The New Public Management:
An Overview of Its Current Status

Christopher POLLITT
Public Management Institute, Katholieke Universiteit Leuven

Introduction

You cannot see, touch, smell or hear the NPM. It is a rhetorical and conceptual construction and, like all such constructions, it is open to re-interpretation and shifting usages over time. It is also a rhetorical construction *in English*, and we can therefore expect that the concept will be particularly prone to shifts in meaning when it crosses language barriers into French, Chinese or Japanese (to mention just three language communities which have adopted the term). So comparison is not a straightforward matter.

Definitions

Even in its English mothertongue, there have been considerable definitional disputes and ambiguities. As Dunleavy et al put it recently: 'There is now a substantial branch industry in defining how NPM should be conceptualised and how NPM has changed' (Dunleavy et al, 2006, p. 96). A survey of all the different attempts at definition would make for a very long (and rather boring) article, so I will instead simply refer to one of the best recent discussions – that of Dunleavy et al (2006, pp. 96-105) and to my own earlier and simpler discussion (Pollitt, 2003a, chapter 2). Taking these together, I will here assume that the NPM is a two level phenomenon: at the higher level it is a general theory or doctrine that the public sector can be improved by the importation of business concepts, techniques and values, while at the more mundane level it is a bundle of specific concepts and practices, including:

- Greater emphasis on 'performance', especially through the measurement of outputs

- A preference for lean, flat, small, specialized (disaggregated) organizational forms over large, multi-functional forms

- A widespread substitution of contracts for hierarchical relations as the principal co-ordinating device

- A widespread injection of market-type mechanisms (MTMs) including competitive tendering, public sector league tables and performance-related pay

- An emphasis on treating service users as 'customers' and on the application of generic quality improvement techniques such as TQM

Dunleavy et al have usefully summarized this as 'disaggregation + competition + incentivization' (Dunleavy et al, 2006).

Notice that this excludes certain other fashionable ideas, such as partnerships, networking and governance. These arose later than the NPM, and were to some extent ideas that were invented to counteract the perceived limitations and weaknesses of the NPM (as defined above).

Translations

Thanks to the work of scholars like Kerstin Sahlin-Andersson (2001) and Amanda Smullen (2004; 2007) it is now more widely understood that when NPM (and other) ideas cross national or even sectoral boundaries, they are usually 'translated' into the local dialect (Pollitt, 2003b). These translations are not a minor matter, since they frequently involve not merely the editing of standard statements and propositions, but also the subtraction of old meanings and the addition of new ones. Thus in one place the NPM may be portrayed as being mainly about freeing individual managers to be 'professional' and 'modern' while in another it may be all about serving the citizen-customer and in a third it might be about cutting expenditure and lowering taxes. In one country 'agencies' are the symbol of a new degree of freedom from central ministerial control, in another they represent a taking-back of ministerial control (Smullen, 2004; Pollitt et al, 2007). The differing emphases may help to select and prioritize different practices and, equally, may engender different expectations against which the results of the reforms are judged.

What has not been so often commented upon is that it is not only NPM as a package of doctrines that gets translated in this way, but also some of the individual instruments and techniques. Thus TQM, for example, is realized in vastly different ways in different contexts, sometimes even within the same service (Joss and Kogan, 1995: Zbaracki, 1998). Similarly, performance budgeting can and does take on a tremendous variety of forms (Pollitt, 1999).

Words and deeds

The 'translations' sub-literature is focused on words and texts. Not everyone believes that it is possible for scholars to get beyond that – to get to practices and concrete results – but many of us still do. In so far as we may be successful in this empirical quest for 'the reality out there', we will encounter further issues concerning the slipperyness of 'NPM'. Thus, in several of my works I have felt the need to develop a simple stage model of management reforms, which goes like this:

1. Stage 1: *talk*. A particular approach or technique gets onto the agenda. It is discussed in workshops, conferences, briefing papers and so on – it is 'in the air'

2. Stage 2: *decisions*. Formal decisions, by managers or politicians (or both) are made to 'have' technique X or new organizational form Y.

