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Public management reform during financial austerity

Christopher Pollitt



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Sammanfattning av Public management reform during financial austerity av professor Christopher Pollitt, Leuvens universitet

I denna skrift behandlar Christopher Pollitt följande tre frågor:

- Vilka är sambanden mellan perioder av finansiell åtstramning och förvaltningspolitiska reformer?
- Vilka typer av reformer kan användas för att uppnå besparingar?
- Vilka hänsyn bör under de nuvarande omständigheterna styra de beslut som fattas och de råd som ges av ledare inom den offentliga förvaltningen?

Enligt Pollitt är sambandet mellan förvaltningspolitiska reformer och perioder av finansiell åtstramning komplext och varierat. Historien visar att perioder av finansiella besparingar och reformvågor inte nödvändigtvis sammanfaller.

Pollitt konstaterar att finansiell åtstramning kan ses som ett tveeggat svärd. Å ena sidan kan finansiell åtstramning försvåra genomdrivandet av reformer, då det varken finns möjlighet att fortsätta att finansiera verksamheten, eller få med sig reformmotståndare med hjälp av ekonomiska kompensationer. Å andra sidan kan stämningen av kris öppna för radikala förslag, vilket underlättar reformer. Pollitt understryker även att stora besparingar generellt är svåra att genomföra politiskt.

Pollitt konstaterar även att reformer kan genomföras i en mycket högre takt i vissa länder än i andra, till följd av stora skillnader i den politiska, juridiska och organisatoriska proces-

sen. Därmed måste varje regering skapa strategier anpassade till landets specifika förutsättningar.

I diskussionen om olika reformstrategier för att uppnå besparingar gör Pollitt en distinktion mellan den så kallade *osthyveln* (eng: cheese slicing), där besparingskrav skär jämnt över hela verksamheten och *politisk prioritering mellan verksamheter* (eng: centralized priority setting), där endast vissa mindre effektiva satsningar avvecklas eller skärs ner. Mellan dessa båda typer placerar Pollitt strategier med *effektivitetsvinster* (eng: efficiency gains) som syfte.

Pollitt presenterar för- och nackdelar med dessa tre strategier:

Osthyvlar har fördelen av att ge intryck av rättvisa, samtidigt som ministrar inte behöver ta direkt ansvar för vilka verksamheter som ska nedprioriteras. Riskerna i denna reformstrategi består i att högre tjänstemän kan fatta beslut som är politiskt impopulära eller som tjänar egna syften.

Reformer med effektivitetsvinster som mål framstår som mer tekniska och därmed mindre hotfulla. De kräver dock en hög grad av innovation, då liknande reformer de senaste decennierna redan i hög grad har minskat ineffektiviteten.

Politisk prioritering mellan verksamheter ger ett strategiskt intryck och ger politikerna möjlighet att skydda de mest effektiva satsningarna. Samtidigt kan det vara en nackdel för ministrar att ta ett direkt ansvar i de fall impopulära beslut tas. Dessutom kräver prioriteringar omfattande information om olika insatsers effektivitet, vilket många regeringar saknar.

Pollitt diskuterar vilken riktning förestående reformer kan antas ta och framhåller att s.k. New Public Management-reformer, inspirerade av den privata sektorn, kommer att fortsätta att dominera då det finns stor erfarenhet av dessa. Samtidigt konstaterar Pollitt att det vore motsägelsefullt att genomföra fler sådana reformer, då den nuvarande finansiella krisen utlöstes av synsätt som råder inom den privata sektorn.

Avslutningsvis diskuterar Pollitt vilka aspekter som under rådande omständigheter bör beaktas vid reformer och framhåller aspekter som tid, etik, strategi och kommunikation samt legitimitet. Tidsaspekten är central då många grundläggande reformer leder till besparingar först på lång sikt. Den etiska aspekten innebär att regeringar bör redovisa nedskärningars förväntade effekter för att undvika senare legitimitetsförluster. Enligt liknande resonemang bör regeringar kommunicera den övergripande strategi som en reform är del av. Denna strategi bör enligt Pollitt även inbegripa något slags rationalitet och social rättvisa för att anses vara legitim.

1 Introduction

In this presentation I want to ask three main questions:

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1. What are the connections between financial austerity and public management reform?
 2. What kind of reform approaches can be used to achieve savings?
 3. In the present circumstances what considerations might guide the decisions taken and advice given by public service leaders?
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2 What are the connections between financial austerity and public management reform?

