Civil Service Systems in Anglo-American Countries

Edited by John Halligan

Civil Service Systems in Comparative Perspective

Civil Service Systems in Anglo-American Countries

CIVIL SERVICE SYSTEMS IN COMPARATIVE PERSPECTIVE

Series Editors: Hans A.G.M. Bekke, *Professor of Public Administration* and Frits M. van der Meer, *Associate Professor of Public Administration, Leiden University, The Netherlands*

This series provides the perfect arena for discussing developments taking place in civil service systems throughout the world. It addresses issues at the heart of modern public administration from a comparative perspective.

Focusing on different country groupings, leading experts analyse the changes in structure and functioning of today's civil service systems, considering institutional frameworks, performance and legitimacy. The importance attached to these issues is reflected in the urge for civil service reform which has assumed global proportions.

Titles in the series include:

Civil Service Systems in Central and Eastern Europe
Edited by Tony Verheijen

Civil Service Systems in Western Europe
Edited by Hans A.G.M. Bekke and Frits M. van der Meer

Civil Service Systems in Asia
Edited by John P. Burns and Bidhya Bowornwathana

Civil Service Systems in Anglo-American Countries
Edited by John Halligan

Civil Service Systems in Anglo-American Countries

Edited by
John Halligan
Professor of Public Administration, Centre for Research in Public Sector Management, University of Canberra, Australia

CIVIL SERVICE SYSTEMS IN COMPARATIVE PERSPECTIVE

Edward Elgar
Cheltenham, UK • Northampton, MA, USA

© John Halligan 2003

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical or photocopying, recording, or otherwise without the prior permission of the publisher.

Published by
Edward Elgar Publishing Limited
Glensanda House
Montpellier Parade
Cheltenham
Glos GL50 1UA
UK

Edward Elgar Publishing, Inc.
136 West Street
Suite 202
Northampton
Massachusetts 01060
USA

A catalogue record for this book
is available from the British Library

Library of Congress Cataloguing in Publication Data
Civil service systems in Anglo-American countries / edited by John Halligan.
p. cm. – (Civil service systems in comparative perspective)
Includes index.
1. Civil service – Cross-cultural studies. I. Halligan, J. (John) II. Series.

JF1601.C54 2004
352.6´3´0917521—dc21 2003054104

ISBN 1 84064 712 4

Typeset by Cambrian Typesetters, Frimley, Surrey
Printed and bound in Great Britain by MPG Books Ltd, Bodmin, Cornwall

Contents

List of figures vi
List of tables vii
List of contributors viii
Acknowledgements ix

1 Anglo-American civil service systems: an overview 1
John Halligan
2 Administrative traditions and the Anglo-American democracies 10
B. Guy Peters
3 The civil service in Britain: a case study in path dependency 27
David Richards
4 The Australian public service: redefining boundaries 70
John Halligan
5 The New Zealand public service: national identity and international reform 113
R.C. Mascarenhas
6 The Canadian public service: balancing values and management 148
O.P. Dwivedi and John Halligan
7 Civil service and administrative reform in the United States 174
Patricia W. Ingraham and Donald P. Moynihan
8 Anglo-American civil service systems: comparative perspectives 195
John Halligan

Index 217

Figures

3.1	Size of the civil service, 1797 to 1871	29
3.2	Government expenditure, 1800 to 1900	30
3.3	Government expenditure, 1900 to 1995	36
3.4	The size of the British civil service, 1841 to 2000	41
3.5	Permanent civil service income percentage bands, 1999	43
3.6	Civil service staff in executive agencies, 1989 to 1999	55

Tables

3.1	The Westminster model of government	39
3.2	Demographic profile of first-time appointees to Grades 1/1a, 1974 to 1995	45
3.3	Diversity of staff: senior civil service, 1995 to 2000	56
3.4	Task forces established by the Labour government, 1997	60
4.1	Australian public service staff, 1901 to 2001	74
4.2	Dimensions of change to the Australian public service	102
5.1	Staffing of the New Zealand public service, 1913 to 2000	127
8.1	Civil service development: emergence of central personnel agencies and the merit-based system	197
8.2	Human capital decentralisation and incentives	199
8.3	Politicisation	201
8.4	Representation of women in the civil service	203
8.5	Dimensions of public management reforms, by type of reform	207
8.6	General government public sector outlays as a proportion of GDP	208

Contributors

O.P. Dwivedi, Professor Emeritus, Department of Political Science, University of Guelph, Canada

John Halligan, Professor of Public Administration, Centre for Research in Public Sector Management, University of Canberra, Australia

Patricia W. Ingraham, Distinguished Professor of Public Administration, The Maxwell School of Citizenship and Public Affairs, Syracuse University, USA

R.C. Mascarenhas, Visiting Senior Fellow, University of Melbourne, Australia; formerly Associate Professor, Department of Public Policy, Victoria University of Wellington, New Zealand.

Donald P. Moynihan, Research Associate, The Maxwell School of Citizenship and Public Affairs, Syracuse University, USA

B. Guy Peters, Maurice Falk Professor of American Government, Department of Political Science, University of Pittsburgh, USA

David Richards, Lecturer, School of Politics and Communication Studies, University of Liverpool, UK

Acknowledgements

A few of the debts deserve to be acknowledged. Public servants in Canberra, Ottawa and Wellington assisted with enquiries. The contributors responded promptly to editorial requests. A number of colleagues provided advice and support in various ways: Peter Aucoin, Murray Goot, David Marsh, Robin Miller, Guy Peters and Roger Wettenhall. O.P. Dwivedi assisted in resolving the Canadian problem. Rebecca Pietsch, National Institute of Governance, provided material on representative bureaucracy and public opinion. Aspects of the study were supported by funding from the Australian Research Council and the University of Canberra.

The patience and support of the publisher, Edward Elgar Publishing Ltd, and in particular, Dymphna Evans, is much appreciated. The significant contribution of the Comparative Civil Service Research Consortium and the role of the series editor, Fritz van der Meer, are gratefully acknowledged.

Debbie Phillips assisted with word processing. The desk editor, Bob Pickens, provided most helpful advice and support during the publication process. Particular thanks are due to Chris Pirie whose high standards in substantive editing improved the text in many respects.

1. Anglo-American civil service systems: an overview

John Halligan

The Anglo-American civil services cover two of the classic models of government administration and several smaller systems with reputations for innovative public management that have been influential internationally. The countries involved are identified with a specific administrative tradition and a distinctive reform agenda of the last 20 years, providing the rationale for a separate volume in the series *Civil Service Systems in Comparative Perspective*.

This volume examines five countries that have similar civil services and whose development pathways have been interlinked across three centuries. The primary purpose is to analyse key elements of each system in order to facilitate comparison. A country's civil service can be expected to reflect and illustrate an administrative tradition, but it can also be exposed to fundamental challenges that affect central features of the service. An important facet of this study, therefore, is how these civil services have responded in an era of reform.

The second focus is on the reform pattern associated with these countries, which has been highly distinctive compared with those in other OECD countries. The Anglo-American countries under discussion have invested heavily in reform during the last three decades – and longer if earlier initiatives are counted. The reform dimension has been accorded prominence because it has become a dominant feature of civil services internationally in the last 25 years, especially in the countries featured here. Indeed, several of them are regarded as the most active reformers in the OECD and as the chief purveyors of a distinctive reform paradigm, known as 'managerialism', or 'new public management' (NPM). This volume reviews the results of the reform era for a set of countries that have reformed extensively but are now reassessing the results.

A number of questions arise about country pathways and where they lead, about the reform patterns and how they relate to tradition, and about the impact on the civil service of a period of great change. These serve to indicate the interrelationships between the two dimensions – an evolving civil service and major public management reform.

The origin of this study is a comparative research programme first devised in the early 1990s and resulting in its first phase in a collection that explored theory, concepts and indicators (Bekke et al. 1996). For the second phase, the Comparative Civil Service Research Consortium developed a protocol for analysis of national civil service systems for a conference held at Indiana University in 1997. Four 'regional' volumes (including this one) and one overview collection on comparative civil service systems have resulted from this ambitious project.[1]

THE SPECIFICITY OF ANGLO-AMERICAN SYSTEMS

Unlike the other regional volumes in the series, this one covers countries that do not form a geographic region. The grouping represents countries dispersed internationally between hemispheres and continents, rather than linked by regional location. There is a geographic element in that the volume deals with two pairs of contiguous countries (ignoring water boundaries): Australia and New Zealand, and Canada and the United States. The UK might be paired with Ireland (which is discussed in the Western Europe volume – see Millar and McKevitt 2001) or otherwise regarded as playing the 'mother country' role.

The five countries considered in this volume form a coherent set by way of a common tradition and historical and continuing close associations and interactions. The 'old Commonwealth' – or the 'Westminster democracies' – forms a natural group of industrialised democracies with institutional roots in the British tradition. The Anglo-American group of countries is regarded as reasonably homogeneous for analytical and comparative purposes. The assumption is that this comparability results from a shared heritage, even though the countries are in many respects heterogeneous (Peters 1998, pp. 38, 74–5; Campbell 1983).

One can envisage the relationships at two levels, the broad including the United States and the narrow excluding it. We are thus dealing with two groupings: the Anglo-American and the Anglo-Saxon (or Westminster) – the only difference being the omission of the United States from the latter – although use of these categories is often loose. There are two divergent interpretations of the core features of the US system in relation to other democracies such as the UK: one emphasises the similarities and accordingly categorises the system as Anglo-American; the second focuses on the differences (Lijphart 1984, pp. 32–3).[2]

One of the main differentiating elements has been the lack of a well-developed concept of the state in the Anglo-American tradition. This produces the contrast between the 'stateless' tradition of these systems and the 'state' tradition of Continental Europe. Although this contrast is perhaps not as stark as some representations of the differences (Dyson 1980), there is nevertheless a

strong basis to the idea of the state and its autonomy from society in countries such as France, whereas a more fluid view of the relationship between state and society has existed in Britain. For the US, the state's connection with society is arguably stronger than in the other countries. In particular, there is the exposure of a professional civil service overshadowed by term political appointees who, as external citizens, could be seen to reflect and reinforce the lack of autonomy from society (Laborde 2000; Wilson 1998).[3]

Observers of Continental Europe who are sensitive to the existence of different state traditions recognise the Anglo-Saxon category as distinct and meaningful, whereas others may simply focus on the Westminster system or model (Aucoin 1995; Lijphart 1984).[4] This would normally be the group included here – Australia, Canada, New Zealand and the United Kingdom, and possibly stretched to include the United States.

There are, then, several interrelated ways of approaching these countries. The narrow view focuses on Westminster (or the Commonwealth where the central Westminster principles prevail) – in particular, the fusion of the executive and the legislature under this form of responsible government (alternatively, and more accurately for some purposes, there is the less well known Whitehall model; see Campbell and Wilson 1995). The broader position covers countries with derivatives of the British tradition.

VARIATIONS WITHIN ANGLO-AMERICAN SYSTEMS

From the outside the commonalities may look strong, but within this Anglo-American group there are wide variations. First, there are different ways of examining the governmental institutions: three are federal systems and three (including Ireland) are unitary systems. Presidentialism is represented by the US, in contrast to the parliamentarism of the others.

In terms of fundamental features of the civil service systems, there are variations between the traditional open (US) and closed models of recruitment, the associated role of the career service, and modes of accountability. They also have different-sized public sectors (relative to GDP), with those in Australia and the United States being relatively small, the rest falling in the middle range for the OECD. The breadth of the spectrum is most obvious in political–bureaucratic relations: the UK lies at one end, with strong separation of the two realms; the US lies at the opposite end, with a mix of political and professional appointments. The United States remains unique in some respects, and neighbouring Canada occupies something of an intermediate position between its North American neighbour and the others.

The claims of the United States' 'exceptionalism' should be recognised but not overstated. Its governmental institutions are unusual and they have

consequences for public policy. The nation is notable for a civil service that is denied a significant policy role in government and for its reliance on external political appointees. There are good reasons for accepting the argument that the US system is different but not comprehensively unique (Wilson 1998).

COMMONALITIES AND IDENTITY

Beyond institutional traditions, a number of factors continue to reinforce the identity of the Anglo-American group. The patterns of interaction – historically formed and culturally supported by language and heritage – are very important. There has been a long tradition of studying the export and transfer of British institutions, within the Empire and the Commonwealth, and sometimes more systematic and comparative research into Westminster countries. The prestige of the Westminster model, which is often conflated with British politics, has fluctuated, with a peak in the 1950s followed by a slump that mirrored British decline (Wilson 1994). British researchers turned inwards, the level of interest abating further with the transfer of interest to the growing significance of the European Community.

The endogenous influences on members of this group came through two channels: networks and bilateral relations between countries. The formal networks derive from relationships developed between Britain and its colonies and maintained during decolonisation. The Commonwealth has provided a key channel of communication between members, the most coherent being that based on Canada, Britain, Australia and New Zealand. This had its basis in a common language, cultural legacy and institutions, and it forged connections of great strength, at least until relatively recently. The networks have had two operating features: meetings of civil service elites and staff exchanges between members. Examples are the active relations between central agencies (for example, civil service commissions) and between line agencies (for example, social security) (Halligan 1996).

Location and institutions also play a part. The antipodean countries of Australia and New Zealand have closely linked pathways (Castles et al. 1996), and Canadian development has reflected that nation's proximity to the US (Savoie 1999), although both pairings involve at least one significant difference in governmental structures. The combination of federalism and Westminster has linked Canada and Australia (Alexander and Galligan 1992), whereas unitary government has produced a special bond between Britain and New Zealand (the latter depicted as the perfect example of the Westminster model – Lijphart 1984, p. 16).

One question in transfer patterns concerns countries' propensity to look externally and their preparedness to borrow others' innovations. Some

countries – notably Britain and the US – have been absorbed in their own traditions and have traditionally operated as repositories of a distinctive form of government that exports institutions and is relatively impervious to external influences (although they have long maintained a peer focus). Small nations such as Australia and New Zealand have been more externally oriented, perhaps because of colonially induced reactions and an inclination to scan automatically the experience of larger kindred systems and the broader international environment (Halligan 1996). The age of reform has been something of a leveller in this regard: all the countries in this group have studied each others' reforms, and their borrowing pattern has exhibited endogenous features. Recent history has provided a fillip to group identity, since this reform solidarity has contrasted with the position in other OECD countries.

CIVIL SERVICE REFORM AND REAFFIRMING GROUP DISTINCTIVENESS

During the 1980s and 1990s civil service reform had one of its most active periods internationally in the 20th century. Administrative changes of great magnitude occurred, many of them seemingly irreversible; reform was rediscovered as viable and even effective. For a number of OECD countries the main indicator that things were different was that the character of the reform was comprehensive, in contrast to the incrementalism of the past. Despite substantial variations between countries in the process, type and impact of the reforms, there were strong similarities between some programmes (Halligan 2001).

These similarities were especially apparent among Anglo-American countries, with parallels being drawn between the UK, the US and Canada (Pollitt 1990; Savoie 1994) and with Australia, Canada, New Zealand and the UK being grouped because they more explicitly adhered to precepts of what was called 'new public management' than other OECD countries (Hood 1996). At the peak of the OECD's fixation on NPM, the Anglo-American experiments were upheld as the ideal (OECD 1995).

The emergence of this distinctive pattern of reforms and the resemblances between reforms in different countries raise the question of a connection between these developments. It was not coincidental; rather, it was the product of a pattern of interaction that accorded legitimacy and relevance to initiatives from countries of the same administrative tradition, and facilitated rapid transmission and acceptance of ideas and practice. The reforms became identified internationally as new public management – involving a somewhat imprecise (and changing) ensemble of reforms – and, in a less flattering way, as the

English disease or Thatcherism, it being British writers who first identified the emerging trend (Pollitt 1990; Hood 1996). In addition to the major reforms in Britain (for example, privatisation, executive agencies and the citizens' charter), individual country programmes gained international significance; here, the New Zealand 'public management model' and the 'reinvention' of the United States are of particular note. The reform movement therefore served to reinforce the notion that the Anglo-American group within the OECD was distinctive and different.

ANGLO-AMERICAN CASES

Each of the country chapters in this volume examines key features of the civil service from the standpoint of interpreting the directions taken by the system. Before this, the context is established in Chapter 2 by Guy Peters, who develops the notion of administrative traditions as having advantages over alternative concepts. He is also able to identify an Anglo-American tradition. His preliminary specification of the dimensions of traditions provides a means of comparing similar systems and of explaining why reform acquired prominence in these countries.

Britain has been a leader in civil service change for 150 years, playing at several points a pivotal role that has strongly influenced the other Anglo-American systems – and often other systems too. In Chapter 3 David Richards examines the impact of the structural, personnel and cultural reforms of the last 30 years. He argues that, despite the magnitude of the changes, the constitutional framework has provided the parameters for the reform process. The British case is best interpreted in terms of path dependency, which has produced evolutionary change emanating from the rare occasions of major reform historically.

The Australian chapter (Chapter 4) focuses on those traditional boundaries around the public service that have been subjected to extensive change. Three important changes are explored: the internal reconstitution of the Australian public service; and the reformulation of two key external relationships – between the public and private sectors and between the political executive and public servants. The evidence suggests that Australia has in some respects moved further from a traditional model than other 'Westminster systems' but that traditional conventions continue to provide constraints.

New Zealand is best known in this context for its public management model in the 1990s, although it has become apparent that this reform may have been but a phase contrasting with the nation's earlier public service history and what has succeeded the experiment. In Chapter 5 R.C. Mascarenhas examines the public service's adaptation as modernising proceeded subject to the interaction

between generic influences, particularly from Britain and indigenous forces. The radical reforms failed to be institutionalised in a small and economically vulnerable society, eventually resulting in a U-turn.

In Chapter 6 O.P. Dwivedi portrays the Canadian case as one that has evolved its own distinctive culture, characterised by possibly the most hybrid features of the Anglo-American group. It is a highly innovative system – and one that first recognised the management approach four decades ago – but it can also be seen as less committed to management reform if judged by its mixed record in implementation at the national level. Nevertheless, it has produced a distinctive public service that contrasts in interesting ways with the others.

The United States has been somewhat on the margins of this group since the 19th century, but always connected. This is the system with the longest commitment to management in the public sector; it is also one that has been less successful in following it through. In Chapter 7 Patricia Ingraham and Donald Moynihan analyse the US civil service and its capacity for change under divided government. They take as a starting point Aucoin's (1995) depiction of the United States as a 'laggard' to examine why this is the case and the fate of the reinvention of the National Performance Review in the last decade.

The concluding chapter reviews several central dimensions of the civil service based on the framework for the Civil Service Research Consortium, and draws out some of the contrasts and convergences among the various systems. Several questions emerge:

- the question of balance in the redesign of civil services in the medium term;
- the role of countervailing pressures to radical departures that exert influence to produce path-dependency tendencies;
- the extent to which these civil services have significantly changed over time.

The ascendancy of the political executive is apparent in the US, which has moved towards heavy politicisation in the post-war period, and in Australia and the UK, where the role and influence of political advisers have become more central.