3. Stage 3: *practice*. The new form or technique is adopted in practice. It becomes the new 'standard operating procedure' across the relevant organizational domains.

4. Stage 4: *results*. The new form or technique begins to generate results which can confidently be attributed to it (rather than any other contemporary developments) (Pollitt, 2002).

We should note at least three points about these stages. First, each transition to the next stage may involve 'translations' (see above). Second, each stage may also result in partial or total change in the original concept and purpose. In public management it is not particularly unusual for decisions to be announced but very little change in operational practice to follow. In Finland legislation enabling PRP for the public sector was introduced in the early 1990s, but by the end of that decade only a small proportion of public agencies had taken up the opportunity to use it, and resistance was widespread. The OECD ticked boxes that Finland was one of the countries that 'had' PRP, but this was a misleading impression. Third, from an academic perspective, each stage calls for somewhat different research techniques. Generally speaking research becomes more difficult, time-consuming and expensive as one moves from stages 1 and 2 to stages 3 and 4. Unsurprisingly, therefore, a lot of published research relates mainly to the first two stages. This is fine, as long as it is not used as a basis for making claims about stages 3 and 4, but of course sometimes it is! The kind of detailed, longitudinal empirical research that is desirable to investigate practice and results is still relatively rare, but is very valuable when we do have it (Johnson, 2002; Kelman, 2006; Sundström, 2006)

The NPM in comparative perspective

In the light of the above considerations we can now review our state of comparative knowledge concerning NPM. Taken together, NPM concepts and techniques have produced a mix of 'results'. Undoubtedly there have been some measurable efficiency gains. There are also plenty of cases of genuine service quality improvement, and of cost-saving. Equally, however, there are well-documented concerns about organizational fragmentation and loss of the capacity to implement integrated policies, about inappropriate applications to complex human services, and the widespread gaming of performance measurement regimes and about probable damage to traditional public service values.

I would select the following as key points:

- The *rhetorical spread (talk)* of NPM has been impressive, though by no means total. There have always been other, parallel or competing discourses, but they have remained under-rated and largely unnamed in the Anglophone public management literature, creating the impression that for a long time there was 'only one show in town' (Pollitt et al, 2007).

- The NPM is definitely NOT just a neo-liberal and still less a neo-conservative political doctrine (as has occasionally been claimed). Its intellectual roots are more diverse and certainly its adoption has occurred in many countries with centre or centre-left governments, as well as by centre-right and right wing regimes.

- In terms of *decisions-to-adopt*, the penetration of NPM has varied enormously from country to country, and sector to sector, and over time. The period of most aggressive implementation was from the late 1980s until the turn of the century. Some countries have gone a long way with NPM. They have embraced all the ingredients set out in the foregoing definition and have implemented them over a period of more than two decades. These 'core NPM' countries tend to be unitarian democracies with majoritarian political systems, and they are ex-members of the old British Empire. The UK and New Zealand are the most obvious examples, with Australia not far behind (although that, of course, is a federal state). The USA has also been a vigorous reformer, especially at state and local levels, but at the federal level its strong legislature has prevented the kind of synoptic, top-down reform drives which have been witnessed in the three core NPM states (Pollitt and Bouckaert, 2004).

- Also in terms of *decisions-to-adopt*, perhaps one of the more impressive features of the NPM has been not its triumph in the UK and New Zealand, but the extent to which it has been selectively borrowed by many countries that do not buy into the broader 'business-is-best' doctrine. These would include the Nordic group, France, Italy and Spain. In these cases, however, the 'translations' have usually been substantial and significant, and the borrowings have been inserted into systems whose overall character is not NPM-ish at all..