The first point to make is that the connection between public management reforms (PMR) and episodes of financial austerity is clearly a complex and variable one. If we look back at the history of the OECD countries over the past, say, 30 years we can find several episodes of financial austerity and many waves of PMR, but the two are not necessarily closely connected (see Pollitt and Bouckaert, 2004). Sometimes major reforms occur without any precipitating financial crisis (as with the US National Performance Review under President Clinton, or the reforms of the second term of the Blair administration in the UK). But sometimes they clearly originate in such crises (as did the famous New Zealand reforms of 1984-90, or the framework/block budgeting reforms in Finland from 1993). And sometimes financial crises are managed with straight 'cutback management', but no fundamental system reforms. Indeed, up until now most of the government moves which have been announced have been of this type (e.g. freezing civil service wages in Spain; hiring freezes in Finland and elsewhere; selling off public assets in the UK).

A second point is that financial austerity is a two edged sword as far as management reform is concerned. On the one hand, it makes it more difficult, because reforms cannot be bathed in new money, and objectors and recalcitrants cannot be 'bought off' with generous compensations or comfortable alternative jobs. But on the other hand a sense of crisis can make it easier to consider radical options and more fundamental changes than would otherwise get onto the agenda of feasibility. [How long a sense of 'crisis' will last is, however, another issue, which I will refer to briefly later on.]

Third, we should acknowledge at the outset that making major savings in public spending is ferociously difficult – and has possibly become even more so over the past fifty years or so. The UK, for example, has undergone many, many rounds of ‘cuts’, but a scholarly study indicated that only one – the so-called Geddes Axe’ in the 1920s – seems to have actually resulted in a sustained reduction in the level of public spending (Dunsire and Hood, 1989). Mrs Thatcher was famous for the severity of her spending cuts yet after six years in power her central government current spending was higher than it had been a decade previously (Dunsire and Hood, 1989). The current situation is one in which fiscal and political considerations appear to be at war with each other. The fiscal logic is to make large cuts. The political logic is that cuts on this scale are both deeply unpopular and possibly beyond the limits of feasibility (with the implication that we may see countries settle for higher levels of long term public debt). It remains to be seen which logic will win out.

3 Differences between different countries

Before going any further, it should be acknowledged that, despite the metaphorical rhetoric that we must all swim together, we are actually not ‘all in the same boat’. We may all be at sea in the same storm, yes, but we are traveling in different kinds of vessel. In some countries public management reforms can be formulated and implemented much more quickly than in others. The complexities of the political process, the legal process and the organizational process vary considerably between, say, Belgium, France, Latvia, Italy, and the UK. Also the depth and precise nature of the crisis varies considerably between these countries. For example, the prominence of the banking and housing sectors, and the amount of ‘fiscal space’ varies extensively between the economies of different Member states (European Commission, 2009). So once one gets down to any level of detail both the level of challenge and the capacity for certain types of reform differ from country A to country B.

Thus, while international discussion of this kind is invaluable, it is also necessary that each government conducts its own detailed diagnosis, prognosis and assessment of its self-reform capacity. General ideas can profitably be shared, as can some tricks of the reform trade. But there is no single solution that fits all circumstances, waiting out there to be just plugged in. Each government in each country needs to find its own mixture, and to shape and communicate its own strategy.

4 En passant: a brief lexicon of ‘savings’

Another preliminary point is that, while almost everyone may be agreed that governments now have to make ‘savings’ the term itself can be used in many different ways. If we look back at how it has been used in past debates we can see how slippery it can be. The term has been used in at least nine different ways (Pollitt and Bouckaert, 2004, p108):

1. A reduction of financial inputs compared with the previous year, using a current price basis (i.e. not allowing for inflation). No mention of outputs or outcomes.
2. A reduction of financial inputs allowing for inflation (constant prices). No mention of outputs or outcomes.
3. A reduction in the financial inputs for year X compared with the previous *forecast* of the inputs for that year. No mention of outputs or outcomes.
4. A reduction in financial inputs that leads to a corresponding reduction in service outputs (i.e. no gain in efficiency, or even a loss in efficiency – taxpayers simply pay less and get less). No mention of outcomes.
5. A reduction of financial inputs with the same (or even greater) service outputs, (i.e. a gain in *technical efficiency*, where technical efficiency is defined as the ratio between inputs and outputs). No mention of outcomes.
6. A reduction in unit costs (e.g. cost per item processed). Like type 4, this is a gain in *technical efficiency*, but whether it leads to an overall reduction in expenditure or not depends on the volume of service provided. If more items are processed expenditure may go up even while unit costs are falling. No mention of outcomes.

