major’s ‘commitment to quality’ public sector reform agenda. In its application, the Citizen’s Charter initiative represents ‘a systematic attempt to focus on four main themes across the public services: quality, choice, standards and value’ (Wilson, 1995: 94). According to the original Charter document (Major, 1991: 4-5), these would be pursued through a range of reforms by which the public sector would operate more in line with its private sector counterpart: privatisation, competition and contracting-out, performance measurement, clear complaints procedures and better forms of redress for citizens.

Overall, the principal focus of the Citizen’s Charter is on improved public service for the individual citizen. However, while appealing to the interests and values of the ‘citizen’, it is the citizen as consumer whose interests and values the Charter addresses. The nature of the relationship between the government and its citizens was to be determined by way of changes in the management of service delivery, with the emphasis placed firmly on the concept of customer satisfaction. The Citizen’s Charter was characterised by an optimistic view of the role of the public sector and a predominant concern with ‘raising the standard’ of service delivery across the range of public sector activities (Prior, 1995). This improvement in the standard of public service provision was viewed as deriving primarily from the development of a direct relationship between the service provider and
the customer. At time of writing, there are 42 national Charters and more than 100,000 local charters in operation across the UK, each of which set out minimum service standards for public service provision.

Under these Charters, as Wilson (1995: 94) states,

the citizen is now recognised as a consumer entitled to a given standard and variety of service. The traditional model for public service delivery, whereby bureaucrats sought to ensure equitable treatment for taxpayers through the provision of uniform services, has been jettisoned. Competition, responsiveness and choice prevent the standardisation of services in the private sector and should do so in the public sector.

As such, Charterism, as established through the various Charter documents, has been aimed at enshrining the principle of consumer sovereignty in public service provision. Indeed, underlying all the various charters is a rigorous complaints procedure which provides the dissatisfied customer with direct avenues of redress. After all, in order for a consumerist ethos to operate in the public sector, it is essential that the service user is able to register his or her displeasure if that service fails to meet expectations. As stated in the original Citizen’s Charter (Major, 1991: 42), ‘it is fundamental that all public services, including local authorities, should have clear and well-publicised complaints procedures’. These mechanisms, according to the Charter should:

- be open and accessible, and supported by clearly displayed standards at the point of service;
- provide readily available information about how to complain, and a clearly identified point of contact for doing so;
- provide a code of practice for the handling of complaints. This should include specific targets for dealing with complaints and clear information as to what the customer can do if he or she is dissatisfied with the response of a public sector agency to a complaint.

Within the National Health Service, for example, every hospital and other unit engaged in the provision of health care must publicise the name, address and telephone number of a senior official responsible for dealing with patient complaint. This officer is required to fully investigate the complaint and report the findings of the inquiry to the complainant. In cases where complainants are still not satisfied, they may refer the matter to the Health Service Commissioner (Ombudsman), who is empowered to investigate all complaints of a non-clinical nature and reports directly to Parliament.

In placing the responsibility for service delivery squarely in the hands of public sector managers, the Citizen’s Charter is crucial to the new public management in the UK, with its continuing attempt to establish direct relationships between the providers of public services and their customers. As such, though not stated explicitly, the Charter initiative is aimed at reinforcing existing mechanisms of accountability through the development of a managerial accountability which renders the providers of public services directly accountable to their customers through the mechanisms of quality assurance and redress enshrined within the Charters. Prior to the advent of Charters, there were in many cases
no public statements of what standards of service the public had a right to expect from
public sector agencies. For example, before the publication of the Passenger’s Charter,
British Rail (now privatised) did not make public its punctuality and reliability targets.
The very fact that it is now taken for granted that there should be published targets is
perhaps an indication that the Charter concept is beginning to take hold within the public
sector.

THE NEW PUBLIC MANAGEMENT: LESSONS FROM THE UK EXPERIENCE

Before drawing any conclusions from the UK experience, we should first of all
establish the general caveat about the practice of lesson drawing. For our purposes,
drawing lessons about the new public management is a practical exercise. It is
concerned with making policy prescriptions which can be implemented with a fair
expectation of success. In the words of Richard Rose,

Lessons [...] are tools for action. Politicians know what they would
like to achieve, but the existence of a political majority for a goal is no
assurance that politicians will know how to design a program that
achieves this goal. Borrowing a program that is effective elsewhere is
no guarantee of success (Rose, 1993: ix; emphasis added).

It is essential, when considering whether to follow policy approaches used elsewhere,
to understand under what circumstances and to what extent these approaches will
work effectively here. Alain Enthoven, writing about health policy in 1990, could
easily have been referring to the new public management when he stated that

the really interesting questions are how to identify and design
politically feasible incremental changes in each country that have a
reasonably good chance of making things better. Each country can get
useful ideas from others about how to do this (Enthoven 1990: 58).

Given the international nature of the new public management, it is unavoidable that
policymakers in one country will seek to learn lessons from programmes that appear
to be successful elsewhere. In this respect, the UK might well be viewed as a
laboratory for the new public management experiment, as might the United States,
Australia, New Zealand and other countries that have followed the path of public
management reform. However, the obvious but important point is that any attempt to
draw lessons from the experience of others must take full account of the historical,
cultural, social, economic and political environment pertaining to both the country
seeking lessons and the countries whose experience is being examined. For example,
in the Central European nations, there has been a significant shift toward
privatisation, something that has also taken place to a significant degree in the UK.
However, there are dangers in making comparisons as the UK experience is not easily
transferable. The privatisation programme pursued in Britain since 1979 was geared
toward reducing public expenditure and increasing economic efficiency through the
expansion of market forces in a mixed economy. In Central Europe, privatisation has
been aimed at moving countries away from Communist-style systems of government
toward the development of new market-based structures and arrangements. As such, there are limits to the practical lessons that British privatisation may provide for central European countries. So, with this caveat in mind, what lessons can be drawn from the UK experience?