- Our map of the *operational spread* of NPM is patchy, but, though considerably less than some of the rhetoric would lead one to believe, it does nevertheless seem to have been widespread. In some places NPM forms and techniques are still spreading, but in others they are being partly reversed (Chapman and Duncan, 2007; Dunleavy et al, 2006, pp96-105; Johnson and Talbot, 2007). A tentative generalisation would be that the areas in which NPM has worked least well, and where some stepping-back is now in progress, include:

  1. The application of market-type mechanisms to complex human services such as health care and education

2. The wholesale contracting out of government IT

On the other hand there is plenty of local evidence of achievements of quicker processing times, staff savings, and higher productivity in particular organizations. NPM techniques appear to have had some of their most indisputable successes in what Wilson (1989) would have termed 'production organizations'- those where a defined and reasonably standardized product (a license, grant, benefit payment) is being produced through reasonably well-understood processes.

- Others states, especially in the developing world and, to a lesser but still significant extent in post-Communist eastern Europe, had NPM ideas imposed or strongly urged on them by western-dominated IGOs. The operational experience with this has been educative. It appears that the NPM works best when it is built on the secure foundations of a stable Weberian bureaucracy. It can have very negative effects when injected into situations where the civil service is highly politicized and un-professionalized, the 'public service ethic' is hardly known, budgets are unstable and accountability is weak (see, e.g., Caulfield, 2004; Pollitt, 2004). The paradox, then, is that the NPM needs its enemy – traditional bureaucracy – in order to succeed.

- The evaluation of the *results* of NPM has been very patchy indeed. This is partly because of the inherent difficulties of assessing a complex, multi-instrument, long term reform programme. But it is also because a number of governments have, either deliberately or by omission, failed to set up any systematic provision for evaluation (most famously, the Thatcher government with its huge and radical experiment introducing an internal market to the UK National Health Service). Even where evaluation as a process has been embraced the conditions for its success have often been undermined by further, premature policy changes (Pollitt, 2008; Pollitt and Bouckaert, 2003; Walker, 2001). In one or two instances where large scale evaluations were carried out, it proved remarkably difficult to confirm even the most basic claims for efficiency gains (Pollitt, 1995).

Conclusions

So, to sum up, the NPM is not dead or even comatose. The tide has stopped coming in, and may be on the turn on some parts of the beach, but NPM has left extensive deposits, more thickly in some countries than others (Dunleavy et al, p218). Elements of NPM have been absorbed as the normal way of thinking by a generation of public officials in the core states. Many NPM-ish organizational structures remain firmly standing. Management consultancies have secured their place as regular participants in governance at many levels of government – at least in the core NPM states (Saint-Martin, 2005). By the standards of previous administrative fashions – even by comparison with the spread of Weberian bureaucracy itself – NPM must be accounted a winning species in terms of its international propogation and spread. Whether it has been *successful* – even its own terms – is quite another question, and one to which we may never have an entirely satisfactory answer. Certainly it seems to have little relevance to the problems which sit at the top of the public sector agenda today – global warming, population movements, corruption or terrorism. The management of such issues call for quite different ways of thinking about public sector management.

References:

1. **CAULFIELD, J.** (2004) *New Public management in a developing country: creating executive agencies in Tanzania*, pp. 229-246 in C. Pollitt and C. Talbot (eds.) Unbundled government, London and New York, Routledge/Taylor and Francis

2. **CHAPMAN, J. and DUNCAN, G.** (2007) *Is there now a new "New Zealand Model"?*, Public Management Review, 9:1, pp.1-25

3. **CHRISTENSEN, T. and LÆGREID, P.** (eds.) (2001) *New Public management: the transformation of ideas and practice*, Aldershot, Ashgate

4. **CHRISTENSEN, T. and LÆGREID, P.** (2007) *NPM and beyond – leadership, culture and demography*, paper to be presented at the Third Transatlantic Dialogue, University of Delaware, 31 May-2 June

5. **DUNLEAVY, P.; MARGETTS, H.; BASTOW, S. and TINKLER, J.** (2006) *Digital era governance: IT corporations, the state and e-government'*, Oxford, Oxford University Press