Another set of questions centres on the long-term meaning and impact of reform and the durability of administrative and state traditions. The chapter concludes with reference to contemporary issues that may suggest future directions for the civil service: whether boundaries should continue to exist or be ignored and a renewal of arguments for strengthening the identity of the civil service.

NOTES

1. The other three regional volumes cover Asia, Western Europe, and Central and Eastern Europe (Burns and Bidyha 2001; Bekke and van der Meer 2001; Verheijen 1999). The overview was produced by Perry (1999).
2. The connections between the US and the UK have been made in other ways, one comparative text regarding them as part of the 'civic culture' (Heady 2001).
3. The revival of interest in the role of the state is a reminder that Anglo-American systems exhibit the components of a state, even if they are not strongly developed.
4. It is reportedly 'fashionable to treat Britain and the United States as part of an allegedly "Anglo-Saxon" category in comparative politics', a category for countries with low levels of social protection (Wilson 1998, p. vi).

REFERENCES

Alexander, M. and B. Galligan (eds) (1992), *Comparative Political Studies: Australia and Canada*, Melbourne: Longman Cheshire.

Aucoin, P. (1995), *The New Public Management: Canada in Comparative Perspective*, Montreal: Institute for Research on Public Policy.

Bekke, H., J.L. Perry and T.A.J. Toonen (eds) (1996), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Bekke, H. and F.M. van der Meer (eds) (2001), *Civil Service Systems in Western Europe*, Cheltenham, UK, and Lyme, US: Edward Elgar.

Burns, J.P. and B. Bidhya (eds) (2001), *Civil Service Systems in Asia*, Cheltenham, UK, and Lyme, US: Edward Elgar.

Campbell, C. (1983), *Governments Under Stress: Political Executives and Key Bureaucrats in Washington*, London and Toronto: University of Toronto Press.

Campbell, C. and G.K. Wilson (1995), *The End of Whitehall: Death of a Paradigm?* Oxford, UK, and Cambridge, US: Blackwell.

Castles, F., R. Gerritsen and J. Vowles (eds) (1996), *The Great Experiment: Labour Parties and Public Policy Transformation in Australia and New Zealand*, Sydney: Allen and Unwin.

Dyson, K.H.F. (1980), *The State Tradition in Western Europe: A Study of an Idea and Institution*, Oxford: Martin Robertson.

Halligan, J. (1996), 'The diffusion of civil service reform', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective,* Bloomington: Indiana University Press, pp. 288–317.

Halligan, J. (2001), 'Comparing public sector reform in the OECD', in B. Nolan (ed.), *Public Sector Reform: An International Perspective*, Basingstoke: Macmillan.

Heady, F. (2001), *Public Administration: A Comparative Perspective*, 6th edn, New York: Marcel Dekker.

Hood, C. (1996), 'Exploring variations in 1980s public management reform', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Laborde, C. (2000), 'The concept of the state in British and French political thought', *Political Studies*, 48, 540–57.

Lijphart, A. (1984), *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-one Countries*, New Haven and London: Yale University Press.

Millar, M. and D. McKevitt (2001), 'The Irish civil service', in H.A.G.M. Bekke and F.M. van der Meer (eds), *Civil Service Systems in Western Europe*, Cheltenham, UK, and Lyme, US: Edward Elgar.

OECD (1995), *Governance in Transition: Public Management Reforms in OECD Countries*, Paris: Organisation for Economic Co-operation and Development.

Perry, J.L. (ed.) (1999), *Research in Public Administration*, vol. 5, Stamford, CT: JAI Press.

Peters, B.G. (1998), *Comparative Politics: Theory and Methods*, Basingstoke: Macmillan.

Pollitt, C. (1990), *Managerialism and the Public Services: The Anglo-American Experience*, Oxford: Basil Blackwell.

Savoie, D.J. (1994), *Thatcher, Reagan, Mulroney: In Search of a New Bureaucracy*, Pittsburgh and London: University of Pittsburgh Press.

Savoie, D.J. (1999), *Governing from the Centre: The Concentration of Power in Canadian Politics*, Toronto: University of Toronto Press.

Verheijen, T. (ed.) (1999), *Civil Service Systems in Central and Eastern Europe*, Cheltenham, UK, and Lyme, US: Edward Elgar.

Wilson, G. (1994), 'The Westminster model in comparative perspective', in I. Budge and D. McKay (eds), *Developing Democracy: Comparative Research in Honour of J.F.P. Blondel*, London and Thousand Oaks: Sage, pp. 189–201.

Wilson, G.K. (1998), *Only in America: the Politics of the United States in Comparative Perspective*, Chatham, NJ: Chatham House.

2. Administrative traditions and the Anglo-American democracies

B. Guy Peters

INTRODUCTION

Comparing administrative systems presents all the challenges and contradictions encountered when comparing any social or political phenomenon. On one hand, each administrative system is unique and must be understood as such. On the other hand, national administrative systems can be conceptualised as reflecting a number of underlying patterns or traditions, so that they fall into broad political 'families' (see Castles 1995). Phrased somewhat differently, each administrative system is unique but its nature is closely linked with those of administrative systems that share intellectual and historical roots. Further, these public bureaucracies[1] will have in common some of the properties found in any aggregation of individuals and organisations responsible for implementing public policy, given the relatively common political and administrative demands being made of these systems. One can argue, in fact, that administration may be the most similar aspect of contemporary political systems, given the sharing of ideas about public management – especially the diffusion of new public management (Peters 1997) – and the common tasks being performed.

This concurrent appearance of similarities and differences is vexing if the researcher is engaged simply in a descriptive exercise, characterising each case individually. The patterns are, however, all the more difficult to work with if we are attempting to *explain* differences between systems and to explain differences in the decisions and behaviour of national bureaucracies (and their employees). One strategy for explanation – as outlined by Prezworski and Teune (1970) – would be to select administrative systems that differ most and, from the research into those systems, develop propositions that appear to hold true regardless of the vast differences that may exist among the research locales. This strategy, if it were successful, would be expected to yield something approaching universal 'laws' of administrative behaviour. In the 'most-different systems' design, the political and administrative systems themselves become virtually irrelevant: the important consideration is the relationships between individual-level variables.

The research strategy adopted for this project on comparative administration is, however, rather different. The logic is that of 'most-similar systems' design. It involves choosing administrative systems (or other political objects for comparison) that are on the face of it very similar and then examining these systems closely to identify the rather fine-grained differences that may exist among them. In the case of this volume, we are grouping a number of administrative systems that have a common background but have developed in distinctive, yet similar, directions. This research design also means that many sources of extraneous variance are being held constant by case selection (Peters 1999). Such a strategy allows for the possibility of identifying more subtle differences and a better understanding of the systems' dynamics. This will not result in any universal laws of administration; rather, it will result in a better understanding of the administrative systems as systems. The assumption embedded in this is that the characteristics of the system itself have an impact on the behaviour of individuals operating within it.

Having an analytical framework is essential when undertaking research using the most-similar systems design. The theory offers a means of identifying what questions to ask about the individual cases and thus provides the basis for comparison. Without such a set of questions, the comparison could degenerate into simple descriptive differences, lacking the analytical bite needed to focus the discussion. For example, Page (1985) used the Weberian model in a comparison of three somewhat different administrative systems in Europe, but even for that range of cases the existence of a clear framework made comparison possible – and meaningful theoretically.[2] Similarly, Richardson (1982) developed the concept of 'policy styles' to describe the ways governments make and administer policies.

For this current comparison of administration in the Anglo-American political systems, however, I am using the concept of 'administrative traditions', which can be used to point to a number of similarities in public administration within this set of countries but can also be used to differentiate between them.

ADMINISTRATIVE TRADITIONS

The administrative systems we can see functioning at the time of writing are in many ways reflections of long traditions of thinking about public administration, as well as of practices that have been institutionalised. Certainly, these systems have evolved and changed, but much of their underlying logic derived from the traditions remains operational. Indeed, the nature of the administrative tradition may determine what reforms are considered desirable, as well as what reforms are considered possible, within the system. That said, the massive changes public administration has undergone in many Anglo-American

systems might seem to violate the traditions that have been developed over centuries and to transform the systems rather fundamentally. In this volume we argue, however, that this is not the case and that having the traditions in mind makes the reforms easier to explain rather than less so.

This concept of traditions is not dissimilar to that of 'path dependency' employed by the historical institutionalists (Thelen and Steinmo 1992) to explain – or at least describe – the persistence of policy regimes across time. The assumption is that organisations in particular (see Pierre et al. 2001) tend to replicate themselves and their patterns of action through training and socialisation, so that once a path of action has been defined it is difficult to deflect the organisation from pursuing it. What may differentiate the traditions concept from path dependency is that the former is more pervasive and affects numerous aspects of state behaviour, whereas paths are discussed primarily in relation to a single programme or policy (see Immergut 1992). Thus, if we follow Freedman's (1980) argument, the differences across policy areas may be as important as differences across countries, in which case the path dependency argument will not explain or describe much about general patterns.

In addition, the traditions concept implies an influence that may span a more extended period than would most 'paths'; it can be argued, for example, that Napolean shaped public administration in France (and in several derivative administrative systems) early in the 19th century and that those patterns of bureaucracy have persisted (Wünder 1995). Similarly, there are strong fingerprints of the British style of administration in the United States, even though the formal separation of the systems occurred several centuries ago as a result of armed conflict. The influences on Ireland, Australia, New Zealand, and especially Canada, are even more powerful, as demonstrated in the chapters in this volume.

The concept of 'policy styles' (Richardson 1982) also has some similarity with that of tradition. In the case of the policy styles idea, there is an attempt to typify a general approach to policy and governing, rather than to provide a programme-by-programme description of particular policies. Again, however, the concept of policy styles implies a somewhat shorter time frame than does the traditions concept. In addition, policy styles are obviously more concerned with the content of policies than with their implementation, while the notion of administrative traditions implies that administration will process most policies in rather similar ways. Therefore, if one were attempting to characterise the policy process as a whole, it might be useful to attempt to combine the concepts of administrative traditions and policy styles to link the content of a policy with its implementation.

The notion of traditions is at once similar to and different from the taxonomy of administrative systems developed by Morgan (1996) and that developed by Heady (1996). Those two schemes also provide broad characterisations

of administration in a wide range of countries and are certainly useful for understanding patterns of implementation in those countries. But they differ in the extent to which they reflect fundamental historical patterns of bureaucracy and state–society relationships. The traditions concept tends to focus more on the underlying and persistent patterns of administration, rather than on more proximate styles of administration.

Although we focus here on administrative traditions, these patterns are themselves embedded in the broader state traditions of the political systems (Dyson 1980; Van Waarden 1995). We may choose, for the sake of manageability, to study comparative public administration in relative isolation from the rest of the political system, but we do so at our peril. We should, however, conceptualise public administration as one component of the process of governance; administration can thus be understood only as part of that governance process that converts wishes and demands from the environment of the political system into public policies. Similarly, we should not isolate the study of administration in the public sector from more general aspects of management culture in the society (Hofstede 1984), affecting as it does both public and private organisations.

However, at the most basic level, the concept of traditions may simply involve a statement that there are patterns in administrative behaviour and thinking that persist over time and can be identified across several allied systems. To make the concept useful for comparison, it must then be elaborated and made as close to operational as possible, given the somewhat all-encompassing nature of the idea. I provide at least a preliminary operationalisation through specifying a series of dimensions of the concept, each of which can be used to capture an important aspect of administrative behaviour. As noted, we focus on rather subtle differences within one broad tradition, so the comparison proceeds by specifying the basic pattern found in Anglo-American systems and then detailing some of the differences found in the various cases discussed in this volume.

The notion of an Anglo-American tradition may itself appear to be an overextension of the traditions concept. It is quite common to discuss the existence of a Westminster tradition in the United Kingdom and in parliamentary systems that have their historical roots in the British Empire (Campbell and Wilson 1995; Rhodes et al. 1997). The early departure of the United States from direct British influence, and its adoption of a presidential form of government, might make that system appear to reside far outside the common heritage. Further, on some (but not all) of the dimensions of variation I discuss later, the US may lie at one end of the distribution while the UK resides at the other. Additionally, although Ireland left the British Empire under less than completely friendly terms, it has retained much of the Westminster pattern of governing – and administering. Despite these differences, I argue that there is

sufficient common ground in the administrative thought and practice in these systems (see Self 1973; Tayeb 1988) to claim that they do share a common heritage.

STATE AND SOCIETY

The most fundamental dimension for comparison is the relationship assumed to exist between state and society in each of these countries. One characterisation of this relationship in Anglo-American democracies is contractual – there being some form of tacit, or even more explicit, bargain about the creation and maintenance of the mechanisms of governing. This notion can be seen in the work of political theorists such as John Locke and, to some extent, Thomas Hobbes. Among more political documents, the American Declaration of Independence expresses the contractual tradition very clearly.[3] This version of the relationship between state and society is in contrast to the organic concepts characteristic of Continental European systems (see Dyson 1980), in which state and society are inextricably bound together: in the Anglo-American conceptualisation, society tends to come first.

The relationship between state and society has direct implications for the position of the civil service in governing. The most important implication is that in an organic conception of the relationship the civil servant becomes the embodiment of the state and hence becomes more than an employee – or even a 'servant', although that is the term used in translation.[4] In this more organic conception of the role, the senior public employee[5] holding a position of authority and public trust in government commands respect simply by being in the social position of a member of the state.

Although the Anglo-American democracies have in common many aspects of state–society relationships, there are also some marked differences. As already implied, the US is probably the most clearly contractual of this set of democracies. This contractual stance is to some extent a function of the generally anti-state foundation of American government as well as the continuing pattern of resistance to *étatisme* of any sort (at least at the federal level). In the American conceptualisation of state and society, the state appears very much an afterthought, although perhaps not as much as some scholars have argued.[6] In administrative terms, the American civil service commands little of the respect and status granted those of most other Anglo-American systems.

The antithesis of this rather stateless perspective on governing is best characterised by the UK, and perhaps especially Ireland. Although the term 'state' features rarely in British political parlance (Johnson 2000), the term 'Crown' may well be a reasonable substitute. The Crown is taken to represent the enduring aspects of government, so that, instead of acting for *raison d'état*,

governments may act in the name of the Crown. Even with the reduction of the effective role of the monarchy, the notion of the Crown is a glue that can provide the means for justifying actions by the government of the day. The Irish Republic certainly abandoned the Crown when it achieved its independence, but it appears to have retained a not dissimilar conception of the state.

MANAGEMENT AND LAW

Another fundamental dimension to consider when characterising administrative traditions is the relative positions of management and law in defining the role of the administrator. That is, does the education and training of an administrator – especially a senior administrator – predispose him or her to think first about the legal character of an administrative question or to consider how to manage the organisation to achieve specified policy ends? Similarly, does the public servant conceptualise the role of the administrator as one of obeying and defending laws or as one of making things happen? Of course, few public administrators would wilfully violate the law, but the question is whether this is their primary consideration.

In the broader international context, Anglo-American administrative systems can be characterised as emphasising management rather than law in the performance of public tasks. This should not be taken to imply that illegality is favoured, or even tolerated; it implies only that legal matters tend to be considered the province of experts rather than line managers. Thus the lawyers tend to be kept in separate bureau within line departments, being called on when needed for specific advice. The line managers are interested primarily in getting their programmes implemented, taking legal advice if necessary. If anything, this dimension of the Anglo-American tradition has been strengthened during the past several decades as the ideas of managerialism and new public management have assumed paramount importance in most of this group of countries. Indeed, it is not by accident that NPM has had its most visible successes in the Anglo-American democracies.

Even if we accept that the Anglo-American democracies have been the heartland of managerialism, there are important differences within this set of countries. In particular, the two North American members stand in marked contrast to the others in the extent to which they have accepted relatively little of the managerialist paradigm and perhaps have diverged less from the more traditional style of governing (see Savoie 1994). That traditional style was itself quite managerial when compared with the legalism of most Continental European systems, or most systems in Ibero-America, but it had little of the emphasis on private sector techniques and market principles that characterises most contemporary approaches to public management. The traditional style

emphasised control over inputs rather than outputs and tended to stress the separation of the public service career from the private sector. This latter point also emphasised the differences between public and private management and the very different nature of the work being done in the two sectors.

Of all the Anglo-American democracies, the US may have the greatest emphasis on legalism, although that is certainly rather minor when compared with, for example, Germany or France (Derlien 1999; Rainaud 1999). This relative emphasis on legal principles in administration may reflect the general legalism of the culture and the public sector's need to defend itself from encroachment by private-sector legal actors. The commitment to law appears, however, to run deeper. One obvious manifestation of it is the US Administrative Procedures Act of 1946 and the codification of the manner in which the public bureaucracy had to perform its tasks, especially in rule making and rule adjudication (Freedman 1980; Mashaw 1985; Kerwin 2000). None of the other Anglo-American systems has gone nearly so far in that codification or in specifying the relationship of bureaucratic power to political power. The other systems have developed legal principles dealing with these procedures (see Baldwin 1995; Page 2000) but have little legislation that institutionalises the procedures.

The other dimension of legalism that is important in understanding the differences between the systems concerns the existence of a formalised constitution, especially when that constitution embodies federalism or a notion of the rights of citizens, or both. On this criterion, the United States and Canada have the most clearly legalist systems, both of those principles being enshrined in constitutional documents (Smithey 1996). On the other hand, two of the other systems – and especially the United Kingdom – are content to function with less elaborate constitutional structures and a more limited concept of individual rights. This concept of rights is important in defining the legalism of an administrative system, even if that legalism has different ramifications from those created by the codification of the German or French systems. Specifically, although New Zealand does not have a formal constitution, it has adopted an extensive bill of rights that has constitutional status, as well as several other basic laws.[7]

POLITICIANS AND BUREAUCRATS

Another dimension defining the nature of an administrative tradition is the relationship between political and administrative roles (see Peters and Pierre 2001). The basic question here is the extent to which bureaucratic and political roles are incompatible. The tradition in Anglo-American administration has been that these roles are indeed incompatible, the political neutrality of the

public service being a cardinal principle of traditional Westminster political systems. This dichotomy meant that the political and the administrative sides of governing each had some protection from meddling by the other. The civil service could claim that its decisions were not political and that it did not have excessive involvement in the appointment and placement of civil servants. Likewise, politicians could demand that their prerogatives in making policy decisions were respected and, although the civil service did have an influence, could claim responsibility for design.

As noted, the dichotomy between politics and administration has sometimes been more implied and theoretical than genuine. Certainly, there has been a professional civil service in all these countries, and there has been a well-developed merit system that controlled the majority of positions in government. Nevertheless, civil servants have often been political actors, whether they have acted to defend the perquisites and prerogatives of the civil service as an institution or to promote the interests of the particular organisations for which they worked. Further, civil servants have been a major source of policy advice for their political 'masters', with the consequence that they have in many instances actually been able to control policy, rather than merely implement it.

In much of recent history the US has perhaps adhered least to this aspect of the Anglo-American tradition. There certainly has been a career civil service covering the vast majority of federal employees, but the upper level management positions in government have been filled by political appointment (see Light 1995). On average, a president and his cabinet secretaries have had several thousand positions in the federal bureaucracy that they could fill, generally subject to confirmation by the Senate. The number of positions available for political appointees has been increasing in the past several decades. First, the senior executive service created under President Carter made some positions that had been careerist available for political appointment. Further, there has been gradual growth in the number of political posts – what Light (1995) refers to as the 'thickening' of government (see also Ingraham et al. 1995).