There is little doubt that the new public management has made significant inroads in the UK, giving rise to wide-ranging reforms of the public sector’s organisation and procedures. The disaggregation of the civil service into smaller executive agencies, for example, marks a major transformation in the structure of the British governmental system. Yet, the policies implemented by successive British governments to reform the nature of public service provision have not been without weaknesses. When we seek to evaluate the three main planks of public sector reform in the UK - decentralisation, enhanced accountability and the ‘marketisation’ of public service delivery - we find that their implementation has been problematic.

First, a clear picture that emerges from the UK experience is that there is a distinction between decentralising units of operation and decentralising authority. The disaggregated public sector in Britain still operates ‘within a field or arena in which the hand of central government remains strong. [...] (o)ne of the paradoxes of contemporary management is that it both liberates and enslaves’ (Hoggett, 1996: 18). In the National Health Service, for example, the National Health Service and Community Care Act of 1990 promoted the development of self-managed units in the health service. As a consequence, hospitals established themselves as autonomous, self-managing trusts. However, in terms of authority, what this meant was that hospitals were now no longer under the auspices of local government. Rather, they were ultimately answerable to the Department of Health (i.e. central government). In a similar way, schools were encouraged to take responsibility for the administration of their own budgets under the 1988 Education Act. Those schools which chose to opt out of local authority control now also found themselves ultimately responsible to central government. Operational managers might have discretion over the use of resources, but central government retains control over the allocation of resources and the setting of performance standards. As Hoggett (1996: 19) states, ‘operational decentralisation has proceeded against the background of governmental centralisation and has, if anything, served to reinforce centralisation processes’.

Second, on the question of accountability, citizens have not been empowered through public management reform. Public sector organisations and local authorities are now subjected to performance standards and are required to meet ever-increasing performance targets. However, these standards and targets are set by service providers. Members of the public have little, if any, influence over the standards of service provision. The Citizen’s Charter, by which the users of public services were supposed to be empowered, has failed to provide any meaningful consumer power to citizens. Indeed, contrary to the principle of consumer sovereignty, there is managerial dominance in relation to service quality in the public sector. In their relationship with public service providers, service users have weak powers of voice, and little, if any, power of exit from the ‘public sector marketplace’. As Hunt (1996: 59) states, empowerment requires a transfer of power. Public service users can only be empowered when
the government or an agency acting on its behalf, chooses to relinquish some of its powers; to adjust, as it were, the power relationship between government and the governed. The problem with the Citizen’s Charter is that it implies both that the government is in some way divorced from the delivery of services and therefore not responsible for them and also that the power of the citizen in relation to these services can be increased without this affecting the existing powers of the government. However, ultimate responsibility for the delivery of public services does lie with government (central or local) and changes that ignore this are likely to achieve very little. The Charter thus runs the risk of being a limited exercise which possibly affects the rights of individual citizens at the margin but makes no real difference to the way in which services are delivered or received.

A further criticism levelled at Charterism is that the concept of ‘citizen’ is given insufficient attention. Indeed, we can gather no general notion of the citizen from any of the charters currently in force. There are various references to users, customers or consumers, jobseekers, patients, passengers and parents. However, these are not citizens. The role of consumer entails a particular position within a network of market relationships. To be a citizen is to be a member of a political community. This embraces a wider role, comprising a range of political relationships which link the individual with government and the state. Elcock (1996: 37) expresses the concern that the Citizen’s Charter is concerned with enhancing ‘the protective rights, privileges and immunities accorded to customers’, and not with strengthening ‘the essentially participative role of the citizen in influencing the policies and management of the public services they pay for and use’. For Elcock (1996: 37), ‘the implications of doing the latter are much more fundamental for the management of public services than are those of the former. However, they are not addressed in the Citizen’s Charter’. Kingdom (1996: 7) makes the strong assertion that the Citizen’s Charter initiative ‘far from enhancing citizenship, actually undermines it’. For Kingdom (1996: 19), under the notion of Charterism,

the concept of citizenship is subject to serious debasement: a collectivist idea, status through membership of society, is redefined in individualistic, contractual terms. The public is seen as buying services, through payment of taxes, and increasingly other charges, rather than acquiring rights through community membership.

Third, on the matter of ‘marketisation’, the simple point is that, with the absence of any meaningful opportunity to exercise choice in relation to public services, the proper operation of a market in public service delivery is seriously undermined. Across the range of public services, citizens are denied any real access to alternative modes of provision. As such, the powers of ‘exit’ and ‘voice’ which inform the provider-customer relationship in private enterprise is largely absent in the public sector.

Nevertheless, despite these weaknesses, the fact remains that the new public management has had a profound impact on the British public sector. The introduction of management principles and disciplines across the public sector has facilitated a radical transformation in the way in which the public domain is administered. Indeed,
in the UK, the notion of public and private sectors as distinct and separate domains has been largely negated, with public organisations operating increasingly in a business-like manner, and with public and private enterprises working increasingly in partnership in the delivery of public services. With the new Labour Government establishing itself in office, the central tenets of the new public management remain firmly established in the UK.

REFERENCES