6. **JOHNSON, C. and TALBOT, C.** (2007) *Seasonal variations in public management: disaggregation and reaggregation*, Public Money and Management, 27:1 (forthcoming)

7. **JOHNSON, S.** (2002) *The secret of Apollo: systems management in American and European space programs*, Baltimore and London, John Hopkins University Press

8. **JOSS, R. and KOGAN, M.** (1995) *Advancing quality: Total Quality Management in the National Health Service*, Buckingham, Open University Press

9. **POLLITT, C.** (1995) *Justification by works or by faith? Evaluating the New Public Management*, Evaluation, 1:2, pp. 133-154

10. **POLLITT, C.** (1999) *Integrating financial management and performance management*, Paris, OECD, PUMA/SMO(99)4/FINAL

11. **POLLITT, C.** (2002) *Clarifying convergence: striking similarities and durable differences in public management reform*', Public Management Review 4(1): 471-492

12. **POLLITT, C.** (2003a) *The essential public manager*, Buckingham and Philadelphia, Open University Press/McGraw-Hill

13. **POLLITT, C.** (2003b) *Public management reform: reliable knowledge and international experience*, OECD Journal on Budgeting, 3:3, pp. 121-136

14. **POLLITT, C.** (2004) *Castles built on sand? Agencies in Latvia*, pp. 283-296 in C.Pollitt and C.Talbot (eds.) Unbundled government, London and New York, Routledge/Taylor and Francis

15. **POLLITT, C.** (2007) *Convergence or divergence: what has been happening in Europe?* pp. 10-25 in C. Pollitt; S. Van Thiel and V.Homburg (eds.) New Public Management in Europe: adaptation and alternatives, Basingstoke, Palgrave/Macmillan

16. **POLLITT, C.** (2008) *New Labour's re-disorganization: hyper-modernism and the costs of reform: a cautionary tale*, Public Management Review (forthcoming)

17. **POLLITT, C. and BOUCKAERT, G.** (2003) *Evaluating public management reforms: an international perspective*, pp. 12-35 in H. Wollmann (ed.) Evaluation in public-sector erform: concepts and practice in international perspective, Cheltenham, Edward Elgar

18. **POLLITT, C. and BOUCKAERT, G.** (2004) *Public management reform: a comparative analysis* (2nd edition) Oxford, Oxford University Press

19. **SAHLIN-ANDERSSON, K.** (2001) *National, international and transnational constructions of New Public Management*, pp. 43-72 in T. Christensen and P. Lægried (eds.) New Public Management: the transformation of ideas and practice, Aldershot, Ashgate

20. **SAINT-MARTIN, D.** (2005) *Management consultancy*, pp. 671-694 in E. Ferlie; L. Lynn Jnr. and C. Pollitt (eds.) The Oxford Handbook of Public Management, Oxford, Oxford University Press

21. **SMULLEN, A.** (2004) *Lost in translation? Shifting interpretations of the concept of 'agency' the Dutch case*, pp. 184-202 in C. Pollitt and C. Talbot (eds.) Unbundled government, London and New York, Routledge/Taylor and Francis

22. **SMULLEN, A.** (2007) *Translating agency reform: rhetoric and culture in comparative perspective*, Ph.D, Erasmus University Rotterdam

23. **SUNDSTRÖM, G.** (2006) 'Management by Results: its origin and development in the case of the Swedish state', International Public Management Journal, 9:4, pp. 399-427

24. **WALKER, R.** (2001) *Great expectations: can social science evaluate New Labour's policies?*, Evaluation, 7:3, pp. 305-33

25. **WILSON, J. Q.** (1989) *Bureaucracy: what government agencies do and why they do it*, New York, Basic Books

26. **ZBARACKI, M.** (1998) *The rhetoric and reality of Total Quality Management*, Administrative Science Quarterly, 43, pp. 602-636