

The Middle Aging of New Public Management: Into the Age of Paradox?

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ABSTRACT

As “New Public Management” enters middle age, scholarly attention has moved to some degree from descriptive mapping and a priori critiques to the analysis of surprises and paradoxes associated with recent and contemporary public service reforms. Some standard analytic lenses for examining such paradoxes, explored here, are the Mertonian tradition of analyzing unintended effects of social interventions, cultural theories of surprise, and the analysis of discontinuities and unexpected couplings in the operation of complex systems, though the New Public Management literature to date has employed the first lens more intensively than the other two. We conclude by exploring features of New Public Management reforms that may have contributed to paradoxical effects and argue that the analysis of such paradoxes can help advance administrative science and the understanding of public sector reform.

THE MIDDLE AGING OF NEW PUBLIC MANAGEMENT

A bureaucratic Rip van Winkle who awoke in the new century after twenty years of slumber might be surprised by the scale of the international “New Public Management” (NPM) industry that had grown up to chronicle, interpret, and assess the wave of efforts to reform executive government across the world over the past two decades. Scanning the groaning bookshelves and burgeoning Web sites containing the products of the NPM industry, the awoken slumberer might at first be dazed by the variety of themes, approaches, and terminology produced by an eclectic mix of consultants, conventional scholars, staff of international agencies, senior public servants, politicians, and spin doctors.

However, once the many neologisms had been investigated and explained, a more familiar picture might start to appear. And, helped by the bibliographies and textbooks on NPM that have emerged in increasing profusion (see, for example, Barzelay 2000a, 2000b; Lane 2000), our imaginary Rip van Winkle would be able to see a pattern in the growth of this epistemic industry. Tracing its path from birth to maturity, the sleeper might perhaps distinguish three main phases or “ages of NPM.” And those are stages that, in retrospect at least, can be considered normal or predictable in the intellectual development of such a field.

“Early” writings on NPM, developing from the late 1980s, reflected a mix of broad-brush normative concerns and attempts at descriptive mapping of institutional

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developments. Much attention was given to philosophical critique of the new generation of public sector managerialism in the context of the small-government economic-rationalist “New Right” agenda that was dominant in a number of Organization for Economic Cooperation and Development countries in the late 1980s and early 1990s (as well as in the World Bank’s structural adjustment agenda of that time). No general theoretical treatise emerged from the academic world as the “bible” of a new approach to public sector managerialism (many of the early ideas came from practitioners such as the New Zealand Treasury [1987]), but the coherence of the emerging ideas and practices also attracted some debate and attention, as well as attempts to explain the emergence of an apparently new agenda. Descriptive mapping of those ideas and practices was largely based on fairly casual empiricism, particularly in the form of observations of developments in the United States, United Kingdom, and the antipodean countries, leading to broad enumerations of sets of key traits claimed to distinguish the design principles for government reform that were emerging in the 1980s from those that had held sway in the preceding era (see Flynn 1990; Hood 1989, 1991; Pollitt 1990). But like most divinities, NPM turned out to be somewhat mystical in essence, as no two authors of that era listed exactly the same features in enumerating its traits.

Such themes by no means petered out as time went on, but others began to develop as well, with various refinements starting to appear. The early “trait” approaches and stress on commonalities gave way to identification of different ages, stages, and variants of public sector managerial reform (Ferlie et al. 1996) as themes changed and new issues emerged. More awareness developed of cross-national differences in public management reform, with differences being noted between what were perceived as the international “movers and shakers” in the field (particularly the antipodean countries) and the apparently more laggard or inert cases. More comparative studies of public sector reform began to appear, for example, in Spencer Zifcak’s (1994) comparison of administrative reform in Whitehall and Canberra; Donald Savoie’s (1995) comparison of Thatcher, Reagan, and Mulroney; and Peter Aucoin’s (1995) comparison of several Westminster-model cases.

A third “age of NPM” might be dated from the later 1990s, with increasing intellectual self-awareness. The subject reached the stage of comprehensive textbook treatment (for instance, in Lane 2000) and began to feature in encyclopedia entries (such as the *International Encyclopaedia of the Social and Behavioral Sciences* [Hood 2002]), with its intellectual history and development in particular regions and policy domains attracting more attention. Michael Barzelay (2000b) advanced an argument for the formalization and normalization of the field, seeking to locate the comparative analysis of public management policy within a relatively orthodox political science policy-process framework and to develop a more formal propositional approach to the study of public sector reform. And if Barzelay’s intervention had some echoes of Herbert Simon’s (1946) famous critique of administrative theory in the 1940s (see also Peters 1997), the concerns of another giant of twentieth-century social science, Robert Merton, also started to figure in academic writing about public management reforms. Numerous scholars of public management reform rediscovered the ironies of social intervention, with more identification of paradoxes and surprises in public sector management reform (see Christensen and Laegreid 2001; Hesse, Hood, and Peters 2003; Hood 1998a; Suleiman 2003).