Most of the other Anglo-American systems have also become more open to political appointment since the 1980s, in part as a result of managerialism and in part as a result of conscious politicisation of the civil service (Clifford and Wright 1997). Adoption of managerialist conceptions of governing broke down the dominance of the career civil service in these countries and opened many managerial positions to appointments that could be used for political advantage, although most participants would claim that merit principles were still the primary consideration. Thus managers might be hired to fill positions in newly created public sector agencies, first because they were good managers and second because they were politically sympathetic to the government.[8] This

opening up of top managerial positions has therefore had the effect of making the civil service a much less distinctive career in most Anglo-American political systems.

There has also been some more overt political use of positions in the public sector. Perhaps the most egregious example is the Mulroney government in Canada (Savoie 1994) creating positions as 'chief of staff' within ministries and enabling ministers to create political structures that to some extent mirrored the career structure of the civil service. More recently, the Blair government in the United Kingdom has created many positions as political advisers to ministers and increased the size of the Prime Minister's Office and the Cabinet Office in order to be able to impose on the ministerial system the will of the political components of government. Further, numerous appointments in quangos and other non-departmental bodies are increasingly filled by political appointees (Skelcher 1997). In Australia and New Zealand, senior managerial positions in government are now considered by many commentators to be subject to manifestly political appointment, or at least subject to a great deal of overt political pressure.

In summary, the neutrality of the civil service in Anglo-American countries is now under considerable pressure. The pressure is to some extent a reaction to earlier reforms and ministers' loss of control over the implementation of programmes for which they are nominally responsible. Increasingly, it appears, political leaders in these systems are failing to trust their public servants and are seeking ever greater control. Further, many recent governments in these countries have considered themselves agents of change, with the associated need to have committed people implementing that change. Thus the struggles carried on over decades to build the concept of 'neutral competence' in the public service in Anglo-American democracies appear to have been forgotten, and politicians are now willing to use their power to impose their own notion of good government. Further, once the civil service is politicised, subsequent governments are likely to think it necessary to introduce their own people in order to counteract the influence of the previous government.

UNIFORMITY

The tradition of Anglo-American democracies has been to permit a good deal of variation in law and administration within their territories. In the US and Canada, for example, the French inheritance of parts of the country results in marked differences in the content and style of governing in those regions. Likewise, the federal structure of Canada, Australia and the US means that there will be some marked differences in policy and administration, even without

cultural differences as great as those found in Quebec and Louisiana. This tradition of diversity and a considerable degree of autonomy is in striking contrast to the situation in countries such as France that have attempted to create rather extreme levels of uniformity within their territory.[9] The diversity that is permitted reflects in part the absence of the legalism that motivates much of administration in Continental European countries.

The three unitary regimes in this group of countries – the United Kingdom, Ireland and New Zealand – have been less willing to permit variations in administration within their territory, although in the UK the legal systems operating in Scotland and Northern Ireland have been substantially different from those found in England and Wales. Further, Northern Ireland has long had a separate civil service for implementing province-level policies and, with devolution, the same autonomy will characterise Scotland and (to a lesser extent) Wales. New Zealand (see Chapter 5) and Ireland are more distinctive cases, maintaining a high level of uniformity across their jurisdiction. Even in New Zealand, however, the increasing autonomy granted to Maori tribal groups to some extent undermines the uniformity in the system.

The UK is the most interesting of these cases in terms of the acceptance of policy and administrative diversity. On one hand, as already pointed out, devolution has been increasing the latitude for action in several parts of the UK. In addition, the creation of a large number of quangos and other quasi-public organisations has resulted in increased diversity in the administration of policies in Britain (Hogwood et al. 2000). On the other hand, in England (and to some extent in the devolved administrations) there has been increasing centralisation of control over the actions of local authorities. This began during the Thatcher government and has tended to increase during the Blair government. Programmes such as 'Best Value' to control quality in local services have used performance standards to exercise control over local governments.

The case of the UK makes the role of public finance in promoting or permitting differences between components of the country more evident. Local authorities receive the large majority of their income from grants from central government and have little or no discretion over how they collect the limited additional revenue they obtain from their own sources. This control became very evident during the conflict over the poll tax during the Thatcher government (Butler et al. 1994). The latitude for subnational governments to make their own fiscal decisions is more evident in the Anglo-American democracies than in most other administrative traditions; Scandinavian countries constitute the only other group of political systems with something approaching this level of financial autonomy.

The absence of uniformity in administration raises the question of the degree of inequality that can be permitted while maintaining adherence to

basic democratic values. Even in countries – such as the US and Canada – that do have discrete constitutional documents, those documents tend to focus as much on the limits on central governments in enforcing equality over their constituent units as they do on generating equality for individual citizens. The Fourteenth Amendment to the United States Constitution does guarantee 'equal protection of the laws' to citizens, and the Charter of Rights and Freedoms in Canada has similar provisions, but these are additions to documents that tend to provide for geographical diversity as much as individual equality. Indeed, a major component of the logic of federalism is to permit, and even promote, differences between the components of the larger system.

The popularity of new public management may accentuate any tendencies towards inequality in the Anglo-American democracies. First, if the market is to be an exemplar of good management and good public policy, then to accept that idea is to accept a public sector model based on inequality of outcomes – winners and losers. Internal markets (as a means of allocating resources) and pay for performance (as a means of rewarding participants in government) may possibly enhance the performance of government. But the same attributes may also enhance the inequality of outcomes for citizens in these countries: in fact, citizens are often redefined as 'consumers' of programmes. Further, if the more participatory approach to reform is accepted, differential capacities for participation are likely to produce different outcomes for different social groups. A lack of commitment to legal equality in programme delivery is one more manifestation of the absence of a strong notion of uniformity in the public sector in this set of countries.

WHY WAS REFORM POSSIBLE?

Perhaps the most remarkable aspect of public administration in the Anglo-American countries is the extent to which their systems have been transformed during the past several decades. From a traditional administrative system founded on the familiar principles of hierarchy, political neutrality and the anonymity of public servants, the public service in most of these countries has changed radically. It has become an increasingly market-oriented structure, with substantially reduced separation from outside political forces (Dargie and Locke, forthcoming). Perhaps especially for the public services in New Zealand and the UK, the manner in which public administration is conducted in 2002 seems to bear little resemblance to what existed previously (Walsh and Stewart 1992).

Does this observation about change and reform negate the importance of administrative traditions for understanding public administration in these

systems? It might appear to, but I am arguing instead that the reform process – and especially its relative success in these countries when compared with reforms in other traditions such as those more characteristic of Continental Europe – cannot be understood without taking the traditions into account. The concept of tradition is especially important when we seek to understand some of the differences *within* this set of countries, the two North American members of the group having taken rather different approaches to reforming their administrative systems compared with the others. In addition, the Irish state appears to have reformed rather less than the other members of the group, whether the reforms are considered as participation- or market-driven. Even for the Anglo-American countries taken as a group, some aspects of the traditions help to make the apparent departures from historical patterns more comprehensible.

The most obvious point to be made about the role of traditions in understanding the reforms is that the majority of the reforms adopted during the past several decades (Peters and Savoie 1998) emphasise management, and that is a very clear and central component of the Anglo-American administrative tradition. In the earlier manifestations of public administration operating within this tradition, the perspective on management was to some extent overlaid by emphasis on other aspects of the tradition – for example, political neutrality and anonymity (see Schaffer 1973). Still, the concept that public administrators are managers and are responsible for ensuring that programmes are delivered is a central component of the Anglo-American tradition. New public management certainly accentuates that aspect of the role more than the traditional model, although it can be argued that this is more a question of degree than of type.

There is a second important reason for contending that the rather radical reforms of public administration in the Anglo-American democracies do indeed conform to the fundamental ideas of the tradition. This argument is that public administrators are not themselves considered to be virtual components of the state in the way they might be in other traditions. The contrast is especially marked in the case of the Germanic tradition, in which the role of civil servant brings with it many of the trappings that might more often be associated with judges in the Anglo-American tradition and occupies a particular place in the social system. Civil servants in the UK may be styled as 'servants of the Crown', but they are not considered a part of the Crown per se: they remain employees who have accepted a particular 'bargain' as a condition of working in their profession. Therefore, changing the status of the public service and individual public employees does not imply the fundamental reordering of political and legal relationships that might be implied in other types of systems.[10]

Following on from this, it is important to remember the pragmatic and

incremental nature of governing that pervades Anglo-American political systems. In contrast to most continental political and administrative systems, ideology plays a relatively minor role in Anglo-American politics, and perhaps even less in public administration.[11] This pragmatism is also reflected in the legal system associated with these regimes, with common law in Anglo-American systems being adaptive and evolutionary, in contrast to the greater rigidity of civil law systems (Damaska 1986). Thus, not only do administrative reforms *not* violate any fundamental conceptualisation of the nature of the state system, but their outcomes can readily be made to fit into existing legal principles. As noted, the somewhat greater legalism and constitutionalism in administration in the US may make reform slightly more difficult, but that is a relatively minor institutional difference to account for some rather marked differences.

There are nevertheless some important internal differences between these countries in terms of how acceptable certain types of reform have been. The most interesting case here is the US, which might have been thought to be the most managerialist of all the regimes but which has adopted less of the standard managerialist agenda for reform than most other countries operating within this tradition (Peters 2001). There are two reasons for this, the first being that the US (like Canada) has a populist, democratic tradition in governance that stresses approaches to administrative reform that depend more on participation by both employees and clients of programmes. Some of the managerialist concepts have been adopted in the North American countries, but the emphasis has been on this participation by employees and clients of public programmes.

The second reason for thinking that the major market-oriented reforms associated with new public management may have had less relevance for the US is that the prevailing managerial culture has been sufficiently strong that many of these ideas were already in place or have simply been taken for granted by public and private managers alike. The market-based ideas driving public management were perhaps less visible in the US than they are now in the UK, Australia and New Zealand, but they were certainly present. The long history of commissions dealing with public management (Arnold 1986), and the domination of private sector management ideas in those commissions, produced within government a culture that was more compatible with the private sector than that encountered in most other countries.[12]

SUMMARY AND CONCLUSIONS

The Anglo-American democracies have developed a distinctive style of administering public policy. That style is a consequence of a variety of social and

political forces and has developed over centuries. The legal and constitutional framework – generally stressing limited government and popular control over the political elites – within which public administration is conducted is one of several important factors that continue to shape the discipline. This framework is associated with the generally contractual understanding of the state in these societies. In addition, the general culture of management and organisational structures in a society as a whole affects the way in which public management is conducted. These various factors work together to produce a pattern of public management.

Despite some common, and important, similarities in the style of administration among the Anglo-American countries, there are also pervasive differences between the systems. One of the most marked contrasts is between the US and the regimes that have retained that particular version of parliamentary government usually described as the 'Westminster system'. The presidentialism of the US affects the bureaucracy's responsibility and accountability, as well as the relationships between political institutions. In addition to the structural aspects of government, the participative political culture of the US is to some extent shared by Canada, a factor that has been important in shaping the reform strategies of both systems. This emphasis on participation in the reforms is in marked contrast to the more market-driven reforms encountered in the UK, Australia and New Zealand.

Thus understanding administration, and the changes in it, in this or any other group of countries involves balancing the general with the particular. An understanding of the tradition within which any particular administrative system is situated offers an important route through which to interpret that system's behaviour. The administrative systems discussed in this volume point to numerous similarities in the structure and behaviour of governments in these countries, as well as to differences between them. The concept of traditions used here helps us to understand both the general and the particular in this group of countries, just as similar concepts of traditions can be identified for other groups of countries – in the western world and the Confucian regimes in Asia – and for a variety of other patterns of administration. The Anglo-American tradition has been spread not only to these regimes but also to a number of former colonial systems. We see here how strong the tradition can be and how it can persist in the face of changes and challenges.

NOTES

1. I use the term 'bureaucracy' in its denotative sense of formal, hierarchically ordered organisations, rather than in the connotative sense of inefficiency, rigidity and slow response to demands from the public.

2. See also Page's discussion (1990) of Otto Hintze and patterns of development in Europe.
3. For example, the statement that 'governments are instituted among men, deriving their just powers from the consent of the governed' is a clear expression of the contractual version of state–society relationships.
4. The German term *Beamte* has the connotation of one who occupies a state position, has high social status, and has an almost judicial role in the making and implementation of public policy.
5. It is important to focus here on the senior positions given that lower echelon employees are often hired under ordinary labour law rather than under any specific statutes conferring particular status.
6. Stillman (1996), for example, has argued that the US is a 'stateless society' in which government continues to have relatively little impact on social and economic development.
7. The Treaty of Waitangi has served as a fundamental document since its signing in 1840 by the indigenous peoples of New Zealand.
8. It was argued, for example, that Mrs Thatcher was less interested in political party affiliation than in whether the individual in question wanted to create more efficient, and smaller, government. This is what appeared to have been meant by those public servants being 'one of us' (Hennessy 1989).
9. This tradition too is changing, with substantial decentralisation in France (d'Arcy 1996) and even greater movement away from uniformity in Spain and Italy.
10. On the changing nature of the bargain defining the relationship between employer and employee in the British 'state' administration, see Hood (2000).
11. Although politicians such as Thatcher and Reagan are typified as 'conviction' politicians, their convictions often appear solipsistic rather than ideological. There is a broad vein of neo-liberalism in all these systems, but yet their particular policy stances and ideas tended to be more individualistic. On this fundamental difference between continental and Anglo-American systems, see Sartori (1969).
12. Most American business people would have difficulty accepting this proposition, believing as they do that government is highly intrusive and out of touch with the needs of the private sector. They lack, of course, any comparative frame of understanding of their good fortune in dealing with the US bureaucracy rather than that of many other countries.

REFERENCES

Arnold, P. (1986), *Making the Managerial Presidency*, Princeton: Princeton University Press.

Baldwin, R. (1995), *Rules and Government*, Oxford: Clarendon Press.

Butler, D., A. Adonis and T. Travers (1994), *Failure in British Government: The Politics of the Poll Tax*, Oxford: Oxford University Press.

Campbell, C. and G.K. Wilson (1995), *The End of Whitehall*, Oxford: Blackwell.

Castles, F. (1995), *Families of Nations*, Cheltenham: Edward Elgar.

Clifford, C. and V. Wright (1997), 'Politicization of the British civil service', unpublished paper, Nuffield College, Oxford.

Damaska, M.R. (1986), *The Faces of Justice and Authority: A Comparative Approach to the Legal Process*, New Haven: Yale University Press.

d'Arcy, F. (1996), 'L'administration territoriale de la République ou le maintien de la spécificité française', in F. d'Arcy and L. Rouban (eds), *De la Ve République à l'Europe*, Paris: Presses de la Fondation nationaux des sciences politiques.

Dargie, C. and R. Locke (forthcoming), 'Politicisation of the civil service: the British case', in B.G. Peters and J. Pierre (eds), *Politicization of the Civil Service*, forthcoming.

Derlien, H.-U. (1999), 'On the selective interpretation of Max Weber's theory of bureaucracy', in P. Ahonen and K. Palonen (eds), *Disembalming Max Weber*, Jyvaskyla, Finland: Sophi.

Dyson, K. (1980), *The State Tradition in Western Europe: The Study of an Idea and Institution*, Oxford: Martin Robertson.

Freedman, J.O. (1980), *Crisis and Legitimacy: The Administrative Process and American Government*, Cambridge: Cambridge University Press.

Heady, F. (1996), 'Configurations of civil service systems', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Hennessy, P. (1989), *Whitehall*, New York: Free Press.

Hofstede, G. (1984), *Culture's Consequences: International Differences in Work-related Values*, rev. edn, London: Sage.

Hogwood, B.W., D. Judge and M. McVicar (2000), 'Agencies and accountability', in R.A.W. Rhodes (ed.), *Transforming British Government*, vol. 1, *Changing Institutions*, Basingstoke: Macmillan.

Hood, C. (2000), 'Relationships between politicians/ministers and public servants: public service bargains old and new', in B.G. Peters and D.J. Savoie, *Governance in the Twenty-first Century*, Montreal: McGill/Queens University Press.

Immergut, E. (1992), *Health Care Politics: Ideas and Institutions in Western Europe*, Cambridge: Cambridge University Press.

Ingraham, P.W., J.R. Thompson and E.F. Eisenberg (1995), 'Political management strategies and political/career relationships', *Public Administration Review*, 55, 263–72.

Johnson, N. (2000), 'State and society in Britain: some contrasts with the German tradition', in H. Wollmann and E. Schröter (eds), *Comparing Public Sector Reform in Britain and Germany*, Aldershot: Ashgate.

Kerwin, C. (2000), *Rulemaking*, 2nd edn, Washington, DC: CQ Press.

Light, P.C. (1995), *Thickening Government*, Washington, DC: Brookings Institution.

Mashaw, J.L (1985), *Due Process in the Administrative State*, New Haven, CT: Yale University Press.

Morgan, E.P. (1996), 'Analysing fields of change: civil service systems in developing countries', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Page, E.C. (1985), *Bureaucratic Authority and Bureaucratic Power: A Comparative Analysis*, Brighton: Wheatsheaf.

Page, E.C. (1990), 'The political origins of self-government and bureaucracy: Otto Hintze's conceptual map of Europe', *Political Studies*, 38, 39–55.

Page, E.C. (2000), *Government by the Numbers*, Oxford: Hart.

Peters, B.G. (1997), 'Policy transfers between governments: the case of administrative reforms', *West European Politics*, 20, 71–88.

Peters, B.G. (1999), *Comparative Politics: Theory and Method*, Basingstoke: Macmillan.

Peters, B.G. (2001), 'The United States', in J.J. Hesse, C. Hood and B.G. Peters (eds), *Paradoxes of Public Sector Reform*, Berlin: Duncker & Humblot.

Peters, B.G. and J. Pierre (2001), *Politicians, Bureaucrats and Administrative Reform*, London: Routledge.

Peters, B.G. and D.J. Savoie (1998), *Taking Stock: Assessing Public Sector Reforms*, Montreal: McGill/Queens University Press.