7. A reduction of financial inputs due to a change in allocation of resources so that more efficient or effective programmes receive the same (or even more) money, and less effective programmes receive much less or none at all (an increase in what economists would term *allocative efficiency*, leading to an increase in overall effectiveness – more outcome per euro spent)
 8. The transfer of an activity from one part of the state to another (e.g. from central to local government). This form of cost-shifting may allow the ‘exporter’ to claim that they have reduced expenditure. There are many historical examples in both Europe and North America of central governments shifting costly activities to subnational governments without fully compensating them, and subsequently claiming to have made ‘savings’.
 9. The transfer of an activity out of the public sector altogether (privatization). Thus expenditure on the activity is moved ‘off books’ as far as the government is concerned. Much of this has occurred in, for example, the United States, where the focus has been on public service numbers, so staff have been laid off and functions contracted out, not necessarily at any real saving –certainly in the medium term.
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In current circumstances we may assume that governments will be most interested in cash-releasing interventions. All the above 9 types of savings *can* release cash.

5 Two polar approaches: cheese slicing and strategic prioritization

One basic distinction is between cheese-slicing approaches (“everyone must cut back by 5 %”) and more centralized and targeted approaches (“we will reduce programmes X and Y because they are not very effective, but increase programme Z because it is effective and is a high political priority”). Both can lead to management reforms, but in different ways. With cheese slicing operational managers and professional service deliverers are obliged to find ways of reducing their budgets by the 3 % or 5 % or whatever the decrement is determined to be. But these reform adoptions are somewhat decentralized, and the central authorities are not themselves choosing either which services are going to be winners and which losers or exactly what types of reform are to be implemented.

In between these two poles come strategies that attempt to make efficiency savings.

Each approach has its own advantages and disadvantages, see e.g. Table 1:

Three approaches to making savings

Approach	Advantages	Disadvantages
Cheese slicing	Sounds egalitarian (“everyone must meet his share”). Ministers avoid directly choosing which programmes will be most hurt. Detailed decisions delegated to programme specialists	Programme specialists may make politically very unpopular choices. And/or they may make self-interested choices which hurt effectiveness whilst

	who probably know what they are doing (and can be blamed if their decisions turn out to be unpopular or hurtful)	protecting service providers (themselves). May also incentivize budget holders to pad their budgets so that there will be 'fat' to be cut next time round.
Efficiency gains	Sounds less threatening/more technical – 'doing more with less'. So it may be claimed that savings can be made without too much pain.	<ol style="list-style-type: none"> 1. Usually requires considerable innovation – organizational and technological changes which may not work, or may not work for some time. 2. Probably will not yield enough by itself to correct the present fiscal imbalances (see discussion)
Centralized priority setting	Looks more strategic and leaves politicians directly in control. Enables the government to protect the most effective programmes (<i>if</i> they have reliable data on effectiveness)	Ministers become visibly and directly responsible for painful choices. And, unless they consult carefully they may make choices with consequences they do not fully foresee, but they are unlikely to understand the internal complexities of the services which are being cut..

The scope for centralized priority setting may depend to some extent on the structure of the political system. Highly fragmented systems (e.g. with lots of small local units, or with highly independent sub-national regions of states) may find it more difficult to develop overall strategies. This may lead to highly inegalitarian outcomes where the poorest local jurisdictions are forced to make the biggest cuts.

In practice it is often possible to fashion strategies which combine features of all three approaches. For example, ministers can decide that certain high priority programmes will be protected, but that outside those sectors cheese slicing should be imposed. Something like this may have happened in the great Geddes cuts in the UK in the 1920s, where health was a protected sector (Hood et al, 2009). Or ministers may first decide to go for cheese slicing, then efficiency savings and only later, when the first two have not yielded enough, move on to the more ambitious setting of central priorities. Some academics have suggested that this is a natural order of business (i.e. to move from the top to the bottom of Table 1, over time). Each stage requires a more sophisticated information base, and a more advanced management capacity. The historical record, however, suggests that the sequence is seldom as neat as this.