The emergence of such themes in the “middle age” of NPM debate perhaps would not be so surprising for our imaginary Rip van Winkle, for each has figured in the development

of social science in many other fields and can be considered a normal process of scientific development. This article concentrates on the final one, looking at the identification of paradoxes and surprises. Paradoxes are conventionally defined in dictionaries as “apparent contradictions” that are capable of being resolved or understood. That is the approach followed by Robert Quinn and Kim Cameron (1988) in a well-known investigation of organizational paradoxes. But for the purpose of this discussion it suffices to define paradoxes more loosely, as outcomes and developments that were unexpected, unintended, or contrary to received belief, particularly but not only in the form of unanticipated negative side and reverse effects.

Several general social science accounts have been given of the production of paradox and surprise in institutional interventions. Three overlapping and frequently recurring ones, to be explored here, are the Mertonian tradition of the analysis of unintended consequences of human action, the grid-group cultural theorists’ “theory of surprises,” and the analysis of discontinuities and trend reversals coming from the scrutiny of complex socio-technical systems. If NPM is approaching or undergoing a normal middle age as a field of social science, we might expect each of these sources of paradox to be increasingly identified and discussed by scholars. The discussion below seeks to identify developments in that vein, suggesting that if our imaginary slumberer were to turn over and go back to sleep for a few more years, each of these themes—and particularly the latter two—might be expected to have developed further by the time of the next awakening.

MERTONIAN UNINTENDED EFFECTS

The idea of unintended consequences of human action and intervention is an idea that goes back in Western social science at least as far as David Hume and Adam Smith. As noted earlier, the famous sociologist Robert Merton (1936) made the unintended effects of social action a central element of sociological analysis, beginning with his 1930s doctoral thesis, which argues that ascetic Protestantism had inadvertently helped to legitimize the emergence of modern science in seventeenth-century England (see 1998). Moore and Tumin turned Merton’s observation into an “iron law,” claiming, “There is *no* exception to the rule that every time a culture works out an empirically valid answer to a problem, it thereby generates a host of derivative problems” (1949, 794–95). For Merton, common sources of unanticipated consequences included limited information, various forms of erroneous assumptions or tunnel vision, and self-defeating prophecies. Many others have pursued the same theme. Sam Sieber (1981) developed the Mertonian approach by identifying seven recurring mechanisms that can unintendedly produce the opposite of the effect desired by their architects. Sieber’s mechanisms are functional disruption, exploitation, provocation, classification, goal displacement, overcommitment, and placation. Well-known analyses by Aaron Wildavsky (1980), Albert Hirschman (1982), and Charles Perrow (1984)—in his critique of high-reliability systems theory—have also stressed unintended effects of social intervention. (Numerous other analysts have stressed unintended effects in institutional change, including March and Olsen [1989] and Kaufman [1991].)

The Mertonian style of sociology did not figure large in the sorts of knowledge that formed the basis of most public sector reform programs in the 1980s and 1990s, namely, management accountancy, institutional economics, corporate culture ideas, and production engineering ideas like Total Quality Management. But it is not surprising that the “middle age” literature of NPM started to produce numerous neo-Mertonian or Sieberian analyses

of the process of institutional reform. To take three examples, the “production” paradox identified by Bob Gregory, the “managerial” paradox identified by Moshe Maor, and a neo-Tocquevillian paradox identified by several authors are all observations of unintended effects of executive government reforms that have emerged over the last decade and fit firmly into the Mertonian tradition.

Gregory’s (1995) “production paradox” is based on the observation that one of the basic control routines commonly associated with contemporary public management (originating in management accounting) involves more intensive specification of outputs, encapsulated in performance contracts and indicators. Gregory argues that those control routines amount to treating all types of public service as if they had the characteristics belonging to what James Q. Wilson (1989, 158–71), in a well-known typology, calls “production agencies” (that is, agencies whose activities and results are both readily observable and therefore measurable). By extending the “production” approach into types of public service where activities, results, or both are not readily observable, Gregory claims, several unintended effects are produced, including in some circumstances a blurring rather than the intended clarification of management responsibilities within executive government. Indeed, the widespread outsourcing of many kinds of bureaucratic activity, from tax collection to criminal records, tends to be predicated on the assumption that such outsourced activity can be controlled in a “production” mode.