Pierre, J., D.S. King and B.G. Peters (2001), 'Beyond path dependency: political conflict in historical institutionalism', unpublished paper, Department of Political Science, University of Gothenberg.
Prezworski, A. and H. Teune (1970), *The Logic of Comparative Social Inquiry*, New York: John Wiley.
Rainaud, J.-M. (1999), *La crise du service public français*, Paris: Presses Universitaires.
Rhodes, R.A.W., P. Weller and H. Bakvis (1997), *Managing the Hollow Crown: Countervailing Tendencies in Core Executives*, New York: St Martin's.
Richardson, J.J. (1982), *Policy Styles in Western Europe*, London: Allen & Unwin.
Sartori, G. (1969), 'Politics, ideology and belief systems', *American Political Science Review*, 63, 398–411.
Savoie, D.J. (1994), *Reagan, Thatcher, Mulroney: In Search of the New Bureaucracy*, Pittsburgh: University of Pittsburgh Press.
Schaffer, B. (1973), *The Administrative Factor*, London: Frank Cass.
Self, P. (1973), *Administrative Theories and Politics: An Inquiry into the Structure and Processes of Modern Government*, Toronto: University of Toronto Press.
Skelcher, C. (1997), *The Appointed State: Quasi-governmental Organizations and Democracy*, Buckingham: Open University Press.
Smithey, S.I. (1996), 'The effects of the Canadian Supreme Court's charter interpretation on regional and intergovernmental tensions', *Publius*, 26, 83–100.
Stillman, R. (1996), *The American Bureaucracy*, Chicago: Nelson-Hall.
Tayeb, M. (1988), *Organizations and National Culture: A Comparative Analysis*, London: Sage.
Thelen, K. and S. Steinmo (1992), 'Historical institutionalism in comparative politics', in S. Steinmo, K. Thelen and F. Longstreth (eds), *Structuring Politics: Historical Institutionalism in Comparative Analysis*, Cambridge: Cambridge University Press.
Van Waarden, F. (1995), 'Persistence of national policy styles', in B. Under and F. Van Waarden (eds), *Convergence or Diversity?: Internationalization and Economic Policy Response*, Aldershot: Avebury.
Walsh, K. and J. Stewart (1992), 'Change in the management of public services', *Public Administration*, 70, 499–518.
Wünder, B. (1995), 'Les influences du "modèle" napoléonien d'administration sur l'organisation administrative des autres pays', *Cahiers d'Histoire de l'Administration*, 4.

3. The civil service in Britain: a case study in path dependency

David Richards

INTRODUCTION

It is rare to discover a text on comparative political systems that does not at some point single out the British polity for being one of the oldest and most stable systems in the world. The absence of violent revolution or successful invasion by other countries for the best part of a thousand years has ensured an almost unrivalled continuity in the development of the British state. And the ability to evolve from an absolutist state to a liberal-democratic parliamentary system has provided an institutional model that a number of other aspiring nation states have often opted to either fully or partially imitate (see Judge 1993).

A central component in the long-term evolution of the British state is the civil service, whose origins can be traced as far back as the Middle Ages. From an institutionalist perspective, the civil service – and more broadly the British state – can be identified as possessing a path dependency whose equilibrium has only rarely been punctuated. The contention here is that the British political elite have tended to regard both the constitution and the civil service as institutions to be proud of, and thus any form of change should only ever be limited and partial (see Thelen et al. 1992; Rose and Karran 1994).

The central argument of this chapter is that while there have been a number of periods in the last 200 years in which the British civil service has undergone a process of reform (most notably the 1850s, the 1940s, and from the 1980s onwards), the nature of change has been evolutionary rather than revolutionary. To explain this argument, the chapter concentrates on the reverence that both major political parties, Conservative and Labour, have always maintained towards the British constitution (see Greenleaf 1987; Heady 1979; Hojnacki 1996; Marsh et al. 2001). Even on the rare occasions when either of these parties has been elected on a radical platform – particularly in the case of the Thatcher government of 1979 – their period in office has been marked by an unwillingness to provide a new

constitutional settlement that would fundamentally transform the foundations on which both the civil service and the state are legitimised.

As a result, any reform of the British civil service has always been contained within the existing constitutional framework, and this has limited the scope for overhauling the institutional arrangements that condition the bureaucracy. For example, the political cost to the Thatcher government of reforming the constitution was too great, so the reform of the civil service in the 1980s was both constrained and evolutionary. A similar argument can be applied to the Blair Labour government, elected in 1997 on a progressive modernising agenda. Here, too, is a government constrained by continued deference to the ideas associated with the parliamentary state (see Judge 1993; Richards and Smith 2000a). It is therefore argued here that, although in the last 30 years the British civil service has undergone structural, cultural and personnel reforms similar to those experienced by other liberal-democratic states discussed elsewhere in this book, the reform process itself has always been constrained by continued maintenance of the constitutional conventions that define Britain's institutional arrangements. The Westminster model of government – although only ever an ideal type and having been much deformed by the recent process of reform – continues to condition the way both ministers and civil servants operate within the British political system (see Marsh et al. 2001).

In order to develop this argument, the chapter begins by examining the historical context within which the British civil service has evolved. It then focuses on the notion of civil service crisis that developed in the 1960s. Following on from this, the process of bureaucratic reform that occurred after the election of the Thatcher government in 1979 is examined. Here, the argument is that the Thatcher government responded to the perceived crisis by trying to reimpose ministerial authority over a bloated, inefficient and overstretched bureaucratic machine. In the course of 18 years in power, the Conservatives were successful in achieving this goal, yet their reforms should not be regarded as a radical overhaul of the civil service they had inherited, since the traditional Westminster model remained intact. Finally, the chapter examines the relationship between the Blair Labour government, elected on a progressive, modernising platform associated with a new 'Third Way', and its subsequent reform programme for the civil service. Again, the argument is that since 1997 bureaucratic reform has been constrained by a desire to leave alone the existing constitutional settlement.

Thus, when comparing Britain with the various pathways of other case studies in this book, it is important to recognise the structural context that has constrained the process of reforming the British civil service. This leads to the conclusion that the reform of bureaucracy in Britain provides a convincing example of institutional path dependency.

IDEAS AND INSTITUTIONS: THE HISTORICAL CONTEXT OF THE DEVELOPMENT OF THE BRITISH CIVIL SERVICE

Raadschelders and Rutgers (1996, p. 70) observe that, 'In order to understand the development of civil service systems, the social context – ideas of authority, sovereignty, public service, the nature of functionaries, public ethos, politics and economy – has to be taken into account.' The modern British civil service developed throughout the 19th century but, as Peele (1999, p. 74) points out, the process was gradual and piecemeal. The evolution of bureaucracy in Britain was inextricably linked to the growth of the state: as the state responded to a complex set of interweaving factors (including industrialisation and concerns about public health and urbanisation), so the bureaucracy evolved in order to cope with new pressures placed on it. Yet at the end of the 19th century the British state was still relatively small. The predominant belief was that it should be a nightwatchman state, intervening only when faced with problems of internal or external disorder or when market mechanisms appeared to be failing. The nightwatchman role was reflected in the limited institutional and personnel growth of Whitehall during the 19th century (see Figure 3.1). Nevertheless, the Northcote–Trevelyan reforms of the 1850s did herald a change in both the personnel and the culture of Whitehall. As Hennessy (1989, p. 50) observes,

> The Northcote–Trevelyan model was, in many ways, an ideal fit for the needs of the nation for a couple of decades, if one accepts that the 'nightwatchman state', a

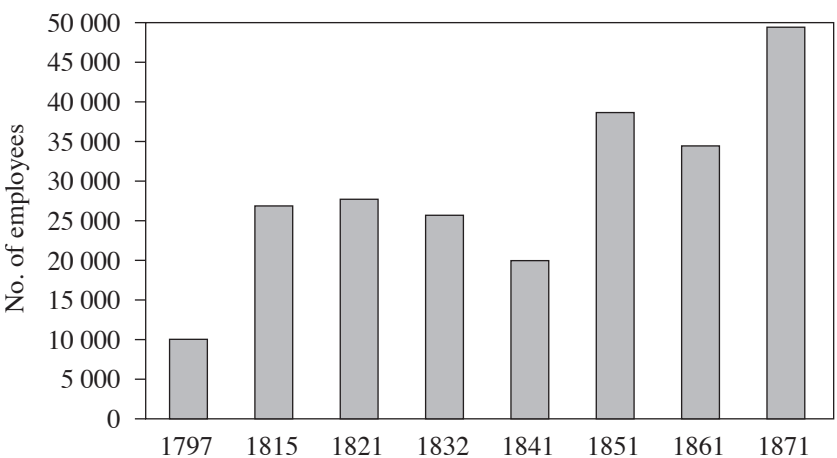

Figure 3.1 Size of the civil service, 1797 to 1871

> careful regulatory establishment, was all that was necessary in the late Victorian years. Late-Victorian officials were high-minded, the national conscience incarnate, a corps of reliable umpires.

Henceforth, recruitment was to be based on talent, not patronage; promotion based on merit; and the service as a whole unified. Raadschelders and Rutgers (1996) correctly note that this was the century in which officials took on the mantle of *public servants*.

By the end of the 19th century the state was relatively limited in what it did, how many people it employed and how much it spent (see Figure 3.2). It was only during the 20th century that it really started to expand, and with it the civil service also grew as it inherited an increasing number of functions. The range of departmental work rapidly broadened. As Hennessy (1989, p. 51) notes,

> Departmental work gradually began to move beyond the reach of a great political figure and a relatively small number of clerks in routine business. The hierarchical chain became just too long for a ministry to be run on the private country house model.

It is important to recognise that both bureaucratic and state growth were inextricably linked. Yet, in the case of Britain, this dual development took the form of a 'deformed modernity'. Unlike other developed states, Britain has never strictly complied with the definition of the modern state. This can in part be explained as a consequence of the way the modernisation process occurred within the context of Britain's historical tradition.

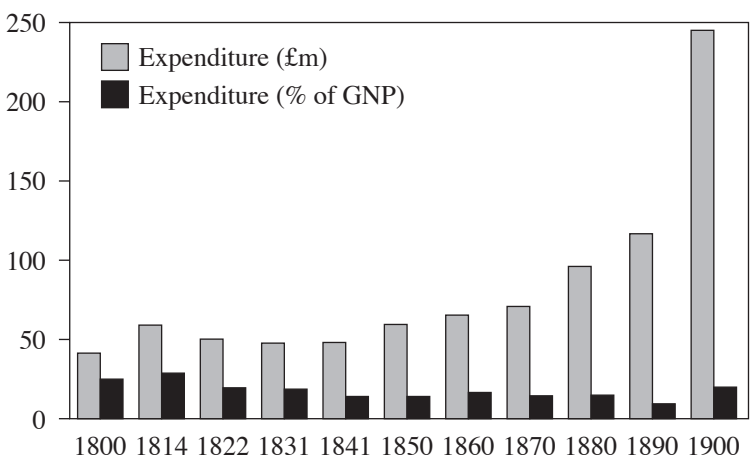

Figure 3.2 Government expenditure, 1800 to 1900

An Ancien Régime

One argument is that the British state never really modernised because the absence of a bourgeois revolution meant that many of the structures of pre-industrial society and the pre-modern state persisted. Rather than being a modern state, Britain is an *ancien régime*, combining a pre-modern state, an anti-industrial commercial class, and a remnant of a landed aristocracy (hence the continuing role of the House of Lords and the monarchy in the political process).

The Parliamentary State

The absence of revolution in Britain meant that much of the state's political development was characterised by a process of negotiated change punctuated by moments of crisis – for example, the Civil War and the Glorious Revolution in the 17th century and the Great Reform Act of 1832. Consequently, as power shifted from the monarchy, parliament gained a position as the key source of political authority. The development of the central state and administrative power has thus occurred within the framework of a parliamentary system (see Judge 1993).

In understanding the development of the British state, a crucial factor is how the development of the bureaucracy could be reconciled with parliamentary government and popular representation – the classic Weberian dilemma. Until the mid-19th century, government departments remained very small, with officials appointed through patronage. During the 1840s and 1850s, prime ministers such as Robert Peel and Lord Palmerston retained a rural, patrimonial view of trust, which is to say that, in the absence of enforceable contracts, the most trustworthy people are those you know (generally relatives or relatives of relatives). They believed that patronage was a mechanism for preventing the evils of bureaucracy. But patronage was not a particularly effective means of developing an efficient and bureaucratic state with the ability to deliver an increasing range of economic, welfare and foreign policies.

Throughout the 19th century, the limited size of government departments meant that most policies were not delivered by the central state but by boards (such as the Poor Law Board), which again were based largely on patronage. They undermined notions of parliamentary sovereignty because they made and delivered policy without direct reference to parliament. However, this limited state was unable to cope with the demands of industrialisation and imperial expansion. A solution to the conflict between a patrimonial form of government and the need for greater state capability was necessary.

One possible solution was the development of a Bismarckian or Bonapartist authoritarian state (see Moore 1966), but in Britain during the 19th

century the representative gains by the middle class and the principle of parliamentary sovereignty made this path difficult. New forms of state that could deliver a growing number of public goods had to be reconciled with a role for parliament.

Ministerial departments were 19th-century creations that developed as a mechanism for fusing the requirements of increased governmental activism, representative government and parliamentary sovereignty. The two crucial elements in this solution were ministerial responsibility and a meritocratic, neutral civil service. Before 1860, most decisions were taken either directly by ministers, who had very little in the way of bureaucratic support, or by boards. The use of boards was widely criticised by political thinkers. Apart from problems of corruption or patronage, boards broke the link between parliament and decision making, since decisions were not directly open to parliament. Ministerial departments, on the other hand, allowed the expansion of government without threatening parliamentary sovereignty. They also ensured some popular representation because elected government ministers, rather than appointees, made the decisions. Thus writers and thinkers such as Bentham, Mill and Bagehot called for the development of ministerial departments as the primary administrative unit because in that way ministers, who were responsible to parliament (and ultimately the electorate), would make the decisions.

The administrative fusion of ministers and parliamentary sovereignty had important implications for the development of the British civil service. Departments became the site of the majority of policy making, and ministers had a monopoly control over policy (Beattie 1995). As a consequence, a hierarchical form of government developed – not unlike that advocated by Weber (see Weber 1976; Hojnacki 1996). In law, it is the minister who is responsible for the actions of the ministry. This, combined with political accountability, ensures that departments are centralised hierarchical institutions with the minister at the top (Judge 1993).

These developments led to a further problem, though. If ministers are responsible for decisions, officials exist to implement those decisions; therefore departments founded on the principle of ministerial accountability require a professional, anonymous and neutral civil service. But officials have to reconcile their neutrality with loyalty to the minister. While they are on one side perceived as neutral, there can be no disunity between minister and official because only ministers are held publicly to account. In this sense, officials cannot act in their own right.

The development of a professional civil service occurred concurrently with the development of departments. The Northcote–Trevelyan report of 1854 proposed a professional, meritocratic, permanent civil service that had a degree of independence from its political masters (Northcote and Trevelyan [1854] 1954). This was important. With the increasing size and responsibilities of the

state, politicians were unable to make all the decisions and control all the operations of a department. They needed advisers they could trust. First, officials had to sift, organise and provide ministers with information on particular problems and the available policy options. Second, the ministers needed high-quality staff who could take decisions independently in an increasing number of areas. Third, there was a need for the administrative machinery to implement decisions in an increasing number of areas of civil society (Cronin 1991).

The Northcote–Trevelyan reforms were evolutionary rather than revolutionary (Hennessy 1989; Richards 1997) and did not undermine the nightwatchman state. They did, however, establish the basis of the modern civil service, which enabled the creation of a bureaucratic, administrative state. The reformers' aim was not to expand the state but to make it more economical and efficient (Greenleaf 1987; Hart 1972). Increasingly, its capabilities were in a sense a side-effect. By abolishing patronage and creating a class of what later became known as 'policy advisers', the reforms enabled the development of a more effective civil service. The notion that officials were neutral and anonymous reinforced the principle of ministerial responsibility and parliamentary accountability. Officials did not have to be accountable because they were implementing the minister's will. This principle was firmly established by the Haldane report of 1918, which recognised that 'civil servants as advisers have an indivisible relationship' with ministers (Richards 1997, p. 236), further ensuring the unity of the central state. If ministers are responsible, officials cannot be distinct actors.

Departmental government presented a threat to the notion of parliamentary sovereignty based on collective cabinet government. Indeed, the cabinet system of government developed as a means of imposing collective responsibility on ministerial departments, thus resolving a problem for government. Parliamentary sovereignty and accountability mechanisms led to the establishment of ministerial departments. Strong departments threatened the unity of sovereignty and therefore required the imposition of collective government. Collective government thus reinforces the power of the central executive by imposing on departments the requirement to accept the collective decision of government, whether or not the departments were involved in or agreed with the decision. In principle, it gives the cabinet predominance over departments, and as a result the institutional advantages of departments are supposedly counterbalanced by the constitutional advantages of the cabinet.

This explains why traditionally so much political analysis has centred on the cabinet rather than on Whitehall departments: political scientists have accepted the constitutional precepts, as opposed to the institutional structures, as a more accurate indicator of the sources of power (see Marsh et al. 1993, 1995, 2000). Of course, it suited government to present this view because government is then seen as unified, strategic and democratically accountable. As successive prime ministers have found, however – from Churchill's experiments with overlords

to Blair's development of ministers for coordination such as the Lord Chancellor and the Minister without Portfolio – imposing collective government on Whitehall's institutionally strong departments is extremely difficult.

The consequence of this is that the British system does not directly fit the rational and lineal system of the Weberian model. There are complex tensions between the powers of officials, ministers and the prime minister. On one hand, officials are neutral; on the other, they are highly political because their role is to protect their minister and, as a result, the policy process becomes one of making political rather than rational decisions. Thus, in terms of the 'sense of mission' held by officials, the British civil service can at times be Janus-faced. Mostly, it is policy responsive, but on rare occasions (such as the 'Arms to Iraq' affair) it can fall into the compliance category (see Heady 1996; Scott 1996; Smith 1999).

Throughout much of the 20th century, the characteristics of the British civil service clearly reflect a long, unbroken historical line of development. Any criticism of the structure, functions, or personnel make-up of the civil service remained almost exclusively within the elite, political class. Popular criticism was almost non-existent, and the expression 'The men [sic] in Whitehall know best' was rarely questioned. Yet by the 1960s, political decline linked to the fall of empire – alongside economic failure associated with the Keynesian welfare state – led to a popular backlash against a number of the institutions of state, notably the civil service (see Raadschelders and Rutgers 1996, p. 87). These elements are important: they are central to the de-legitimation of ideas associated with collectivism and social democratic forms of government. They also created an ideological vacuum that the Conservative government of 1979 filled and that legitimised much of the attack on bureaucracy that was to follow in the next 18 years.

CRISIS AND REFORM: CHANGE IN THE BRITISH CIVIL SERVICE, 1979 TO 1997

This section analyses the institutional, structural and personnel changes to Whitehall in recent times, paying particular attention to the Conservative administrations (1979 to 1997). There are many accounts of the reform of Whitehall (for example, Hennessy 1989; Plowden 1994; Campbell and Wilson 1995; Fry 1995), but most of them are descriptive rather than explanatory. In contrast, public-choice theorists – see Dunleavy (1991) or Dowding (1995) – have attempted to explain the changes by offering only agency-centred accounts. Here, the aim is to provide a fuller and more comprehensive analysis, acknowledging both the structural constraints on change and the role of individuals in bringing change about.

More specifically, four sets of factors – political, economic, ideological and organisational – each have a crucial impact on reform in Whitehall. These factors are not necessarily mutually exclusive: two or more may be involved, in order to give a fuller account of why change occurred. Moreover, these four determinants are located both within a structural and agency context. This means, for example, that at one level ideology may be regarded as a structure constraining the actions of agents, whereas at another context or level of disaggregation ideology can be regarded as an agent or facilitator of change. It is therefore crucial to acknowledge the dialectical relationship that exists between structure and agency when analysing the process of civil service reform.