6 The middle strategy: efficiency gains.

Using the numbers introduced in section 4, this strategy includes both Type 5 savings (gains in technical efficiency) and Type 6 savings (reductions in unit costs – which are also gains in technical efficiency)

First, the bad news. Whilst these appear to be politically and organizationally the most desirable way to make savings (more bangs for fewer bucks) they have two major drawbacks. First, they are risky, because they involve organizational change and upheaval. In a number of European public sectors we have already experienced 20 or 30 years of efficiency programmes, and most of the low hanging fruit has already been picked. Of course one can always do more, but any idea that it will be easy to find vast quantities of ‘waste’ is almost certainly an illusion. Second – and following from this – the scale of public indebtedness in some countries is so great that efficiency gains alone are most unlikely to balance the books. In the UK, for example, the additional financial exposure for the government that has resulted from aid to the financial system is roughly equivalent to a whole year’s public spending.

Nevertheless, if efficiency savings cannot be the whole of the answer, they are certainly part of it. They will come from new ways of organizing and new technologies – in a word from innovation. Already a priority in many countries, public sector innovation may seem like the magic trick which will painlessly enhance productivity so that service quality can continue to improve while costs are driven down. This may be so, but we should also note that research has not yet furnished us with a reliable recipe for increasing innovation (Borins, 2008; Hartley, 2005; National Audit Office 2006a, 2006b). And one thing we do know is that innovation requires risk-taking, and staff who

are fearing for their jobs and/or sweating under extreme financial constraints are less likely to take those risks.

One useful rule-of-thumb for efficiency savings is that decision-makers should prefer methods which do not undermine fundamental organizational capacities or 'social capital' (because these will be expensive and/or difficult to replace). Thus, for example, an early retirement scheme may save staff in the short term, but unless the rules are carefully drawn up the organization may lose the most able and innovative staff, leaving the 'deadwood' behind (for a discussion of this kind of problem in relation to the cuts of 1977-85 see Dunsire and Hood, 1989, pp196-208). Research indicates that badly managed downsizing can also have negative effects on the morale of those who remain. As Göran Persson, the ex Swedish Prime Minister said in a recent interview, ""It's very easy to get rid of people, but difficult to find new ones that you can be sure are better".

7 Centralized priority setting

In terms of section 4 (above) these are Type 7 savings (gains in effectiveness/allocative efficiency), to be derived from prioritizing more effective programmes and dropping or scaling back less effective ones

This would mean a stricter prioritization of expenditure programmes, so that only the top priorities would continue to be funded at previous levels and the lower priorities would receive reduced funding or would be terminated. Such a prioritization might well require a new approach – new decisionmaking procedures, the application of new calculative techniques and so on. The 1994 Canadian Program Review exercise seems to have been of this type, and was widely regarded as surprisingly successful in tackling a situation of significant financial overreach (though even there civil service cuts led to a serious loss of expertise). The Dutch government, *inter alia*, seems to be attempting something similar at the moment. But such careful strategic exercises do not seem to have been particularly common, so we do not have many examples to work with.

One can only prioritize for effectiveness if one has reliable information about effectiveness which, in many cases, governments still lack (OECD, 2005, pp65-81 but, for some possibilities, see OECD, 2009, pp63-85). Of course political decision-makers can always prioritize on other grounds – such as political popularity, so effectiveness data become much less important. There are many theoretical hypotheses concerning the grounds on which governments will select programmes for cutting, but relatively little detailed empirical work on how they actually do so (Dunsire and Hood, 1989, chapters 2 to 5).

8 What direction for reform?

If there is to be intensified reform and innovation, what general direction should it take? In some EU members states the past two decades have witnessed heavy adoption of New Public Management (NPM) ideas and techniques (Pollitt and Bouckaert, 2004; Pollitt et al, 2007). This approach favours private sector business techniques, including contracting out and the application of a range of quasi-market mechanisms and individual incentives within the public services. Central government tends to focus on strategic regulation and to distance itself from direct service provision. In other countries this approach has been much less popular.

So one question now is – will the new reforms required under austerity be more of the same – more NPM? Or will they be something else (and if so, what)? There are strong arguments on both sides. Pro NPM it could be said that we now have a lot of experience of this type of reform, and can implement it in ways that should avoid the excesses and failures which characterised some earlier attempts. Against NPM it is already being argued that it would be paradoxical to pressure the public sector to behave more and more like the private sector when it is precisely entrepreneurial, risk-oriented, individualistic private sector thinking that has produced the crisis in the first place. According to this viewpoint the last things governments should be doing is contracting out even more public services and/or entering into massive public private partnerships in which, when things go wrong, the government is frequently left paying for the over-optimistic bids and inadequate management of the private sector partners.