Gregory’s argument is disputed by Michael Barzelay (2000b) and others, and it can be argued that “production” in the Wilsonian sense is less an inherent or technical quality of certain public services and not others than a reflection of cultural and political disposition to observe activity and results in some domains rather than others. That line of argument goes that, although difficult, it is not impossible to observe the apparent and indirect effects of the public sector for those who are prepared to pay the costs and accept surrogate measures. This criticism cannot be dismissed, but, even so, Gregory’s observation might still be a case of unintended effects produced by “overcommitment” in Sieber’s language—that is, extension of the specification and measurement of outputs to a point that unintentionally weakens the credibility and effects of such activity. A parallel analysis of the unintended effects of measurement and indicators is George Frederickson’s argument that the vogue for benchmarking and comparative ratings that spread from the business world to government and nonprofit organizations in the 1990s unintentionally promotes isomorphism and conformity rather than the sort of radical innovation that deviates substantially from what other organizations do (“a perverse result exactly the opposite of the reported purposes of benchmarking and best practice” [2003, 27–28]).

A different angle on the unintended effects of executive government reform is Moshe Maor’s (1999) “managerial paradox.” Maor’s analysis is based on the assumption that assignment of more direct responsibility for public service provision to appointed managers within a number of parliamentary democracies was intended to improve public service quality by “depoliticizing” public management in some sense. Yet in a cross-national study Maor claims that public management instead became substantially *more* politicized, in the sense that politicians increasingly intervened in hiring and firing managers, to avoid what would otherwise have been a loss of control over implementation processes. Again, the paradoxical nature of Maor’s observation is debatable. It assumes some naïveté on the part of elected politicians in parliamentary systems in their initial acceptance of more arm’s-length agency relationships with public managers, and an increased dismissal rate of public managers is not necessarily incompatible with the basic

thrust of a managerial “project” that sought to link public service career risks to performance records (see Hood 2000). In many cases, too (notably the United States), the central thrust of administrative reform was to make civil servants more responsive to elected politicians rather than to depoliticize administration. And Maor’s observation might simply reflect decreased tolerance of performance failures, in line with the intended effects of managerial reforms. As observation is truly paradoxical, it can be counted in Sieberian terms as a case of reverse effects through functional disruption.

Third, a neo-Tocquevillian paradox has been observed in various forms in recent studies of public service reform. Alexis de Tocqueville (1949) argued that post-revolutionary France, ostensibly sweeping away all the administrative practices and methods of the Bourbon *ancien regime*, only succeeded in developing those practices to a higher degree. Several analogues to the Tocquevillian paradox might be detected in contemporary executive government reform processes. For instance, those who in the late 1920s and early 1990s thought “New Public Management” was inextricably linked with a particular brand of “New Right” politics were surprised by the capacity of the same basic approach to reinvent itself later as part of a center–Left “third way.” And a different twist on the Tocqueville paradox can be found in the sphere of process controls. In their 1992 best-seller, *Reinventing Government*, David Osborne and Ted Gaebler popularized a common claim that the central thrust of public management reforms was a replacement of “rules-based, process-driven” routines by increased emphasis on “results orientation.” The underlying idea was that decreasing emphasis on *ex ante* and processual controls over public sector managers would be balanced by increased emphasis on *ex post* evaluation of results, creating more discretionary space for managers to add value to public services. This idea was strongly canvassed as a key theme in NPM and was taken to be the heart of the new approach by seasoned observers such as Philip Giddings (1994, 11) and Donald Savoie (1995). But whereas some instances of such a change can certainly be observed, the idea of a general shift in controls in this direction increasingly came to be questioned in detailed implementation studies.

That is, observers in the United States and United Kingdom (for example, Hoggett 1996; Hood et al. 1999; Jones and Thompson 1999; Light 1993) noted that process controls over bureaucracies were in many cases retained and augmented and that increased formality and regulation were imposed on public bureaucracies during the “New Public Management” period. It is true that in several cases procurement rules intended to limit corruption were cut out (for example, giving civil servants credit cards, as in the U.S. federal government), on the grounds that *ex post* audit evaluation was more effective in checking for corruption and inefficiency than *ex ante* controls (see Thompson 1993). Nevertheless, Christopher Pollitt and his colleagues (1999) in a cross-national study have noted that evaluation and audit of public bureaucracies in all cases remained largely processual and compliance oriented, in spite of the pervasive rhetoric of “judgment by results.” Such observations point to a new form of Tocquevillian paradox, with the unintentional production in many domains of bureaucratic activity of a style even more rules based and process driven than the “traditional” forms of public bureaucracy that NPM was meant to supplant. Here again, we see a possible case of Mertonian unintended effects at work, this time arguably in the form of goal displacement rather than functional disruption.