In order to understand the rationale for and dynamics involved in the reform of the British civil service, a number of themes are discussed. First, I suggest that in 1979 the Conservatives had neither a 'grand strategy' (see Fry 1984) nor a 'general game plan' (see Dowding 1995) for reforming the machinery of government. It was not a 'revolutionary evolution' but a process of incremental reforms, developed in situ, which led to a process of 'evolutionary transformation' (see Greer 1994; Rhodes 1997). Consequently, I question the notion of a coherent development of new public management (NPM) in the British context (see Hood 1990; Pollitt 1990; Halligan 1996). However, I am not arguing that after 18 years the civil service remained broadly unchanged. Undoubtedly, the civil service in 1997 was different from the one in 1979, but this 'transformation' was achieved more by a process of trial and error, in which a series of often (ideologically) conflicting, piecemeal reforms were cobbled together. Talk of NPM is misleading because it suggests that there was a blueprint for reform when none existed.

I also contend that the transformation that occurred during this period fundamentally altered the power–dependency relationship between ministers and civil servants (see Rhodes 1981; Smith 1999). In 1979, it was generally perceived that the power of civil servants vis-à-vis ministers had grown disproportionately. Many suggested that there was a need to reassert parliamentary sovereignty – or, more precisely, executive–ministerial sovereignty. By 1997 the Conservatives had achieved this goal, but not to the extent of destroying the 'Whitehall paradigm' (see Campbell and Wilson 1995; Foster and Plowden 1996). I therefore contend that power has been one of the primary dynamics underpinning the last 18 years of reform, a consideration that has often been understated in accounts of the period. The point here is that internal political factors should be seen as a key determinant of recent changes in the civil service (see Ingraham 1996, p. 247). I do not, however, wish to discount the role of economic, ideological or organisational explanations, which also played a part in informing the last Conservative government's approach to reform.

Grand Strategies and Game Plans: Misinterpreting the Political, 1979 to 1997

When the Conservatives were elected in 1979 they had no 'grand strategy' (Fry 1984) for reforming the state (see Dowding 1995). Indeed, they had taken far less interest in the civil service when they were in opposition between 1974 and 1979 than they had under Heath between 1966 and 1970 (see Heath 1998; Marsh et al. 2001). After the Heath government's electoral defeat in 1974, and the installation of Margaret Thatcher as party leader in 1975, Conservative attitudes to the state and, more particularly, the party's attitude to the civil service were re-examined.

The new 'Thatcherites' argued that state institutions, including the civil service, embodied a deeply entrenched, corporatist settlement and that the state had become overloaded (Brittan 1975; King 1975; Jay 1977; Adonis and Hames 1994; Gamble 1994; Cockett 1995; Hay 1996; Kavanagh 1997). These arguments were substantiated by the massive increase in state spending since 1945 (see Figure 3.3). The New Right was also influenced by public-choice analyses of bureaucratic behaviour, which saw the public sector as 'flabby' – a result of public servants not being exposed to the rigours of the market. It was argued that this had led to overspending, overmanning and inefficiency. These accounts portrayed public sector officials as budget maximisers who acted in their own interest, rather than in the interest of the government or, more broadly, the public interest (see Niskanen 1971; Breton and Wintrobe 1974; Migue and Berlanger 1974; Noll and Fiorina 1979).

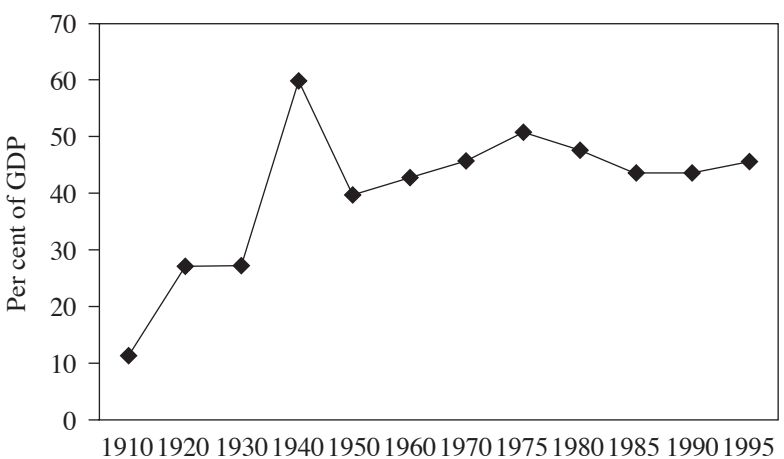

Figure 3.3 Government expenditure, 1900 to 1995

The idea of government overload coupled with public-choice accounts of bureaucratic behaviour provided a powerful political discourse about the role of the state, which the Thatcherites embraced. For example, as Campbell and Wilson (1995, p. 304) observed, 'Thatcher herself brandished Niskanen's work on bureaucracy at her colleagues and pressed them to read it.' So it is important not to discount the role of ideas and discourse when interpreting change.

Finally, there was an evolving critique – voiced as much by those on the radical left of the political spectrum as by the emerging New Right – that the British civil service was too powerful and too wedded to a post-war consensus. The New Right asserted that any government with a radical agenda that wished to break free would be hampered by the civil service's commitment to this consensus. They argued that the way mandarins had constrained the Fulton Committee's remit and, subsequently, systematically emasculated its report provided ample evidence of the civil service's resistance to change (see Kellner and Crowther Hunt 1980; Richards 1997).

In this context, it is not surprising that a number of authors suggest that, to understand the post-1979 reforms of the civil service, we need to focus on the role of the emerging 'neo-liberal' wing of the Conservative Party. This explanation concentrates on the role of ideology and on intentional explanation, but it fails to recognise the structural context within which the New Right discourse was evolving. In particular, the composition of the Conservative Party in the late 1970s and the political priorities of the newly elected Conservative government in 1979 acted as powerful structural constraint on the growth of this political discourse in the Conservative cabinet. New Right ideology did not dominate the Conservative Party in the late 1970s; neither was Mrs Thatcher's position as leader unchallenged.

The parliamentary Conservative Party has always been a broad church (see Gamble 1994; Hay 1996; Ludlam and Smith 1996; Kavanagh 1997; Gilmour 1997; Heath 1998). Certainly, under Thatcher the opposition front bench contained an array of individuals with differing political views, and between 1975 and 1979 the neo-liberal wing of the Party was not dominant. It is thus not surprising that the shadow cabinet had an ambivalent attitude towards the civil service. Progressive, or one-nation, conservatism regarded the civil service as one of the great state institutions underpinning the status quo that the Party should acknowledge and protect. This position was at odds with that of those on the 'dry' wing, who demanded some form of radical, political reform. They argued that the elite in Whitehall were too closely associated with consensus politics and were therefore partly responsible for Britain's relative economic decline. As Thatcher (1993, p. 48) retrospectively observed about the attitudes of her senior mandarins in 1979, 'What lay still further behind this . . . was a desire for no change . . . The idea that the civil service could be

insulated from a reforming zeal that would transform Britain's public and private institutions over the next decade was a pipe-dream.'

In part, then, the delay in reforming the civil service was the result of ideological conflict within government. More importantly, however, the effects of rising inflation and increasing unemployment, and a desire to curtail the perceived power of the trade unions, meant that economic policy – not central government reform – dominated the political agenda after 1979. Whereas the Heath government had regarded reorganising the civil service as the key to success in delivering its broader policy objectives, political expediency meant civil service reform was not a pivotal concern for the Thatcher government during its first term. Indeed, the government's attention was increasingly concentrated on the economy as Britain slumped into recession by 1981.

Questioning new public management, 1979 to 1997

The decade before 1979 provided the Conservatives with a number of strategic, political lessons on how to approach the civil service. In particular, there was a widespread belief that the emasculation of the Fulton report highlighted the growing power of Whitehall. The Fulton report's fate has been comprehensively covered elsewhere (see Ponting 1986; Hennessy 1989; Drewry and Butcher 1991; Pyper 1991; Plowden 1994; Theakston 1995; Richards 1997). Essentially, the report was never effectively backed by the Wilson cabinet, and as a result it was open to manipulation by Whitehall insiders. A decade later, however, the report proved important to the Thatcher government, which used it to argue that there was an imbalance in Whitehall, with too many policy makers and too few effective managers of the machine.

This theme resonated throughout the reforms of the 1980s. The Fulton report, and Whitehall's de-radicalisation of it, taught the Thatcher administration three important political lessons:

- Senior civil servants could be a powerful reactionary force when confronted with radical reform.
- It was crucial to have the right personnel in key positions in order to ensure support for reform.
- It was essential to provide strong political backing if any reform of the institutions and practices of Whitehall was to be effective.

Indeed, this last point was affirmed by the Conservatives' experiences in government between 1970 and 1974. From the outset, the Heath government had a coherent strategy for transforming the machinery of government, which the Thatcher government lacked. Yet Heath's reforms floundered because he and his government lost interest; Thatcher did not.

Reinventing public administration in the Thatcher era?

In recent years much has been written about the eclipse of public administration by 'new managerialism' (see Clegg 1990; Hood 1991; Rhodes 1997; Weller et al. 1997; Parsons 1998). How much evidence is there of such a change in Britain?

First, it is important to recognise the difficulty of measuring change without a proper appreciation of the past. As discussed earlier, managerialism was a theme that affected public administration in both the 1960s and 1970s. So, in determining the nature of public administration under the Conservatives, it is important to recognise both the continuities and the changes after 1979. In this regard, the argument is as follows.

The Conservatives pursued a course of reform that altered both public administration and the civil service. Their reform programme was broadly ad hoc, based on a series of distinct measures that, retrospectively, can be portrayed as contributing to a process of evolutionary reform. The programme lacked a blueprint and as such contained contradictory elements. In particular, the Conservative administration remained committed to retaining key features of the constitution. This commitment leaves open the question of whether there was a paradigmatic shift from public administration to new managerialism.

Although the institutional framework of the civil service was to a degree recast during the Conservative administrations, its fundamental nature was preserved by the maintenance of the constitutional status quo. Under the Conservatives, both ministers and civil servants remained committed to the Westminster model of government (see Table 3.1), based on a closed, elitist and secretive system (see Smith 1999; Richards and Smith 2000a). Overall,

Table 3.1 The Westminster model of government

Westminster	Whitehall
Parliamentary sovereignty	Permanence
Governing party with a majority in the House of Commons	Anonymity
Cabinet ministers have collective responsibility	Neutrality
Party discipline maintained	Expertise/knowledge
Voters offered choice between disciplined parties	Informal 'village-like' networks
Accountability through free and fair elections	
Delivers strong cabinet government (executive dominance)	

the Thatcher government's reform agenda remained structurally constrained by its commitment to most elements of the Westminster–Whitehall model. This commitment militated against the formation of an alternative, coherent, radical reform package for Whitehall.

Continuity and change under the Conservatives: reassessing new public management

The process of reforming the civil service should be understood as a response to a combination of political, economic, ideological and organisational factors. Reforms were based on a normative view that the private sector was dynamic and efficient, while the public sector was stagnant, reactionary and wasteful. This reflected a process of strategic learning by a Conservative administration that was in office for over 18 years. The administration's response was informed by lessons learnt from the previous decade and based on an ill-defined, often unpredictable, process of trial and error when in power (see Hogwood 1997, p. 715). Nevertheless, while there was some pressure from the centre for change, the implementation process was very much in the hands of departmental ministers. This produced contradictions and delays in the reforms, as is illustrated by a now retired senior Whitehall figure:

> We did actually produce systems and methodology for putting management on stream for our ministers . . . Ministers hadn't the least interest in this sort of thing because it wasn't political. I mean what was the good of telling them precisely how every penny in the department was being spent when what they wanted to do was get some political changes? I remember a presentation we gave to ministers, and one said in rather a supercilious way, 'Of course, this is just *Yes, Minister* stuff, isn't it?' And we were . . . furious. We were trying to provide what Mrs Thatcher required him to want and they weren't interested.[1]

The view here is that the use of NPM as a framework for analysing change in the British civil service is problematic. In particular, it often leads analysts to portray the reform as part of a coherent, neo-liberal agenda that swept through Britain and other similar liberal-democratic states, such as New Zealand, Australia, Sweden, Canada and the United States (see Halligan 1996, p. 295). What I am trying to show here is that the reform process was initiated well before Thatcher – by Heath and Fulton – and was given further impetus by the International Monetary Fund crisis of 1976, which demanded cuts in civil service numbers (see Figure 3.4).

Moreover, because the Conservatives lacked a blueprint, managerial reform was ad hoc and produced unforeseen consequences. In particular, the NPM thesis suggests that bureaucracy changed from being stable, unilinear, consensual, centralised, rule-bound and paternalistic to being responsive, flexible, dynamic, outcome-oriented, decentralised and enabling. This obviously oversimplifies the

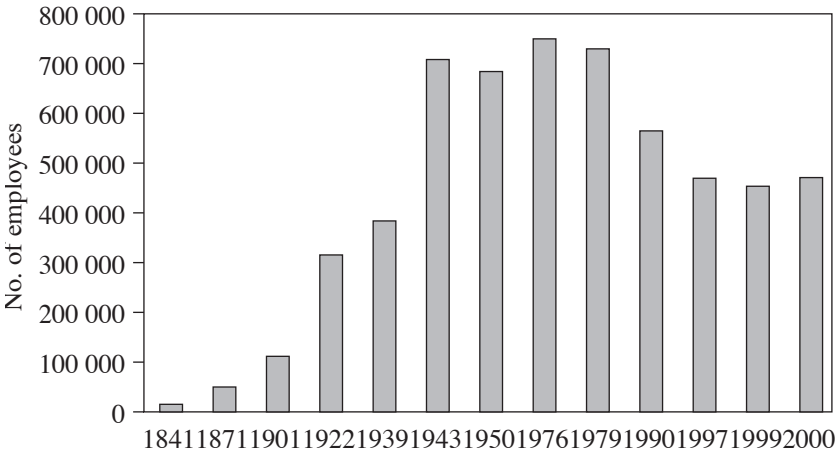

Figure 3.4 The size of the British civil service, 1841 to 2000

process of change. It is crucial to disaggregate. So, for example, when the Conservatives left office in 1997, a department such as the Home Office remained predominantly rule-bound, hierarchical and centralised, while many of the recently created 'Next Steps' agencies displayed flexible, decentralised and enabling characteristics.

Reinterpreting the British Case of Bureaucratic Reform: A Power–Dependency Perspective

If NPM does not provide a wholly convincing framework of analysis for understanding the process of reform, then how should the events of the Conservative years be properly explained? Qualitative evidence from a series of interviews with ministers and civil servants[2] reveals the consensus of opinion to be that a key dynamic was political: the Conservatives were concerned that civil servants had become too powerful, at the expense of ministers. Executive sovereignty needed to be reasserted and this required change in both the culture and the operational practices of Whitehall. The Conservatives argued that the civil service should no longer be regarded as a 'special case' enjoying a range of privileges accumulated over two centuries. Instead, it should revert to its original role as, in Northcote–Trevelyan terms, courtiers to their political masters. For the Conservatives, the raison d'être of Whitehall was serving the duly elected government of the day, rather than attempting to impose its own consensual views on the political process. To understand the reform in Whitehall, it is essential to recognise the Conservatives' desire to

reassert the power of the executive in pursuit of an image of strong government and governing competence (Bulpitt 1986). Thus the emphasis is on the relational reform of power between ministers and civil servants (see Ingraham 1996, pp. 260–61). Here, I do not wish to discount the role of ideology, or more specifically the role of new business models of management in the reform process; rather, I want to suggest that political factors are often given insufficient attention.

After 18 years of reforming central government, the Conservatives were successful in reasserting executive authority, but this shift in the power balance between ministers and civil servants needs to be situated within the context of a power–dependency model (see Rhodes 1981; Smith 1999). I would question the accounts of authors such as Campbell and Wilson (1995) and Foster and Plowden (1996), who suggest that the Whitehall paradigm has been eclipsed by a post-Whitehall, minister-dominated paradigm. Foster and Plowden (1996, pp. 244–5) contend,

> Not since the seventeenth century has any one element in the constitution arrogated as much power to itself as ministers have recently . . . Future politics could be much more overtly 'political' in the absence of both effective parliamentary scrutiny and the traditional restraining influence of the civil service.

(See also Campbell and Wilson 1995, pp. 294–301.)

These 'end of the Whitehall paradigm' accounts – which portray the change in power relations between ministers and civil servants as a zero-sum game and suggest that, by the mid-1990s, ministers solely dominated the policy process – fail to understand the fluid nature of power within the core executive and the tensions within central government between the elements that vest ministers with tremendous authority (royal prerogative, parliamentary sovereignty and control of departments) and those that ascribe a crucial role to officials (the Haldane model of a relationship, officials' role as custodians of the rule book, secrecy, and control of administrative machinery). The next section outlines the structural and organisational reforms within the civil service that occurred under the Conservatives in order to demonstrate that, although ministers were successful in increasing their power vis-à-vis civil servants, the relationship remained one based on co-dependency.

Reasserting Executive Sovereignty: Reform of Whitehall under the Conservatives

The Conservatives adopted a pragmatic approach to reform centred on restructuring the balance between the public and private sectors, while strategically leaving the constitution untouched. They adopted a dual strategy of reorganising

the state, while undertaking an ad hoc programme of 'de-privileging' and reforming the civil service. In part, the main aim was political – to realign executive sovereignty in relation to bureaucratic power – combined, in some areas, with reducing the role of the state.

Reimposing authority over the core

In order to analyse the Conservatives' strategy for reimposing executive authority over what they perceived to be an overly powerful bureaucracy, two key areas need to be examined: personnel and institutional reforms.

Personnel reform: was Whitehall politicised during the 1980s? The Conservative's initial approach to personnel reform in Whitehall was primarily political; it was based on de-privileging the civil service. As one retired senior official argued, 'It soon became obvious that, from 1979 onwards, the civil service was no longer to be regarded as a "special case" and we were about to come under attack – something unusual from a post-war Conservative government.' Thus there followed a period in which the Civil Service Department was abolished (in 1981), performance pay was grafted on to the original system of remuneration (see Ingraham 1996, p. 260, and Figure 3.5 here) following the Megaw Committee's recommendations (in 1982), and the Central Policy Review Staff was abolished (in 1983).