Governments may be short of money, but they will not be short of reform advocates. The policy community is already coming

forward with suggestions for more performance management, more ‘governance’, more partnerships and networking and so on. What has become clear over the past decade is that none of these ‘magic concepts’ are equally applicable to all areas of government activity, and that all have their own weaknesses and limitations. They are big, broad and often ambiguous ideas which mark the beginning of the debate about reform, not the end. The hard, detailed work of choosing reforms which are doable, which fit the local context, which can be defended politically and which are sustainable over time – this demands strong local knowledge and equally strong public service motivation. It cannot and should not be contracted out to consultancies or political advisers.

9 An additional, new reform challenge?

In the case of the current crisis there is another kind of management challenge, which was not present during the economic downturns of the early 1980s and 1990s. I refer to the obvious fact that many governments, far from privatizing, have actually acquired vast new assets, in the form of major investments in the banks and other financial institutions. How are these to be managed? *What governance arrangements are optimal, and how will the normal public sector requirements of accountability and transparency be applied to these new tasks?* In some countries there may not yet have been much public or parliamentary debate about these new government responsibilities, but it cannot be postponed indefinitely. The fuss about bankers' bonuses is one tip of this particular iceberg. As time goes by one can expect public scrutiny of these new governance arrangements to grow. This is not necessarily an argument that partly- or wholly- government-owned banks should be given social objectives as well as commercial objectives (though that *could* be an argument). Rather, it is simply to make the point that, even if treated as having purely commercial objectives, they will be *publically-owned* commercial enterprises, and the public may reasonably expect to be told more about what they are doing than they would normally learn from privately-owned corporations.

10 In the present circumstances what considerations might guide the decisions taken and advice given by public service leaders?

I will suggest four particular considerations:

1. Timing
2. Ethics
3. Strategy and communications
4. Legitimacy

Timing

Ideas about reforms can nowadays circulate at immense speed. Fashions such as benchmarking, ‘good governance’ and lean production may rise and fall on the international agenda within a few months. But actual reforms are seldom so plastic or so quick. Many fundamental types of PMR (including those that will *eventually* yield significant savings) need years rather than weeks or months if they are to be properly implemented (Pollitt, 2008, pp16-20). These would include:

- Efforts to change the cultures of public services, e.g. towards a more client-oriented attitudes
- Structural reforms involving changes to the patterns of ministries or the creation of sets of agencies (Pollitt, 2009)
- Retraining large numbers of professional staff to work in new ways (e.g. to co-operate with other professionals in other organizations, or to use new technologies)
- Designing and implementing new accounting and budgeting systems (such as accruals accounting or output or outcome budgeting)

- Designing and implementing high technology systems such as large scale computer systems, or advanced weapons projects, or major infrastructural projects
 - Reforms that require complex and controversial new legislation (e.g. that impacting on privacy or civil liberties)
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Each of these may well be thoroughly worthwhile – in the long run. But one has to ask how relevant they are to the financial crisis? Do they have a high probability of yielding significant expenditure savings within the required time period? What is the temporal pattern of their effects (many reforms require increased investment at the beginning, in order to secure savings and quality gains later on)? Rushing big reforms through at very high speed not infrequently results in mistakes, unnecessary expenditures and heightened recalcitrance among staff (see, for example, the Irish deconcentration programme – OECD, 2008, pp84-87). In some cases it may even be better just to apply the traditional cheese slicer (x % off all programmes) rather than attempt complex reforms which, if they go off the rails, may (at least for a time) reduce efficiency and effectiveness rather than increase them. At least the cheese slicer gives experienced programme and operational staff some ‘buy-in’ and discretion about where the axe should fall.

More generally, time is important because of the difference between a *crisis* and a *period of financial austerity*. The sense of crisis may be quite short-lived, especially in our age of mass media volatility. We can already see signs that the newspapers think the economic crisis is over – the story moves on to some other, new ‘crisis’. But the political significance is considerable. Many people may be prepared to accept cuts and uncomfortable policy decisions while the atmosphere of crisis lasts. But when that atmosphere dissipates they will still be facing years of financial austerity in the public service sector, and that may appear much less acceptable – especially if they are reading in their newspapers of resurgent bank profits, house prices and car

sales. In the UK, for example, the Treasury's current plans for restoring balance in the public finances require major savings over the period up to 2018. This therefore raises sharp questions of communications and legitimacy, which I will briefly refer to below.