The three examples shown above are by no means exhaustive of neo-Mertonian analyses of unintended effects of NPM reforms. For example, both Michael Power (1997)

and Christopher Hood (1998a) use Sieber's analysis to explore possible reverse effects in such reforms, and the latter suggests that careful NPM watchers could collect the whole set of Sieber's seven "conversion mechanisms" (the mechanisms that produce reverse effects in social intervention), on the basis of a preliminary reading of the literature. The same basic idea is well established in the development literature, for instance, in observations that attempts to improve the quality and capacity of public bureaucracies in developing countries can easily have the opposite effect if they spark off "logmarchy" struggles (battles for ideologically correct words) or allow bureaucrats to pursue irrelevant paper qualifications abroad in the name of training (see Kiggundu 1998, 161; Nicholls 1996). In fact, the harder we look, the more "Mertonian" the world of NPM seems likely to be.

CULTURAL SURPRISES

A second common way of viewing surprise in institutional reform, historically somewhat distinct from the Mertonian tradition, is through the lenses of cultural theory. More than a decade ago Michael Thompson and his colleagues (1990, 69–78) produced a typology laying out different forms of cultural surprise (which they grandly termed a "theory of surprise"). They plausibly argue that a proper social science of surprises needed to identify and explain who is surprised by what, instead of taking surprise or paradox *simpliciter* as a universal phenomenon applying to an indefinite "we." In their grid-group cultural theory frame, what surprises those of one cultural persuasion will not be the same (indeed, it will tend to be the very opposite) of what comes as a surprise to those of different and competing persuasions. Even a stable environment will not produce consensus, according to cultural theorists (that would go against their so-called impossibility theorem, which claims that cultural worldviews will always be opposed and plural). Hence they identify twelve types of change and twelve associated kinds of surprises in relation to the "expected world." They claim that such surprises, occasioned by developments in the environment, are what prompt changes in worldviews among the four primary "ways of life" identified by grid-group cultural theory. Those four worldviews are themselves possible because inherent uncertainty in the environment (for instance, about the safety of nuclear power or the efficacy of various governance arrangements) allows different convictions or biases to be held (Thompson, Ellis, and Wildavsky 1990, 10).

Such ideas are compatible with the Mertonian or Sieberian approach. The main difference is the insistence of the cultural theorists on the idea that what counts as unanticipated, or even unintended, effects of social action is culturally variable rather than universal (as with the "maximum feasible misunderstanding" created by the U.S. Great Society program in the 1960s according to Moynihan's [1969] classic analysis of the interplay of microcultures in that program). Indeed, cultural clashes and cultural blind spots are at the heart of "surprises" for the grid-group theorists. A definitive grid-group analysis of the surprises created by NPM has yet to appear. But some sighting shots have already been fired (for example, Hood 1998a), and several analyses have appeared that locate NPM reform surprises in cultural clashes or cultural blind spots. They include paradoxes of organizational resistance to pressures for second-order change, variants on institutional self-reproduction paradoxes, and related "triumph of hope over experience" paradoxes in which learning from error is somehow suppressed. For example, the cultural tensions created with the Department of Homeland Security in the United States after the 9/11 attacks may provide all-too-fertile material for a future Moynihan.

A clear example of such analysis is Richard Laughlin's (1991) argument that continuing exposure of public sector organizations to fiscal squeeze will not necessarily lead those organizations to move from first-order to second-order responses. Laughlin's point of departure was the conventional distinction in institutional theory between first- and second-order organizational responses to environmental disturbance (broadly, a distinction between coping with environmental disturbance by seeking to buffer it in some way [first-order response] and the assumption of new underlying values that are aligned with that environmental disturbance [second-order response]). Laughlin claimed that strategies for public sector management reform are typically based on the rationalist assumption that organizations can be shifted from first-order to second-order responses by progressive application of financial or other external pressure. But he argued that this assumption is highly doubtful on the basis of some empirical observation of organizations subject to strong pressures for change. (Hood and Rothstein [2001] came to similar conclusions from observing regulatory agencies subjected to transparency pressures.) Such responses can be considered paradoxical to the extent that they run counter to a common assumption ("hierarchist" or "individualist" in the grid-group theorists' categorization) that continuing to turn financial or other screws on public organizations will eventually produce "deep change" in hearts and minds. That response might be related to Meyer and Zucker's (1989) observation of organizations that do not adopt deep change in the face of continuing financial failure, without apparent penalty—the paradox (at least to orthodox economic or sociological ideas about organization) of successfully or permanently failing organizations and its partial corollary of the "winner's curse."

At government-system level, too, parallel environmental response paradoxes of *santé imaginaire* and *malade imaginaire* do not appear to be far to seek. In spite of the drumbeat of claims that contemporary public management reform is driven by inexorable global economic forces and closely linked to demands for international economic competitiveness (see, for example, Organization for Economic Cooperation and Development 1995), it is notable that some of the most poorly performing administrative systems have often been among the slowest to reform. For instance, within Europe, Italy, Greece, and the European Union itself were remarkably slow to reform in the "New Public Management" era. At the same time, some administrative systems with a reputation for relative honesty and effectiveness (the Dutch, the British, the Australian) were subject to early and substantial reform.