The Thatcher government's strategy for realigning the power balance between the executive and Whitehall also embraced changing the culture and

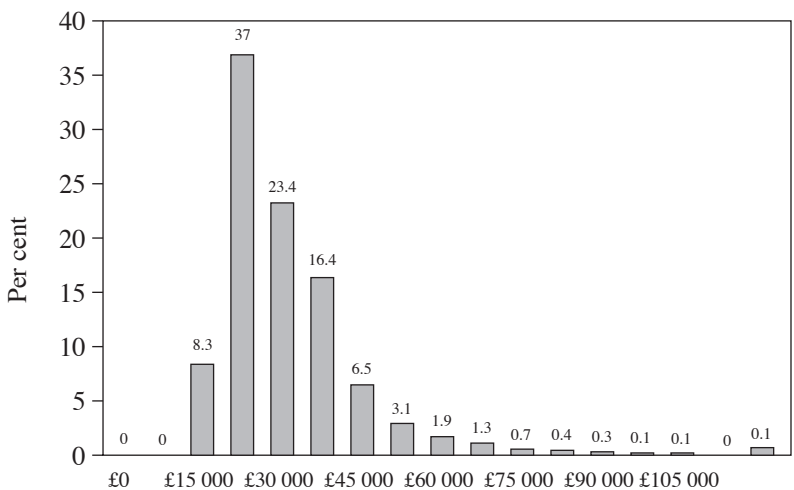

Figure 3.5 Permanent civil service income percentage bands, 1999

attitude of most senior civil servants. As shown elsewhere (Richards 1997), the government did not attempt to politicise the senior civil service by appointing a series of Conservative Party sympathisers to the most senior posts in Whitehall (see also Hojnacki 1996). However, because of the longevity of Margaret Thatcher's term as prime minister, she had responsibility for approving a large number of appointments to the top two grades in Whitehall. In so doing, she personalised the appointments system, ensuring that individuals who were 'managerially oriented, can-doers' were appointed to a number of strategic posts (Richards 1997). This had an effect on the culture at the highest tiers in Whitehall, which Thatcher hoped would permeate down through the rest of the senior civil service. Senior officials began to concentrate more on finding ways of implementing government policies, rather than adopting the more traditional 'snag-hunter' role of previous Whitehall generations. In order to develop this theme, it is important to explore whether there was a change in the social make-up and representation of the most senior tier in Whitehall – the permanent secretaries – under Thatcher.

There have been only a limited number of systematic surveys of the social and educational backgrounds and career patterns of the mandarinate: Kelsall's (1955) study comprehensively examined the higher civil service between 1870 and 1950; Harris and Garcia (1966) analysed the social and educational backgrounds of mandarins between 1900 and 1996; Theakston and Fry (1989) extended the Harris and Garcia study to include permanent secretaries appointed up to 1986; and the most recent survey, by Barberis (1996), involved a longitudinal study of permanent secretaries from the mid-19th century to the present day. There have also been two major studies of the educational and social origins of British elites: Rubinstein's (1986) 'Education and the social origin of British elites, 1880–1970' and Greenaway's (1988) 'The political education of the civil service mandarin elite'.

Of all the surveys carried out, the most relevant to this study is that of Theakston and Fry (1989). It examined the 304 permanent secretaries appointed between 1900 and 1986 and found that the average age of appointment to permanent secretary (Grade 1) was 51.7 years, only two women were promoted to Grade 1, and 60 per cent of appointees were privately educated. These figures confirm that the majority of senior officials came from the upper middle and lower middle classes. Overall, 83.9 per cent of this group attended a university and, contrary to expectation, as the century continued the figures for Oxbridge rose to 75 per cent for the years 1965 to 1986. Theakston and Fry (1989, p. 145) concluded,

> The higher civil service . . . still seems to exhibit a considerable degree of social homogeneity, though perhaps less so than 50 years ago . . . Nearly all the chiefs of the civil service are to be ranked with the upper and upper-middle classes by the

mode of life which they practise and the society which they keep, though many of them did not by origin belong to those classes.

The Theakston and Fry study identified the high degree of social exclusiveness of the mandarinate in the 20th century. It reflects an all-male, middle and upper class elite that is self-perpetuating, thriving in such institutions as the 'clubs' of London (see Richards 1997). These institutions have an important function in facilitating the maintenance of elite cohesion because they provide a private and informal environment in which leading representatives from the world of politics, the military, business and the media can come together.

There was obviously a high degree of homogeneity in the social, educational and economic backgrounds of senior officials who strode the corridors of Whitehall for the majority of the 20th century. However, here the main concern is to assess whether or not reforms after 1979 saw a new breed of official appointed to the most senior rank in Whitehall. Other surveys have not traced the promotional paths of the mandarinate in previous administrations, so I conducted my own comparative survey, contrasting the top Whitehall appointments made by the Labour government of 1974 to 1979 with those of the Thatcher and Major governments between 1979 and 1997.

Table 3.2 shows that the demographic make-up of first-time officials serving at Grades 1/1a in the Thatcher governments was similar to that of their predecessors who served the Labour government (1974 to 1979). There was a

Table 3.2 Demographic profile of first-time appointees to Grades 1/1a, 1974 to 1995

	1974–79		1979–90		1990–95	
Criterion	No.	%	No.	%	No.	%
State educated	6	12.0	6	7.0	5	18.5
Private school educated	44	88.0	78	93.0	22	81.5
University (excluding Oxbridge) educated	11	22.0	25	29.0	13	48.5
Oxbridge educated	34	68.0	51	61.0	12	44.0
No university education	5	10.0	8	10.0	2	7.0
Female	0	..	1	1.1	2	7.0
Average age (years) of newly appointed official	..	54.5	..	53.8	..	51.8

.. Not applicable.

small reduction in the age at which individuals were appointed to permanent secretary during the 1980s and a slight increase in the number who attended a non-Oxbridge university. Conversely, there was a drop in the number who received an Oxbridge education. Overall, though, the differences between the two cohorts were minimal. Thus, despite the rhetoric surrounding the Thatcher government's attempts to cultivate a more meritocratic society, the analysis suggests that, in relation to the civil service, few inroads were made. This is not surprising if one recognises the structural constraints involved in appointments and promotions in Whitehall. It would take over 20 years for a more 'meritocratic-type' official to work his or her way up through the various ranks and bring about a change in the demographic make-up at the most senior grades.

The prime minister has no direct influence over appointments and promotions at more junior levels, so any 'Thatcher effect' would have been indirect. Her only direct means of bringing forward such a change would have been through the widespread introduction of outsiders to the highest grades. But this was not the case. Of the nine cases of outside promotion to Grades 1/1a, almost all were to specialist, technical posts, often in the Treasury or the Health Service and not the prime permanent secretaryships such as the Home Office, Foreign Office, Cabinet Office and Treasury. It is thus clear that Margaret Thatcher did not set about appointing a large number of outsiders to generalist permanent secretary posts.

The demographic comparison revealed a high degree of continuity between officials promoted in the 1970s and their successors in the 1980s. The limited number of outside appointments shows that Mrs Thatcher mainly approved insiders for promotion. The elite joined the service directly from university, at age 21, and became 'lifers'. Hence, between 1979 and 1990 the senior civil service continued to be the preserve of an all-male, Oxbridge-educated, upper to middle class elite.

In the Major period, a significant change was in the number of outside appointments. Of the 27 first-time appointees, eight (or 29.7 per cent) were from outside the service; this compares with nine out of 84 (or 10.7 per cent) between 1980 and 1990. Yet, of the eight outside appointments during the Major administration, almost all, like those between 1980 and 1990, were to specialist, technical posts. The figures also indicate that during the 1990s a slightly younger breed of officials was appointed to the highest grade. They were privately educated but as likely to have attended a plate-glass or red-brick university as to have come down from Oxbridge. One can partially account for the decline in Oxbridge domination of the mandarinate by the increase in the number of outside (especially overseas) appointments made during the 1990s. Another notable occurrence during the Major era was the partial 'fallout' of the Thatcher-generation permanent secretary appointees –

Peter Kemp (Cabinet Office, sacked), Clive Whitmore (Home Office, resigned) and Geoffrey Holland (Education, resigned) – all over clashes with ministers in the Major cabinet.

This analysis reveals that during the 1980s and 1990s the most senior grades in Whitehall continued to consist of a narrow, homogeneous, elite social group. Nevertheless, a Thatcher effect did occur compared with her predecessors. Mrs Thatcher displayed a more active interest in appointments to the most senior levels in Whitehall. Although she did not set about appointing Conservative Party sympathisers to the highest ranks, she did influence the appointment of a number of officials and, in so doing, personalised the procedures.

Mrs Thatcher intervened as part of a broader project to foster a new culture in the senior civil service, one in which officials spent more time dealing with the efficient management and implementation of government business at the expense of the policy-advice function. She was attracted to individuals from within the senior ranks who displayed enthusiasm and a proactive approach to the implementation of her government's policies. It was these types – often those who had spent some time working at the centre of Whitehall in the Cabinet Office, Treasury or Prime Minister's Office – who 'caught her eye'. In this way they greatly enhanced their prospects of achieving the highest grade.

So, although the demographic make-up of Whitehall remained predominantly unchanged after 1979, the senior mandarins appointed under Thatcher differed from their predecessors. It would not be misrepresentative to portray the present senior Whitehall cadre as less policy oriented than those of yesteryear. Their remit has placed increasing emphasis on managing and administering their departments, as opposed to focusing on the actual detail of policy formulation. As Richards (1997, pp. 235–7) notes,

> At the senior levels in Whitehall, the greatest change has been a shift from policy-making . . . to a focus on efficiency and costs of service delivery . . . The consequence of this shift in the role of officials from policy formulators and advisors to efficient managers involved in cost delivery is profound.

One could argue that the senior civil service was politically more passive after 18 years of Conservative administration. By that it is meant that their primary concern was for the efficient running of the machinery of government and not the prospective consequences of the overall direction in which government policy may have been heading.

One of the main impacts of the Thatcher effect on the senior civil service was the successful reimposition of ministerial authority in response to the perceived growth of bureaucratic power during the 1970s. Nevertheless, this was only done in an attempt to redress what was perceived as an imbalance in

minister–civil service power, which in the post-war period had shifted in favour of Whitehall. It was by no means an attempt to destroy the constitutional status quo or to break from the elitist view of democracy that both ministers and civil servants held. Despite the reforms, both elite groups recognised (on the grounds of self-interest) the importance of preserving the parliamentary state and, publicly at least, operating as a unified whole.

While the Thatcher years emphasised changing the culture of the elite in Whitehall, during the Major years a whole series of personnel reforms were introduced: the Efficiency Unit's *Career Management and Succession Planning* (1993); a White Paper, *Continuity and Change* (1994); a second White Paper, *The Civil Service: Taking Forward Continuity and Change* (1995); and the Senior Management Review. Gradually – in the view of many people, far too slowly – the system was changing from one in which an individual gained entry to a career to one in which the individual was appointed to a specific job. This was reflected in the two central aims of the White Papers: to break down the hierarchy in the upper echelons of the senior civil service and so increase delegation and diversity of advice within the policy process; and, where possible, to eliminate layers of management among the 3000 top civil servants in Whitehall.

It was the 1995 Senior Management Review that had the most pronounced effect on both personnel and the policy-making process. It led to the creation of the senior civil service, the removal of an entire bureaucratic tier (Grade 3) and the devolution of responsibility down the Whitehall hierarchy. It should, however, be noted that there were political, economic and organisational factors underpinning this change. At the most formal level, the Senior Management Review was an organisational reform. The rationale was to move closer to European models of bureaucratic organisation; so, for example, Grade 2 deputy secretaries were to adopt the EU title of Director-General. Thus the traditional hierarchical (gradist) nature of policy making in Whitehall would be broken down and officials would be known by their job titles instead of their grade. At the same time, the review was underpinned by a Treasury initiative aimed at reducing Whitehall departments to an elite core of policy makers, with other activities being further contracted-out either to agencies or to the private sector. In this sense, the reforms were justified in economic and political terms: they would result in cost savings and give ministers greater control over the rump of the bureaucratic machine left at the heart of Whitehall.

Institutional reform During the 1980s the Conservatives introduced a series of institutional reforms that were underpinned by a belief that officials allotted too much time to policy making, to the detriment of efficient management (see Adonis and Hames 1994). The key reforms were Raynerism, the Financial

Management Initiative and, most importantly, the 'Next Steps' reforms introduced in 1988.

Drawing from the experience of New Zealand, the Next Steps reforms established a range of agencies with accountable chief executives, providing a service similar to that of a business operating in the private sector. This was not a radical departure from earlier attempts at reform; rather, it was a reaction to, and a consolidation of, previous ad hoc attempts at change. Indeed, the incremental way in which the Conservatives arrived at Next Steps is symbolic of the whole process of evolutionary transformation during the 1980s.

Subsequently, during the 1990s, the Major government surprised many by not only picking up the mantle of institutional reform bequeathed it by the Thatcher government but also dramatically increasing the pace of reform. Between 1990 and 1997 there was a proliferation of Next Steps agencies, increased contracting out (privatisation) of government business, and the introduction of the Citizen's Charter, which recognised citizens as consumers of public services with a right to expect quality in what was being delivered. Thus service delivery needed to be responsive to the needs of citizens. The introduction of market forces and 'charterism' to the structural and operational framework of the civil service in the 1990s questioned the Northcote–Trevelyan notion that the civil service should be permanent, unified and centralised.

It could, however, be argued that it was the Next Steps programme that was at the core of the most dynamic phase of the Conservatives' Whitehall reform. Although superficially Next Steps can be regarded as a reform programme based on an organisationally informed agenda, the rationale underpinning the initiative was political. The Conservatives believed that hiving off departmental administrative functions would leave ministers with a smaller policy-making elite based in Whitehall, whose role would be to assist the government in its broader strategic goals. In this account the reform process was driven by the politicians, in order to restore executive authority while at the same time establishing a more efficient model for conducting government business. As a retired civil service commissioner concluded (personal communication),

> If you are looking at the structure of the senior civil service, I don't think you can ignore the introduction of agencies. They have very much affected the nature of the senior people advising ministers. I would say that it is one of the most significant changes to the civil service, since perhaps the Northcote–Trevelyan reforms. It seems unfortunate to me that it has been done without parliamentary legislation. But if you are talking about the type of people now involved at the highest levels in the agencies, I think you will find a great deal of them come from the private sector. So you have got this infusion of people from outside. The reforms have produced tangible effects both for the civil service and the functioning of British government as a whole.

This viewpoint was consistently substantiated in interviews with civil servants. Indeed, the broad consensus was described by a recently retired permanent secretary (personal communication):

> So much has now gone out to executive agencies and they have largely an executive job to do. We have lost those days when you had the key policy makers also running the big executive functions, within a large department. That opens some new questions about the role of the permanent secretaries and higher civil servants in what is left of the policy-making departments, as distinct from the executive agencies.

At the same time, the reforms raise further questions about the degree to which the existing Civil Service Code has come under attack (see Richards and Smith 2000b). As a contemporary senior official put it (personal communication),

> I think the current reforms are extremely worrying. I think there is a danger of destroying the existing code and with it the civil service ethos. You are going to have separate departments; you are going to have people with an alien culture, which raises questions of accountability and also, I think, standards.

It is clear that reform in the late 1980s and the 1990s changed the structure, culture and operating procedures of Whitehall. While Fulton in the 1960s was defused by the dynamic conservatism of the civil service, the reforms from Next Steps onwards altered the balance of power between ministers and civil servants. As Metcalfe (1993, p. 352) concluded,

> Management methods, concepts, models, and values have been accepted as an integral part of the way the business of government is conducted. Whether they are the right management concepts is open to debate, but then acceptance goes much deeper than almost anyone thought possible in 1979. It is difficult to imagine these reforms being reversed . . . without suggesting that a total transformation has occurred or that the changes have been completely successful. It is increasingly clear that a fundamental shift has been made which will have a permanent influence on the functioning of British government.

Nevertheless, while the role of senior civil servants was to be more managerial and departments were to be less hierarchical, much of the role as defined by the Whitehall culture remained. Senior officials continued as the key policy advisers, they were still loyal, and they continued to control the administrative machinery. They also continued their important 'political' role: civil servants know how to play both the Whitehall game and the Westminster game and thus retain a monopoly on advice to ministers about how to defend themselves in Parliament, in Whitehall turf wars, and in the spending rounds. Consequently, ministers' dependence on them is high and much of their traditional role is

retained. Moreover, although a few ministers have been less willing to trust their officials, the majority in the last Conservative administration retained the traditional 'Westminster model' perception of the role of officials.

Analysing the Conservative reforms

The previous section examines the evolutionary reform of Whitehall in the last 30 years and analyses the forces driving the process of change. It uses predominantly political, but also economic, ideological and organisational, explanations. Much of the focus is on the Conservative administration from 1979 to 1997, and it is argued that there was no 'grand strategy' or 'general game plan' for reforming central government. Furthermore, the utility of a number of the NPM accounts – as the most appropriate analytical framework for understanding the reform process – is questioned. Instead, it is suggested that the programme of reform was undertaken in a broadly ad hoc manner, based on a series of often separate responses to a series of ideological, business-management and organisational critiques of central government.

Crucially, one key variable that has often been misunderstood in explaining the process of reform is power. Here, I question those accounts (Campbell and Wilson 1995; Foster and Plowden 1996) that argue that 18 years of Conservative administration led to the erosion of what is referred to as a 'Whitehall paradigm', to be replaced by a new 'minister-dominated paradigm'. I suggest that power between ministers and civil servants should not be portrayed as a zero-sum game; instead, it should be understood in terms of an interdependent relationship based on resource dependency. From this perspective, the Conservatives were broadly successful in realigning the balance of power in favour of ministers within a symbiotic relationship with civil servants. In so doing, the Conservative reform project can be seen as reaffirming a 'major party responsive regime' in the British context (see Heady 1996).

The central theme underlying this analysis is that the Conservative reforms of the civil service were evolutionary rather than revolutionary because the reformers were unwilling to reject the Westminster model and start afresh. Throughout their period in office the Conservatives remained committed to parliamentary conservatism, an unwritten constitution and a neutral civil service. Consequently, their attitude to the civil service was always ambiguous and there was never an attempt to create a specific New Right model of bureaucracy that would have challenged the whole edifice of the parliamentary state. Even Thatcher, when speaking about civil servants as individuals rather than Whitehall as an institution, was keen to praise the civil servants' commitment and professionalism (see Richards and Smith 2000b). Thus, although there were critics of the Westminster model, no coherent alternative was developed during the last Conservative administration.

However in 1997 there was a change in government. The next section of this chapter looks at the relationship between the new Labour government and the civil service and analyses whether a government that was elected with a progressive, modernising agenda continued to embrace the Westminster model.

NEW LABOUR, THE THIRD WAY AND THE BRITISH CIVIL SERVICE

The Labour Party's attitude to the civil service is perhaps best understood within the broader context of the Party's view of the state, which is a product first of the Party's own history and second of its experiences in government. Labour's attitude to the state has been based on two principles: that the state is neutral and that the state is an effective mechanism for achieving Labour's policy goals. Consequently, past Labour governments have accepted the top-down nature of British government and have rarely questioned the constitutional precepts on which it is based (see Richards and Smith 2000a).

It is therefore significant that in the 1997 election campaign the Labour Party broke with its tradition and promised a wide array of constitutional reforms – devolution, regional government, freedom of information, changes in the voting system, a mayor for London, and incorporation of the European Bill of Rights. Within days of electoral victory, the Bank of England was made independent and the first parliamentary session produced 12 constitutional Acts (see Hazell and Cornes 1999). Indeed, it would not be contentious to argue that one of the defining features of the Labour government's first term (1997–2001) is its far-reaching programme of constitutional reform, marking a significant break from both its Conservative and its Labour predecessors. Richard Wilson, the head of the civil service (1997–2001) has argued that as Whitehall enters the new millennium the civil service is on the threshold of another major chapter in its development (Wilson 1999). In order to understand the post-1997 period, it is first important to reflect on the ideas of the Third Way, which have conditioned Labour's strategy towards the civil service.