Ethics

This may seem a curious topic. After all, governments are certainly entitled to cut back in order to balance public budgets. So what is the ethical issue? It is the process of making those cuts, and how they are presented, that raise ethical issues – and issues which have probably sharpened in recent years. The great temptation, when making cutbacks, is to pretend that they will not hurt. We all know the rhetoric – only wasteful bureaucracy and red tape will be cut, not front line services or public entitlements. However, given the scale of the savings required in quite a few countries, this kind of claim becomes simply implausible. It will fool neither the staff of public services nor the general public. What is more, in many countries transparency has grown considerably in the last 20 years. In 1986 only 11 countries had freedom of information laws. By 2004 that number was 59 (Roberts, 2006). Furthermore, during those 20 years the scale and intensity of media coverage of government has grown enormously, and the media's deference towards governments has diminished. All this means that if ministers or senior officials give exaggeratedly optimistic accounts of the effects of cutbacks, they are highly likely to be quite quickly found out. When evidence of misrepresentation of the impacts of cuts is made public, the policymakers lose more of the very legitimacy they so badly need in order to make necessary changes (see, e.g. Moore, 2009, pp9-10). Göran Persson again: "Remind the public again and again that this will hurt", and "You must be completely honest when you communicate with financial markets".

This leads us to the issue of strategy and communications.

Strategy and communications

For governments it is not only a question of choosing reforms that make sense during a period of financial austerity – difficult though that is in itself. It is also a question of convincing parliaments and publics (and public servants themselves) that they are sensible and relevant things to do. It is no secret there is an immense amount of public resentment over the conduct of the financial services sector. If valued public services are to be cut one can confidently expect this anger to be sustained or re-kindled. There is therefore a clear need to explain and convince that reforms are part of a general *strategy*, and that that strategy can be justified as something more than just a desperate search for any old cuts that will offset the money given to financial institutions. In other words, the strategy needs to be based on some sort of (defensible) principles and priorities. It is also necessary to offer some kind of time perspective (see earlier section). For how long will ‘hard times’ justify ‘special measures’? When may the public expect ‘normal service’, or something like it, to be resumed? Or is it a more honest strategy to say that ‘normal service’ cannot be renewed in the foreseeable future – that we must all get used to a harsher ‘new normal’? Can senior civil servants persuade their political masters to be reasonably open and honest about this?

Legitimacy

Ultimately, any reforms have to work on at least two different levels. On one level, they have to contribute to a restoration of the public finances. Informed audiences have to be convinced that governments are at least seriously on the way to bringing income and expenditure back into some kind of balance. But on another level, wider citizen audiences have to be convinced that there is some kind of rationality and social justice to this process – in other words that what governments are doing is *legitimate*. These wider audiences include both voters – who will make governments pay at elections if their valued public services are slashed or withdrawn – and public sector staff themselves. The latter will be being asked to bear various kinds

of pain and discomfort and will demand strong reasons for this. From their perspective, unlike the crisis of the late 1970s and early 1980s when it could be argued that governments had just become too big and had lost control of public spending, the present crisis came from the *outside* – from the financial sector.

This is, therefore, not just a financial crisis, but also a legitimacy crisis. Any strategy must address both dimensions, and several audiences, simultaneously.

11 Public service leadership

It seems clear that the current situation demands not only savings, and not only reforms, but also extraordinary levels of leadership from senior members of our public services. This is not only leadership of public service staff (difficult though that will be in itself, in an era of cutbacks). It is a far more multi-dimensional leadership than that. It will also involve leadership in the sense of speaking truth to power in relation to executive politicians, and leadership in terms of explaining both to parliaments and to citizens' groups what is being done and why (Bouckaert, 2010). In most countries it is no longer possible for public service leaders to hide behind a cloak of anonymity. They are not executive politicians, and do not bear the particular privileges and burdens of those roles, but they do have a duty to clarify, explain and model a constructive and strategic approach to what may be the biggest public service challenge of this generation. As the Secretary to the British cabinet put it recently "The kind of challenge we've got is not incremental" (O'Donnell, 2009)

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