Closely related to the apparent lack of correspondence between continuing environmental shocks and deep change in organizational behavior is the phenomenon of "bureaucratic paradox or irony," as termed by Edward Clay and the late Bernard Schaffer (1984). That phenomenon has been noted under different terms in various contexts—including the idea of "Trobriand cricket," paralleling the way the game of cricket was transformed in the Trobriand Islands after having been originally introduced by Methodist missionaries a century or so ago (see Hood 1998b). What it denotes is the tendency, much observed in studies of implementation in developed and developing countries alike, for one culture's broad vision for change to be translated into something quite different when it passes to another level of organization or a different cultural environment. Cases of this type that relate to the ambitions of NPM include measures intended to produce broader strategic thinking by public servants that turn into yet another middle-level bureaucratic paper chase, as in the case of the U.S. Paperwork Reduction Act (as explored in Margetts 1999). Other cases include the translation of evaluation systems intended to focus on

results into observation of process (as noted in the last section) and attempts to downsize public bureaucracies that paradoxically result in state expansion, for instance, through state organizations expanding their activities into the private sector (as in the case of the former KGB or the Chinese military [see Karmel 1997]).

A third class of surprise or paradox that can be linked to the interplay of cultures in the public sector involves those observations of NPM-related reforms that seem to testify to a “triumph of hope over experience”—that is, repeated introductions of the same reform recipe in spite of recurrent disappointments, perhaps because of the role played by consultants in retaining and relaunching such ideas. One case in point is provided by those successive attempts to introduce pay-for-performance schemes in the public sector in the face of repeated negative outcomes of such schemes (see Ban 1999; Ingraham 1993). A second is the observation of repeated attempts to shift politico-bureaucratic behavior away from jealous protection of base budgets by rational techniques of budget control, in spite of the persistence of traditional incremental budget behavior under previous budget reforms of that type (see Savoie 1990). A third is the repeated efforts to base public sector reform on variants of the strategic planning model, in spite of successive failures of that model as a result of the ambiguities of politics and legislation (Frederickson 2003). And a fourth is the recurring “hypermodernist” belief that new information technology systems—e-government, in its latest manifestation—can produce a dramatic fall in government’s operating costs as well as dramatic extensions of service quality, in the face of repeated disappointments (see Margetts 1999).

David Collingridge (1992) offered a neocultural analysis of the latter phenomenon by identifying a recurring syndrome of surprise and disappointment associated with the development of what he termed “inflexible technologies.” Inflexible technologies are forms of production or provision that are developed on a larger scale than is technically required and in a way that works against normal trial-and-error learning, typically because they are captured by a mixture of corporate and government interests. According to Collingridge, that pattern of institutional capture produces a culture of strong and unquestioning official belief in the rationality of a given approach to design or operations, with its status as “best practice” taken for granted. That culture allows a false sense of security to build up among the core participants (producing placation, in Sieber’s [1981] terms). And the accumulated official trust and confidence themselves make the surprise all the greater if or when the trust and confidence turn out to be misplaced.

Albert Hirschman (1967) has made similar observations in the context of development management (which he calls a “hiding hand” effect). But information technology, whose application to transforming public bureaucracy has for decades been central to most “works better, costs less” visions of administrative modernization, seems particularly vulnerable to “inflexible technology” syndrome, on the analysis of Collingridge and Margetts. The same cultural conditions applying to a small, tightly knit group (unquestioning faith in the technology and high trust in the competence and honesty of those who provide and promote it) that constitute a prerequisite for large-scale informatization projects in government also amplify the surprise and disappointment when the trust turns out to be misplaced and the underlying assumptions turn out to be unfounded. How far such an analysis can be extended to other aspects of NPM reforms in the developed or developing world remains to be seen, but the middle aging of NPM seems likely to produce more discoveries of cultural surprise.