The Third Way

Anthony Giddens (1994, 1997, 2000), author of *The Third Way*, has argued that the growth of economic and political internationalisation combined with much greater social diversification have undermined the state's traditional ability to promote and control social and economic outcomes. He contends that rigid hierarchical state structures – most often associated with Weberian

models of bureaucracy – and welfare states are incapable of meeting the aspirations or fulfilling the needs of an increasingly heterogeneous society. In the 1980s and 1990s the New Right's response to these problems was the pursuit of a neo-liberal programme that advocated a much more minimal role for the state in society and a shift from collectivism towards individualism. Yet these changes, pursued under Thatcherism, presented a number of unintended consequences. It became increasingly obvious that unfettered markets did not guarantee economic success and produced a number of unacceptable social outcomes (see Hay 1999).

In many respects, the Third Way attempts to resolve a crucial dilemma within the Labour Party – the need to accept some of the key reforms introduced by Thatcherism while not turning away from social democracy. Where the Keynesian welfare state represented the high-water mark of collectivism, the period since the 1980s has witnessed the promotion of individualism. Where once the state provided the basis on which social relations were formed, now the market has increasingly usurped this role. Labour has had to come to terms with this and reappraise its traditional understanding of a society based on a hierarchical, bureaucratic state and universal welfare. The solution offered by the Third Way is that of a society of stakeholders. Here, the state forms partnerships and networks based on trust between a whole range of groups in society, including businesses, employees, and the voluntary and public sectors. As Freeden (1999, p. 1) observes of Labour's new realism,

> The state is reduced to the status of one actor among many, both internationally and domestically, appearing as pathetically subservient to global economic forces, unwilling to generate policies through its bureaucracies because it no longer believes in the power of politics as a central force for change. Societies have simply become too complex for wielders of political power and authority to manage.

Throughout the Conservative years, the traditional public service model of a top-down, centralised, command-based bureaucracy was attacked. New forms of service delivery, embracing private-sector business models (including contracting out and privatisation), were introduced with the aim of making the existing public services more efficient. The civil service underwent change, yet the extent to which the traditional command bureaucracy was broken up between 1979 and 1997 can be overstated. Nevertheless, the politics of New Labour, influenced by Third Way thinking, has rejected a wholesale return to a centralised, top-down bureaucratic model based on command. As Giddens (2000, p. 42) notes,

> The new political culture is sceptical of large bureaucracies and opposes political clientelism. Many citizens see local and regional government as able to meet their needs more effectively than the nation state. They support an increasing role for

non-profit voluntary agencies in the delivery of public services. Hierarchy is viewed with suspicion, as are traditional symbols and trappings of power.

So New Labour has shifted its position on the state to argue that alternatives to traditional state formations should be sought. It advocates the idea of networks of institutions and individuals working together in mutually beneficial partnerships based on trust. Labour is not seeking the outright abandonment of central bureaucracy, nor does it advocate the wholesale use of markets; instead, it embraces a mixture of both. The aim is to use a combination of hierarchies, networks and markets, the mix of which is determined by the nature of the particular service to be provided. This position is designed to overcome the problem associated with the later Conservative years, in which there was a failure to develop the notion of an evolving or mutually beneficial relationship between the public and private sectors. Instead, services were simply contracted out by the former to the latter.

The Third Way advocates a position in which the public and private sectors collaborate in order to provide the required services. Moreover, no formal structure should be adopted to condition this collaboration; rather, different options should be available in order to ensure flexibility and responsiveness. The key to binding the various relationships together is trust and New Labour argues that this will lead to the creation of a truly enabling state based on responsive relationships within society. This theme has been amplified by Blair in the much-used Labour sound-bite 'Joined-up problems need joined-up solutions.' It is a theme that is taken up in Labour's most comprehensive White Paper on the civil service since coming to office, *Modernising Government* (UK Government 1999).

The following section examines the reform of the civil service since 1997 and, in particular, considers how successful Labour has been at delivering a programme of bureaucratic reform based on effective coordination.

Labour and the Civil Service: 1997–2001

The Blair government's programme for modernising government and policy making has been based on acceptance of many of the Conservative reforms of the 1980 and 1990s. In power, Labour rejected the option of bringing back into the public sector functions that had been privatised under the Conservatives. As Blair (1998) contended, 'Big government is dead. The days of tax and spend are gone. Much of the deregulation and privatisation that took place in the 1980s was necessary. But everything cannot be left to the market. We believe there is a role for active government.'

The Citizen's Charter was re-branded, becoming known as 'Service First'. The charter introduced the innovation of a 'people's panel', consisting of 5000

members of the public who are regularly consulted on a range of matters relating to the delivery of public services. More generally, though, any change here has been more superficial than real, and Labour was willing broadly to go along with the charter programme introduced by the Major government in 1991. As Theakston (1998, p. 29) notes, 'Acceptance of charterism and its themes of quality, responsiveness, individual empowerment and the shift from a "producer" to a "consumer" emphasis was bound up with the wider transformation and modernisation of the [Labour] party in the 1900s.'

The Labour government believed that the civil service it inherited had not been imbued with a Conservative 'mindset' and so rejected the notion that the civil service had been politicised (see Richards 1997). Thus there was no overturning of existing senior staff after the 1997 election. Nor did Labour choose to take agencies back into the embrace of their parent departments; instead, 'agencification' continued, although in a more cautious manner. By April 1999, there were 107 executive agencies employing over 77 per cent of the civil service (see Figure 3.6).

Yet, in relation to personnel, the Blair government's modernisation programme for the civil service has as one of its aims the creation of a more socially representative bureaucracy based on a move towards mirror-image representation (see van der Meer and Roborgh 1996, p. 128). There are targets to increase staff from under-represented groups in the senior civil service: between 1998 and 2004 the percentage of women targeted to senior posts is to increase from 17 per cent to 35 per cent; for ethnic minorities the projected increase is from 1.6 per cent to 3.2 per cent. By April 2000 the proportion of female staff at senior civil service level had risen to nearly 20 per cent, and

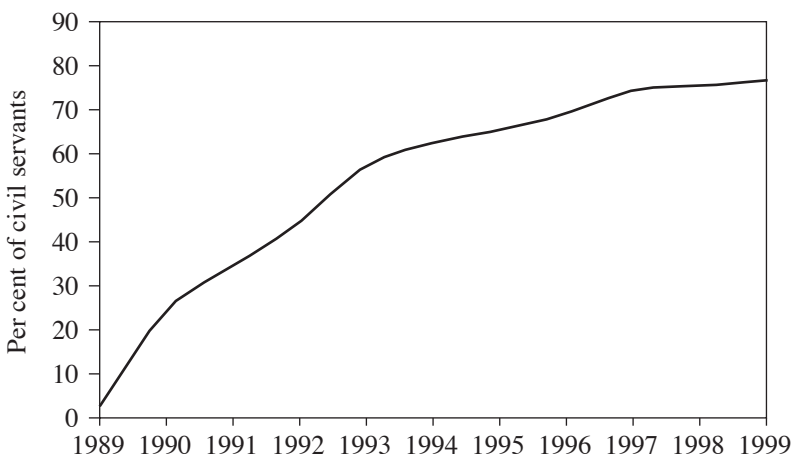

Figure 3.6 Civil service staff in executive agencies, 1989 to 1999

Table 3.3 Diversity of staff: senior civil service, 1995 to 2000

		Gender		Ethnic minority		Disability	
	All staff	Total women	% women	Total ethnic minority	% ethnic minority	Total disabled	% disabled
April 95	4200	480	11.4	60	1.4	40	1.0
April 99	3600	620	17.2	55	1.7	58	1.6
April 00	3730	730	19.5	70	2.1	60	1.7

2.1 per cent of staff at senior civil service level were from ethnic minority backgrounds (see Table 3.3).

The Labour government has also doubled the number of special advisers who assist ministers, from 38 under John Major to 78 under Tony Blair in 2000. In the Prime Minister's Office there has been a substantial increase in the number of political appointments – people largely with media and public relations skills, as well as some with policy expertise. Previous prime ministers had kept such appointments in single figures. Twenty years ago Aberbach et al. (1981, p. 17) referred to the small number of such appointments as 'hybrids' as these people mediated between bureaucrats and ministers or combined some of the skills of both. Their number is steadily increasing, and this has led some commentators to speak of a 'creeping presidentialism' under Blair (see Kavanagh and Seldon 1999; Foley 2000). Yet to believe that a handful of political advisers can act as an effective bulwark against the size and power of the Whitehall machine is wishful thinking, and the presidential thesis should be viewed with scepticism. Britain retains a parliamentary system of government that includes a civil service based on the principle of 'professional performance', *not* political affiliation with the governing party of the day (see Heady 1996).

Looking at the broader picture, whereas one element of the Conservative reform of the civil service was managerial (concerned with promoting economy and efficiency), under Labour the focus has switched to policy implementation, in particular achieving effectiveness in service delivery. The key elements of the new (post-1997) thinking about policy are set out in the White Paper (1999) *Modernising Government*. For Labour, good policy making is expected to be, among other things, strategic, holistic, focused on outcomes and delivery, evidence-based, inclusive (in the sense of taking account of the impact of policy on different groups) and, finally, with clearly defined objectives. But the reality since 1997 is that, rather than improve on holistic, joined-up policy making, Labour's reform programme has furthered the process of fragmentation and is replete with contradictions. It expects to reform the

constitution without undermining its key features – parliamentary sovereignty, traditional notions of responsibility, and the neutrality of the civil service. It wishes to decentralise and disaggregate power while retaining, or increasing, central control.

While advocating greater devolution of power, Tony Blair has maintained, 'People have to know that we will run from the centre and govern from the centre.' This statement was made in the light of three concerns: the tendency of the Labour Party to fragment once in power; the escalation of institutional divisions within the central state; and changing patterns of governance further fragmenting the central state (see Judge 1993; Rhodes 1997). These three factors led the Blair leadership team to conclude that the government would have to strengthen the coordinating abilities of the core executive; a view that was reinforced by the realisation that, if the government was to pursue the Third Way theme of a 'stakeholding society' involving bodies outside the core executive, a strong, coordinating centre was vital. The government was also aware of the lack of any institutionalised coordinating body *solely* responsible for safeguarding and enforcing broad government strategy and preventing a slide into 'departmentalism', in which a cabinet minister defends the interests of his or her department at the expense of wider government interests.

The Blair government's programme for reforming the civil service was based on the notion of moving towards 'joined-up government', but there was much anxiety about whether the organisational structures and the existing operational style of the core executive allowed for the delivery of a coordinated policy programme. The most effective antidote to departmentalism is a strong, coordinating agency located at the centre of the core executive. The problem of the British core executive has always been that it is institutionally strong in departments but institutionally weak at the centre. In particular, conflict arises between three coordinating centres – the Cabinet Office, the Prime Minister's Office and the Treasury.

Despite Labour's acceptance of the civil service and the state it had inherited in 1997, it soon became clear that the new government would make central control and coordination of policy and presentation the cornerstone of its programme of reform for central government. If 'departmentalism' was the disease festering at the heart of British central government, Labour's antidote was 'joined-up government'. To achieve this, Labour adopted the two-pronged strategy of centralisation and the establishment of ad hoc policy reviews.

Centralisation

The first 12 months of the new government saw the centre strengthened by the creation of the Strategic Communications Unit, with a staff of six whose task was to harmonise cabinet ministers' public relations initiatives; expansion of the Prime Minister's Policy Unit; establishment of a new Social Exclusion

Unit charged with examining deprivation across all tiers of society; and the appointment of a Minister without Portfolio whose role was to ensure coordination in government policy. Yet this last initiative caused conflict with a number of other high-profile Labour ministers, who saw their formal position as being responsible for cross-departmental coordination. In particular, the Lord Chancellor regarded part of his role as being, formally, to coordinate the machinery of government and, informally, to act as chief adviser to the Prime Minister. The creation of these particular power bases at the centre of the Labour government was causing tensions, and during the 1998 summer reshuffle the job of Minister without Portfolio was merged with that of the Chancellor of the Duchy of Lancaster to create the new post of Minister for the Cabinet. This new portfolio incorporated overall responsibility for the work of the Cabinet Office, including the 'Better Government' agenda; providing strategic direction to the Cabinet Office's function for coordination; and responsibility as Minister for the Civil Service.

Also in 1988, the Cabinet Office was strengthened by the addition of a number of new units, primarily in response to the (internally published) 'Wilson report'. Most important was the creation of the Performance and Innovation Unit, which, crucially, reports directly to 10 Downing Street and hence commands prime ministerial support. The Unit's aim is to make government policies, their implementation and service delivery mechanisms more effective by working with departments on cross-cutting and innovative projects (Performance and Innovation Unit 2000). Its central functions are to evaluate the performance of existing policies while at the same time offering innovative thinking in policy areas that have traditionally been locked in by the strength of the departmental view. Furthermore, a Centre for Management and Policy Studies has been created, incorporating the existing Civil Service College, with the aim of encouraging greater outside influence on policy thinking. Finally, the Management Board for the Civil Service has been established, to emphasise and harmonise the corporate objectives of government as a whole.

Whereas during the Conservative years reforms were designed to introduce and improve managerialism and economy in government, the Blair reforms emphasise the need to improve policy making, especially policy making that cuts across the old departmental boundaries (see Bichard 1999). As the previous Cabinet Secretary Richard Wilson (1998), observed,

> I do worry that the management reforms of the last decade [the 1990s] may have focused our energies very much on particular objectives, particular targets, performance indicators, in return for resources and delegations. And that we have in some measure taken our eye off what we used to be good at – and still can do – which is working more corporately across the boundaries. And it may be . . . that personnel reforms that we have introduced have also given people a sense that they work more for departments rather than for the wider civil service.

The importance of the Prime Minister's Office continues to grow because Tony Blair sees himself as having a continuing role in the development of policy (see Kavanagh and Seldon 1999). This is indicated by his attempt to replace the official appointment of principal private secretary with a political appointment as chief of staff. In the end, the official civil service post was retained while the chief of staff was given an explicitly separate political post. For Blair, political appointees and a strengthened policy unit are crucial elements in imposing coordination on government. The number of political appointees has nearly doubled and there are clear lines of communication between political appointees in Number 10 and the departments (*The Guardian*, 3 June 1997). Finally, in relation to centralisation, one of the key tools available to the machinery of government to facilitate communication and coordination is IT. In particular, one of the aims of joined-up government is to introduce an intranet system that is compatible across all government departments, as well as smart cards and call centres.

Ad hoc committees

The second element of Labour's strategy for joined-up government has been the establishment of ad hoc policy reviews. Indeed, during the government's first 12 months, 192 policy reviews, task forces and a royal commission were set up (see Platt 1998). The most important element of this strategy was the creation of task forces that cut across the traditional policy arenas of Whitehall to deal with 'wicked issues' such as homelessness, teenage pregnancy and drug abuse, which have no single departmental home. As Daniel (1997, p. 27) observed, 'Unlike the Royal Commissions and reviews of previous governments, the task forces are not intended to sweep issues under the carpet. They are emblems of Labour's desire to be seen to be implementing manifesto pledges briskly and in a spirit of trust.'

The task forces themselves do not simply consist of ministers and civil servants but draw on an array of people from the private and public sectors, trade unions, as well as opposition MPs. Some of the more high-profile task forces have been on youth justice, school standards, the efficiency of the National Health Service, 'welfare to work', and football (see Table 3.4).

Yet the task forces themselves are symbolic of Labour's broader problem in its programme for reforming the machinery of government: by attempting to strengthen the centre, it has recast the old problem of competing power centres based on strong departments, but at a different level and in a different guise. As the new government has tried to improve coordination at the centre of the core executive, it has established a number of competing centres of power. Indeed, paradoxically, the unforeseen and unintended consequence has been to create confusion over where power at the centre resides. The different central bodies themselves have become locked into a struggle for ascendancy,

Table 3.4 Task forces established by the Labour government, 1997

Task force	Chair
Youth Justice	Norman Warner
Welfare to Work	Sir Peter Davis
School Standards	David Blunkett
Literacy	Michael Barber
Numeracy	David Reynolds
Creative Industries	na
Tax and Benefits	Martin Taylor
Private Finance	Adrian Montague
NHS Efficiency	Alan Milburn
Better Regulation	Chris Haskins
Football	David Mellor
Advisory Group on Competitiveness	Margaret Beckett
Export Forum	Tom Harris
Special Educational Needs Group	Estelle Morris
Advisory Group on Continuing Education	Bob Fryer
Review of the CPS	Iain Glidewell
Review of Film Policy	Tom Clarke and Stewart Till
Review of Pensions	Tom Ross
Review of Health Inequalities	Donald Acheson
Review of London Health Service	Leslie Turnberg
Review of Surrogacy Law	Margaret Brazier
Civil Litigation and Legal Aid Plans Review	Peter Middelton
Working Group on Teacher Bureaucracy	Peter Owen

and this has left those in the traditional government departments unsure about which power centre to engage with in order to secure their own departmental goals. It would, or could, appear that Labour may have recreated and exacerbated the problem of ineffectual central coordination, rather than overcome it. Further, the style Labour has adopted could in the future lead to fundamental splits within cabinet and, more broadly, policy drift in Whitehall, as the traditional networks for securing policy success become blurred.

In 1998 Sir Richard Wilson, the then Cabinet Secretary, examined the processes of coordination in Whitehall and suggested that there should be greater cross-department coordination and increased strategic capacity. Two years later, the Performance and Innovation Unit (2000) published a report, *Wiring It Up: Whitehall's management of crossing-cutting policies and service*, which suggested there were six key areas for improving coordination in policy making: stronger leadership, improved policy formulation and

implementation, better trained civil servants, using budgets flexibly, using external audits, and using the centre (Number 10, the Cabinet Office, and so on) to lead the drive to joined-up government. It is in these areas that the future agenda for reform of the civil service will develop. But, as Hazell and Morris (1999, p. 152) highlight,

> There was no mention of the impact of constitutional change; and no awareness that there may need to be more radical reconfiguration at the centre as it adjusts to its new role at the centre of a quasi-federal, more rights-based, more transparent system of government.

Labour appears to have continued the Thatcherite tradition of bypassing the cabinet system, and Blair does not regard the cabinet as an 'effective decision-making forum. Only on a few occasions has Blair allowed sufficient time for Cabinet to be discursive . . . he tries to focus on strategic issues' (see Kavanagh and Seldon 1999, p. 408). The preference is to work through bilateral meetings with cabinet colleagues. Similarly, despite their existence, cabinet committees are much under-used, which has led Hennessy (1998, pp. 3–4) to suggest that the Blair government has abandoned cabinet government, replacing it with a 'Napoleonic' style of government. Here, the implication is that strategies are centrally prepared and then imposed on departments, which are regarded as units whose function is one of implementation. Furthermore, Labour seems to be relying on task forces[3] instead of cabinet to deal with interdepartmental matters, and this raises a number of constitutional questions. The main difference from cabinet committees is that these bodies have been set up to deal with specific issues and they include a large number of outsiders (Daniel 1997).