SYSTEM DISCONTINUITIES AND NONLINEARITIES

A third common way of understanding how paradox and surprise are produced in institutional development comes from the analysis of complex system behavior and institutional–technological interactions. Again, this angle of vision can be considered as a complement rather than an alternative to the two discussed earlier. In public policy analysis (particularly environmental policy), threshold and “sleeper” effects, in which incremental change produces favorable results up to a particular point and thereafter results in major unanticipated problems, have been much discussed, particularly by critics of incrementalism. For instance, John Dryzek notes, “Any lemming will tell you, if you are standing on the edge of a cliff, that it only requires an incremental step to plunge into the abyss” (1987, 430; see also Goodin and Waldner 1979; Lustick 1980). Within organization theory, Cohen, March, and Olsen’s (1972) famous garbage can model of organization, which produces bizarre and unpredictable decisions as a result of fluid participation and shifting agendas, might be considered as a mixture of a complex system and culture clash approach to understanding how surprise and paradox develop. And some fifteen years ago, Harvey Brooks (1986) used the system environment approach to analyze the production of “surprises” in the interaction among technology, human institutions, and social systems. Brooks divided such surprises into three categories, namely, unexpected discrete events like military coups d’état that no one predicted, discontinuities in long-term trends, and the sudden emergence into political consciousness of new information (often contributing to what he terms “latent surprise” about the effects of particular technologies).

Brooks claimed that one of the notable manners in which sociotechnical systems can develop in ways that confound orthodox expectations is through the development of what he termed “technological monocultures” (1986, 336). Technological monocultures consist of dominant technologies that develop unexpected (negative) side effects only at some critical scale of application. The analogy is with agricultural or forestry monocultures, with their vulnerability to pests, environmental stresses, and the like. Brooks’s argument is that as a technology becomes dominant, the development focus tends to go on cost control and routinization rather than on broader management of risks or higher-order social impacts. Hence “new problems resulting from the scale of application become important just when the broad type of R&D program that might have helped anticipate such problems has been phased out because it is no longer in the main line of development necessary to the commercial success of the dominant technology” (Brooks 1986, 337). Brooks’s examples of technological monocultures are all taken from commercial production systems such as those for automobiles and nuclear power. What they have in common, he claims, is a pattern in which “successful innovation over an extended period has become self-limiting because of the failure to enlarge the innovation agenda sufficiently quickly” (1986, 338).

Threshold and nonlinearity effects of this type have not hitherto figured large in the NPM literature, although in principle any received or dominant approach to institutional design might be expected to encounter unexpected effects of overextension if it turns into a “monoculture.” Nevertheless, some analyses of contemporary public management reforms are beginning to reveal such effects. Examples include observations of “garbage can” processes in public management reform, unexpected effects of system complexity, and various “tortoise and hare” paradoxes.

Larry Jones and Fred Thompson’s (1999) analysis of the garbage can–like way that “reinvention labs” were handled by the peacetime U.S. Department of Defense as

a response to the Clinton–Gore National Performance Review in the 1990s can be argued to be a case of the first. Their study is not explicitly framed in “garbage can” terms, but their observations—surprisingly, perhaps, for the purposive and hierarchist stereotype of military organization—reveal all the major features of the garbage can model, namely, vague or disputed middle-level goals, a shifting cast of characters, and unclear means–ends relationships. (For a more explicit application of garbage can perspectives, see Hall, Scott, and Hood’s [1999] detailed account of the operation of the U.K. telecom regulator OFTEL in the later 1990s.) Indeed, to the extent that *governance* (Rhodes 1997) is a watchword of contemporary public service change, involving multiple organizations that go across the private and public sector and different levels of government, the boundaries of complex interlocking systems may be particularly fertile ground for the development of garbage can processes in producing unexpected outcomes, whether positive or negative.

An early analysis of unintended effects of system complexity in NPM was Patrick Dunleavy’s argument that chucking bureaucratic structures into multiple agencies in an attempt to solve public policy problems unintendedly has the opposite effect. Dunleavy claimed that this effect comes about because fragmenting the bureaucracy makes it harder for citizens at large to understand the bureaucratic structure and thus weakens one vital ingredient for solutions to public policy problems—informed citizen understanding of the system (Dunleavy and Hood 1994). Dunleavy’s analysis is exploratory and controversial, and it still lacks firm empirical underpinnings, though it chimed strongly with later official views expressed by the U.K. government about the unintended effects of “agencification” on government operations (Cabinet Office 1999) and the need for joined-up government.

Third, a number of tortoise and hare paradoxes (reflecting Aesop’s fable of the race between the tortoise and the hare, unexpectedly won by the tortoise) have developed in reaction to some of the reform stereotypes of the NPM era. Johan Olsen (1996) follows Aesop’s original story most closely in claiming that slow plodding reformers (Norway, in his case) can sometimes achieve more than reform “hares” who overreach themselves by attempting great leaps forward or make progress that is more apparent than real. Paradoxically, in Olsen’s analysis, doing more can mean achieving less. A variant on the same theme is the suggestion by observers like Hans-Ulrich Derlien (2000) that state systems that appeared like plodding tortoises in the “New Public Management” decades might nevertheless finish ahead of those systems that displayed more frenetic reform activity. The argument, resting on a comparison of Germany and the United Kingdom, is that the United Kingdom played the role of “hare” to the German “tortoise,” but in this case the tortoise started the race from far ahead. Contrary to the stereotypes of much NPM literature, the claim is that U.K. activity in many ways amounted to a late catch up on developments that had occurred in Germany long before the “New Public Management” era. A full system-theoretic analysis of the discontinuities and nonlinearities of NPM developments remains to be developed (and could not be in advance of basic mapping capacity), but the straws in the wind mentioned earlier suggest that the raw materials for such an analysis may be starting to build up.

TOWARD A PARADOXICAL FUTURE FOR NEW PUBLIC MANAGEMENT?

It is not claimed that the three ways of exploring paradox and surprise that were discussed above are either mutually exclusive or jointly exhaustive, only that each is potentially fruitful and capable of being applied to NPM developments. Indeed, the exploratory

discussion above suggests that several “Mertonian” themes are beginning to be discernible in the NPM literature as it reaches its middle age but that cultural and system-theoretic themes are still in their infancy and even the Mertonian themes have only been patchily developed so far.

A full-blown Mertonian analysis of NPM paradoxes would require a developed account of the operation of all of the Sieberian conversion mechanisms that produce unintended consequences, and a truly Mertonian approach might also be expected to identify dysfunctional aspects of NPM “science” itself, particularly in the light of Merton’s (1965) analysis of the effects of scientific amnesia. A full-blown cultural analysis would need to work systematically around the grid of cultural surprises offered by Thompson and his colleagues, and up to now we have only some fragmentary accounts and very limited case observations at agency level. Missing in particular is a developed account of NPM surprises from an individualist perspective, although such analysis is starting to develop at a theoretical level (see Lane 2000). And discontinuities and nonlinearities in reform as observed from a system-theoretic frame constitute an analytic vein that is only just beginning to be worked more heavily by NPM scholars. No full-blown chaos theory model has yet been offered, perhaps because the garbage can account (from which Kingdon’s [1984] well-known policy process model is drawn) predates the development of chaos theory in its modern form.

An imaginary Rip van Winkle who chose to sleep on for another twenty years might expect to miss an interesting middle age for NPM as those analytic gaps in the identification of reform paradoxes come to be filled out (to say nothing of other angles not considered here). It may be, of course, that intellectual development will not follow this line, and there are plenty of historical precedents in public administration (the study of implementation, for instance) for an analytic perspective to die in middle age just as it promises to become interesting (for an account of agenda switching in historical analysis, see Fischer 1971, 5). But if that did not happen, by the time that slumberer reawoke, a more systematic analysis of those paradoxes could have substantially advanced both administrative science generally and the understanding of public sector reform in particular.

CONCLUSION

What are the implications of this analysis of some of the paradoxes of New Public Management? Is the existence of such paradoxes itself paradoxical or normal and predictable?

Some element of paradox, in the sense of unanticipated side effects, is no doubt unavoidable in any administrative reform program. After all, the limits of human knowledge, coupled with the high dynamic complexity of human organizations and the inherent difficulties of experimentation for some kinds of social engineering, would limit the capacity of reformers to avoid surprise even (or perhaps especially) if administrative science had the same kind of funding and research capacity as medical science (Hood 1976). If NPM reformers ignored or played down the likelihood of such effects because of overconfidence in the general efficacy of the remedies they advocated, then it might be interpreted as a normal case of pride coming before a fall—“new gods, newly come to power” (Aeschylus, quoted in Mackenzie 1975, 50) who hubristically underestimate the difficulties they will face and the limits of their knowledge.

As we have already noted, overconfidence in reform measures, and failure to anticipate side or reverse effects, is hardly a new phenomenon in the history of government (see Light 1997). As Charles Handy has observed, “So many things, just now, seem to

contain their own contradictions, so many good intentions to have unintended consequences, and so many formulas for success to carry a sting in their tail” (1994, x). If there is a paradox about the apparent “normality” of NPM (as a set of politically driven reforms that tended to distract middle- and upper-level officials, create massive paperwork, and produce major unintended effects), then it is that its measures seem to have been no more exempt from such side effects than those undertaken before a century or so of the development of administrative and management science. So is that outcome just an ironic testimony to the failure of administrative science to make real progress in improving the quality of reform proposals, to the ideological schisms within administrative science, or to a disinclination on the part of NPM reformers to take full account of the available science?

None of those possibilities can be altogether dismissed. But it seems unlikely that the paradoxes of NPM that have been discussed here are solely attributable to simple hubris on the part of reformers or to the limits of administrative science as a reliable basis for reforms. The paradoxes may also be explained, at least in part, by the fact that NPM reformers seem to have been “normal” in another respect—namely, that they by no means ignored administrative science altogether but, rather, tended to be at best selective in the sort of “science” and evidence they took account of. That selective attention, which (ironically) makes NPM a “normal” case of administrative reform rather than the exceptional case it purported, and was often said, to be, had a number of features. Three of those features are the casual adoption of poorly grounded models, the disregard of historical evidence, and a selective approach to evidence and indeed active resistance to learning in any meaningful sense. Those three features are closely related, and arguably they all stem from the ideological character of much of the NPM movement, linked with the absence of conditions associated with effective learning.

NPM reformers frequently made much of castigating “one-size-fits-all” forms of bureaucracy, but NPM reforms often adopted precisely that approach in practice. Uncritical and universal adoption of poorly grounded recipes for institutional design is a commonly observed feature of administrative reform processes (see, for instance, Downs and Larkey 1986; March and Olsen 1989), which has been dubbed “mimetic isomorphism” by DiMaggio and Powell (1991). Reform in the NPM era was evidently far from immune to such isomorphism, and that may account for some of the classic cases of the “monoculture” paradox discussed earlier—the adoption of inferior models as the universal standard—that it has produced.

NPM reformers often emphasized the need to adopt “evidence-based learning,” but NPM reforms in practice often tended to be evidence free, displaying the kind of amnesia that Robert Merton claimed to be institutionalized in the structure of science and recalling Spinoza’s adage that those who ignore the past are condemned to repeat it. The amnesia involved a lack of attention both to the earlier history of NPM ideas, particularly those of the nineteenth-century utilitarians and Adam Smith, and to the institutional history of NPM-type arrangements such as pay for performance in public organizations.

In fact, much of the NPM reform movement seems to have displayed, at best, a highly selective approach to the sort of “science” and “evidence” they took account of and, at worst, an active resistance to learning (in the conventional sense of modifying behavior in the light of experience) rather than simple nonlearning. For example, Frederickson (2003) argues that the benchmarking and best practice movement amounted to an approach to “managed innovation” that flew in the face of empirical evidence about what produces genuine innovation in organizations. Along with the other two already mentioned, this

feature can be attributed to the ideological rather than pragmatic character of much of the NPM movement and the fact that many of the reformers, like the cult members observed by Leon Festinger and his colleagues (1964) in their famous study, *When Prophecy Fails*, were hardly interested in evidence (see also Suleiman, who interprets NPM reforms as “an ideology. . . ripe for export” from the United States [2003, 42]).

Indeed, even without the ideological character of much of the NPM reform movement, it would be surprising if it had been able to live up to its aspirations to evidence-based learning, for effective learning at the level of public management policy can be argued to depend on a combination of historical and political conditions that rarely arise in practice (see Olsen and Peters 1996). Among those conditions is the existence of a “learning group” of politicians and influential individuals at the top of executive government who have both the motivation and the opportunity to modify their behavior in the light of experience. And for such motivation and opportunity to coincide, such a group needs to (a) have been exposed to major shock or near-miss events with a previous design, to produce the motivation to modify that approach in the future; (b) have the opportunity to try a different tack because of either a second chance in public office or continuity in office; and (c) have access to enough organizational slack of one kind or another (expertise, underused resources, funding) to be able to experiment. Despite the rhetoric of “learning” that pervades modern public administration, that combination of conditions is rare in executive government. Second chances are unusual in politics, particularly for those who have learned from adverse experience. Those conditions do occur occasionally (see Hood 1996), but they were absent in most cases of NPM reforms.

We conclude that the “paradox of paradox” in the era of middle-aged NPM is perhaps not so surprising after all. But still, the identification of paradoxes associated with NPM offers an opportunity to improve administrative science and enhance understanding of administrative reform as a process. Such improvement and enhancement do not only—and perhaps not so much—lie in making scholars and practitioners (even) more case hardened and world-weary as a result of witnessing yet another set of high-flown reform ideas producing the sorts of paradoxes Charles Handy and others write about. More important is the value of those paradoxes in challenging scholars to work out ways to account for the surprises that attend apparently rationalistic reforms. Forty years or so ago the linguistic philosopher John Austin (1962, 2) advanced the claim (itself tinged with paradox) that the continual discovery of fresh types of nonsense had done that discipline nothing but good (“on the whole”), and more recently the late Aaron Wildavsky (1988) argued that the need to confront the surprising or unexpected promotes resilience and learning in social institutions generally. Perhaps a similar claim should be made for the paradoxes of NPM reforms, for the discovery of paradoxes signifies a point at which a field of study can no longer be dismissed as merely a collection of proverbs linked to anecdotes or statements of the obvious that can easily be recognized by any casual observer (see Brams 1976, xv; Quinn and Cameron 1988). Working out those paradoxes—the points at which “soft theory” is confronted by “hard cases” (Hesse, Hood, and Peters 2003)—would give our imaginary Rip van Winkle more of a reason to wake up.

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