It is interesting that, of the 23 task forces established, only four are chaired by ministers. These bodies indicate a more pluralistic approach to policy making and less reliance on civil servants for advice. For traditional mandarins, such as former Cabinet Secretary Sir Robin Butler, the use of so many outsiders is leading to poor advice, policy errors and lack of accountability (*The Guardian*, 5 January 1998). Indeed, the absence of ministers does raise the question of the weight the task forces' final reports will carry within government. Unlike the decisions of cabinet committees, their decisions will not carry cabinet authority and may lack the necessary departmental support to be implemented.

The Labour government has attempted to deal with the fundamental problem of coordination in British central government but, in a contradictory style, it has further fragmented the state with the creation of new institutions. These changes have, however, been made without any reference to wider constitutional changes. The state and the constitution are perceived as mutually exclusive, thus limiting the radicalness of constitutional change. Change in the

constitution is not regarded as directly affecting the way the nation is governed. The Blair government is sustaining the principles of parliamentary sovereignty, secrecy and elitism that underpin the core executive, yet the problem for government is that the programme of constitutional reform is not consistent with these principles. For example, the central tenet underlying the process of reform is increased pluralism, achieved by devolving power away from the centre. In practice, this is a principle that directly opposes elitism and parliamentary sovereignty.

Elsewhere, the Labour government has pursued a programme of devolution for Scotland, Wales and Northern Ireland, as well as introducing regional assemblies to England. Again, this is having a direct impact on the nature of Britain's supposedly unified civil service. The notion of a unitary state is difficult to maintain when a range of forms of governance are operating in different parts of the United Kingdom. This problem will prove even greater if conflicts develop between the core executive and the regions. A crucial point made by Hazell and O'Leary (1999) is that devolution is not an end result but a process of continual negotiation and development: 'Devolution may never reach a stable equilibrium.' Relationships will vary according to circumstance, political control and the tactics of the various parties.

Although the government maintains that devolution is not a threat to a unified civil service (Hazell and Morris 1999, p. 138), it is likely that over time varied traditions and cultures will develop in each of the regions, which, in effect, may produce a range of types of officials. The desire for the new devolved bodies not to operate within the confines of the Westminster model may mean that civil servants work within different rules of the game and therefore political–official relationships will vary from the Whitehall norm. Hazell and Morris suggest (1999, p. 138), 'There will be pressure from the Scottish Parliament and Welsh Assembly to have their own civil service, like the Northern Ireland civil service.'

What devolution will produce is new structures of dependency within the British system of government. While at present the most important relationships within the core executive are between the prime minister and departments, the Treasury and departments, and ministers and officials (Smith 1999), devolution will establish important new relationships between the centre and the regions. For certain policies, the prime minister and departments will be dependent on devolved bodies for policy delivery, and important processes of exchange will arise over matters such as finance and legitimacy. This may create an important constraint on the activities of the centre, especially if nationalists or coalitions control regional governments. These new structures of dependency are likely to make greater coordination and joined-up government difficult to achieve because the government will not have direct control over the devolved bodies.

Analysing Labour in Government

Between 1997 and 2001, the policies that have had a direct impact on the civil service – in particular, the reforms of the constitution and the state – reveal in full the dilemmas of New Labour. On one hand, it is radical; on the other, it is bound by tradition and pragmatism. Labour has grappled with many features of the constitution (especially devolution) but without recognising the ways in which the core executive and the Westminster model are fundamentally linked to the reform process. Thus many features of the constitution are being changed without any real consideration being given to the constitution's foundations. This is a fundamental problem because the changes that Labour is introducing have profound implications for the Westminster model and the government has failed to properly consider them. It is difficult to have devolution, a bill of rights, and an independent Bank of England and maintain notions of sovereignty. The fragmentation of the policy process since 1997 will threaten executive sovereignty and further expose the tenuous nature of ministerial responsibility, as well as exposing the contradictions of the reform programme. Under Labour, the framework of the Westminster model remains, while key elements of the model are undermined. For example, the disaggregation of the decision-making process could make greater coordination and joined-up government much harder to attain.

If one adopts a holistic view of Labour's programme of reform, the degree to which political power has conditioned the government's actions since 1997 soon becomes apparent. As discussed above, with a commitment to a Third Way political project, Labour does have a state-led programme to modernise British society and the polity. It is a project conditioned by pluralistic sentiments aimed at devolving power away from the centre – in particular, as a safeguard against any future Conservative government using the state in the way it was used in the 1980s. But the reality of implementing this project has not necessarily proved compatible with the dispersal of power. Now that Labour has gained office, it has not displayed a wholesale willingness to relinquish power in the way it promised before April 1997. Changes such as devolution and freedom of information have been pursued within the context of maintaining the executive power that was so useful to the Thatcherite project. This creates an almost impossible task: New Labour is trying to reform the constitution, the civil service and the state without surrendering the powers of the state. Consequently, reform will be deformed or limited, or it will produce outcomes that are unintended and, possibly, more far reaching than the government envisaged.

CONCLUSION: THE WHITEHALL PARADIGM, CONSTITUTIONAL CONSERVATISM AND PATH DEPENDENCY

The impact of reform on the civil service – both under the Conservatives from 1979 and under Labour in its first term – has led a number of authors to conclude that Britain is moving towards a federal civil service (see Pilkington 1999; Gray 2000; Pyper and Robins 2000). By this it is suggested that the extent to which the vast bulk of the civil service is now deployed outside Whitehall, in either agencies or the newly devolved assemblies, is ample evidence that the old monolithic, hierarchical, centralised model of an integrated civil service has disintegrated and been replaced by a structure that is much more federal in nature. Indeed, in many ways these arguments are a re-expression of the mid-1990s thesis proclaiming the death of the Whitehall paradigm (see Campbell and Wilson 1995; Foster and Plowden 1996). As Gray (2000, p. 298) concludes, the reforms have

> led towards the creation of . . . a managerial state where new sets of relationships between state and citizen, public and private, providers and recipients and management and politics are being created . . . In this respect, control . . . has been relocated to new arenas of power. These new arenas are commonly at one remove from the direct patterns of accountability and control that were to be found in previous state reforms, and maybe overseen by non-elected organisations and actors or by combinations of state, quasi-state and private organisations in new forms of governance.

Whereas in the mid-1990s the 'end of the Whitehall paradigm' thesis may have been overstated, by the end of the Labour government's first term in office the claim that a federal civil service is now emerging appears more compelling. Yet a note of caution must be sounded. It is certainly hard to continue to justify the argument that the British civil service remains a 'unified, but not uniform' organisation. Structurally, much has changed. But other elements of the Westminster model persist. For example, as Theakston (2000, p. 58) observes, senior civil servants continue

> to play a vital role at the fulcrum between politics and administration by virtue of their expertise in making the system work. Ministers (Conservative and Labour) do seem to look for and to value the traditional mandarin skills – of managing the political interface, political nous and a thorough knowledge of the governmental and parliamentary process.

The point here is that while some elements of the Westminster model have clearly been eroded others are still firmly in place, so it may be premature to write about the death of the Whitehall paradigm. Furthermore, confirmation of the collapse of the Westminster model would require explicit recognition

of such a state of affairs by both the incumbent government and the senior civil service. This is unlikely; Britain has tended to avoid facing up to constitutional problems for as long as possible (see Campbell and Wilson 1995, p. 314).

The Westminster model would need to be replaced by an alternative entailing fundamental constitutional reform. The costs of proceeding down such a path can be extremely high, and there would be little popular or political return: few votes are to be won in constitutional reform. It is unlikely that a governing elite would be willing to accept the potentially costly risks involved in this course of action. It is thus doubtful that, in the medium term, Britain will witness the abandonment of the Westminster model. Instead, reform will continue in the manner it has occurred until now, with elements of reform being tacked on to the existing constitutional model. Indeed, Campbell and Wilson (1995, p. 314) are probably right when they observe,

> It would be too optimistic . . . to suggest that the Whitehall model will be replaced by a carefully designed new model of political–bureaucratic relations. Whatever the difficulties, strains and contradictions evident in the model, it may continue. Indeed, the proponents of the Whitehall model can argue that its capacity to survive the Thatcher years is evidence of its adaptability.

The same can be said of the present Labour government's period in office, so it is likely that the model will continue to condition the way ministers and civil servants act in the foreseeable future. The British case of civil service reform is perhaps best understood in the context of path dependency, in which there have been infrequent moments when the bureaucracy's equilibrium has been punctuated. As Peters (1999, p. 65) notes, 'There will be change and evolution, but the range of possibilities for that development will have been constrained by the formative period of the institution.'

Thus even when reform of Whitehall has occurred – for example, in the 1850s, the 1940s and the 1980s onwards – the impact of change has been evolutionary rather than wholesale. The case of the British civil service may prove to be somewhat atypical compared with other pathways of reform discussed elsewhere in this book.

NOTES

1. Private information.
2. As part of the ESRC 'Whitehall Project', I conducted over 180 interviews with ministers and civil servants between 1995 and 1998. ESRC Award Number L124251023.
3. For example, in March 2001 it created a task force to counter the foot and mouth epidemic that swept through the British countryside. The epidemic's effects had been felt by a number of government departments and demanded a joined-up, coordinated response.

REFERENCES

Aberbach, J., R. Putnam and B. Rockman (1981), *Bureaucrats and Politicians in Western Democracies*, Cambridge, MA: Harvard University Press.

Adonis, A. and T. Hames (eds) (1994), *A Conservative Revolution? The Thatcher–Reagan Decade in Perspective*, Manchester: Manchester University Press.

Barberis, P. (1996), *The Elite of the Elite*, Aldershot: Dartmouth.

Beattie, A. (1995), 'Ministerial responsibility and the theory of the British state', in R.A.W. Rhodes and P. Dunleavy (eds), *Prime Minister, Cabinet and Core Executive*, Basingstoke: Macmillan.

Bichard, M. (1999), *Modernising the Policy Process*, London: Public Management and Policy Association.

Blair, T. (1998), 'Modernising central government', speech to the Senior Civil Service Conference, London, 13 October.

Breton, A. and R. Wintrobe (1974), *The Logic of Bureaucratic Control: An Economic Analysis of Competition, Exchange and Efficiency in Private and Public Organisations*, Cambridge: Cambridge University Press.

Brittan, S. (1975), 'The economic contradictions of democracy', *British Journal of Political Science*, **5**(2), 129–59.

Bulpitt, J. (1986), 'The discipline of the new democracy: Mrs Thatcher's domestic statecraft', *Political Studies*, 34, 19–39.

Campbell, C. and G. Wilson (1995), *The End of Whitehall: Death of a Paradigm*, Oxford: Basil Blackwell.

Clegg, S. (1990), *Modern Organisations: Organisation Studies in the Postmodern World*, London: Sage.

Cockett, R. (1995), *Thinking the Unthinkable: Think-tanks and the Economic Counter-revolution*, London: Fontana.

Cronin, J.E. (1991), *The Politics of State Expansion*, London: Routledge.

Daniel, C. (1997), 'May the task-force be with you', *New Statesman*, 1 August.

Dowding, K. (1995), *The Civil Service*, London: Routledge.

Drewry, G. and G. Butcher (1991), *The Civil Service Today*, Oxford: Basil Blackwell.

Dunleavy, P. (1991), *Democracy, Bureaucracy and Public Choice*, Hemel Hempstead: Harvester Wheatsheaf.

Foley, M. (2000), *The Blair Presidency*, Manchester: Manchester University Press.

Foster, C. and F. Plowden (1996), *The State Under Stress*, Buckingham: Open University Press.

Freeden, M. (1999), 'True blood or false genealogy: New Labour and British social democratic thought', *Political Quarterly*, 70, 1–16.

Fry, G. (1984), 'The development of the government's grand strategy for civil service reform', *Public Administration*, 62, 322–35.

Fry, G. (1995), *Policy and Management in the British Civil Service*, Hemel Hempstead: Harvester Wheatsheaf.

Gamble, A. (1994), *The Free Economy and the Strong State*, 2nd edn, Basingstoke: Macmillan.

Giddens, A. (1994), *Beyond Left and Right*, Cambridge: Polity Press.

Giddens, A. (1997), *The Third Way*, Cambridge: Polity Press.

Giddens, A. (2000), *The Third Way and its Critics*, Cambridge: Polity Press.

Gilmour, I. (1997), *Whatever Happened to the Tories?*, London: Fourth Estate.

Gray, J. (2000), 'A hollow state', in R. Pyper and L. Robins (eds), *United Kingdom Governance*, Basingstoke: Macmillan.

Greenaway, J. (1988), 'The political education of the civil service mandarin elite', in R. Fieldhouse (ed.), *The Political Education of Servants of the State*, Manchester: Manchester University Press.
Greenleaf, W.H. (1987), *The British Political Tradition*, vol. 3, *A Much Governed Nation*, London: Methuen.
Greer, P. (1994), *Transforming Central Government: The Next Steps Initiative*, Buckingham: Open University Press.
Halligan, J. (1996), 'The diffusion of civil service reform', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Harris, J. and T.V. Garcia (1966), 'The permanent secretaries: Britian's top administrators', *Public Administration Review*, **26**(1), 31–44.
Hart, D. (1972), 'The genesis of the Northcote–Trevelyan report', in G. Sutherland (ed.), *Studies in the Growth of Government*, London: Routledge and Kegan Paul.
Hay, C. (1996), *Restating Social and Political Change*, Buckingham: Open University Press.
Hay, C. (1999), *The Political Economy of New Labour: Labouring Under False Pretences?*, Manchester: Manchester University Press.
Hazell, R. and R. Cornes (1999), 'Financing devolution', in R. Hazel, *Constitutional Futures*, Oxford: Oxford University Press.
Hazell, R. and B. Morris (1999), 'Machinery of government in Whitehall', in R. Hazel, *Constitutional Futures*, Oxford: Oxford University Press.
Hazell, R. and R. O'Leary (1999), 'A rolling programme of devolution: slippery slope or safeguard of the union?', in R. Hazell (ed.), *Constitutional Futures*, Oxford: Oxford University Press.
Heady, F. (1979), *Public Administration: A Comparative Perspective*, 2nd edn, New York: Marcel Dekker.
Heady, F. (1996), 'Configurations of civil service systems', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Heath, E. (1998), *The Course of My Life: The Autobiography of Edward Heath*, London: Hodder and Stoughton.
Hennessy, P. (1989), *Whitehall*, London: Secker and Warberg.
Hennessy, P. (1998), 'The Blair style of government', *Government and Opposition*, 33, 3–20.
Hogwood, B. (1997), 'The machinery of government', *Political Studies*, **45**(4), 704–15.
Hojnacki, W.P. (1996), 'Politicisation as a civil service dilemma', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Hood, C. (1990), 'De-Sir Humphreyfying the Westminster model of governance: a new style of governance?', *Governance*, **3**(2), 205–14.
Hood, C. (1991), 'A new public management for all seasons', *Public Administration*, 69, 3–19.
Ingraham, P. (1996), 'The reform agenda for national civil service systems', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Jay, P. (1977), 'Englanditis', in R.E. Tyrell (ed.), *The Future That Doesn't Work*, New York: Doubleday.
Judge, D. (1993), *The Parliamentary State*, London: Sage.

Kavanagh, D. (1997), *The Reordering of British Politics*, Oxford: Oxford University Press.
Kavanagh, D. and A. Seldon (1999), *The Powers Behind the Prime Minister: The Hidden Influence of Number Ten*, London: Harper Collins.
Kellner, P. and N. Crowther Hunt (1980), *The Civil Service: An Enquiry into Britain's Ruling Class*, London: Macdonald.
Kelsall, R.K. (1955), *Higher Civil Servants in Britain*, London: Routledge.
King, A. (1975), 'Overload: problems of governing in the 1970s', *Political Studies*, **23**(2/3), 284–96.
Ludlam, S. and M.J. Smith (1996), *Contemporary British Conservatism*, Basingstoke: Macmillan.
Marsh, D., D. Richards and M.J. Smith (1995), 'Central government departments and the policy process', in R. Rhodes and P. Dunleavy (eds), *Prime Minister, Cabinet and Core Executive*, Basingstoke: Macmillan.
Marsh, D., D. Richards and M.J. Smith (2000), 'The changing role of central government departments', in R.A.W. Rhodes (ed.), *Transforming British Government*, vol. 2, *Changing Roles and Relationships*, Basingstoke: Macmillan.
Marsh, D., D. Richards and M.J. Smith (2001), *Changing Patterns of Governance: Reinventing Whitehall?*, Basingstoke: Palgrave.
Metcalfe, L. (1993), 'Conviction politics and dynamic conservatism: Mrs Thatcher's managerial revolution', *International Political Science Review*, **14**(4), 212–21.
Migue, J. and G. Berlanger (1974), 'Towards a general theory of managerial discretion', *Public Choice*, 17, 27–43.
Moore, B. (1966), *Social Origins of Dictatorship and Democracy*, Harmondsworth: Penguin.
Niskanen, W. (1971), *Bureaucracy and Representative Government*, New York: Aldine Atherton.
Noll, R.G. and M.P. Fiorina (1979), 'Voters, bureaucrats and legislators: a rational perspective on the growth of bureaucracy', *Journal of Public Economics*, 9, 239–54.
Northcote, S. and C. Trevelyan [1854] (1954), 'The Northcote–Trevelyan report', reprinted in *Public Administration*, 32, 1–16.
Parsons, W. (1998), 'Fuzzy in theory and getting fuzzier in practice: post-modern reflections on responsibility in public administration and management', in A. Hondeghem (ed.), *Ethics and Accountability in a Context of Governance and New Public Management: EGPA Yearbook*, Amsterdam: IOS Press.
Peele, G. (1999), 'The growth of the state', in I. Holliday, A. Gamble and G. Parry (eds), *Fundamentals in British Politics*, Basingstoke: Macmillan.
Performance and Innovation Unit (2000), *Wiring it Up: Whitehall's Management of Crossing-cutting Policies and Service*, London: HMSO.
Peters, B.G. (1999), *Institutional Theory in Political Science: The New Institutionalism*, London: Pinter.
Pilkington, C. (1999), *The Civil Service in Britain Today*, Manchester: Manchester University Press.
Platt, S. (1998), *Government by Task-force: A Review of the Reviews*, London: The Catalyst Trust.
Plowden, W. (1994), *Ministers and Mandarins*, London: Institute of Public Policy Research.
Pollitt, C. (1990), *Managerialism and the Public Services: The Anglo-American Experience*, Oxford: Basil Blackwell.

Ponting, C. (1986), *Whitehall: Tragedy and Farce*, London: Hamish Hamilton.
Pyper, R. (1991), *Political Realities: The Evolving Civil Service*, London: Longman.
Pyper, R. and L. Robins (2000), *United Kingdom Governance*, Basingstoke: Macmillan.
Raadschelders, J. and M. Rutgers (1996), 'The evolution of civil service systems', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Rhodes, R.A.W. (1981), *Control and Power in Central–Local Government Relations*, Farnborough: Gower.
Rhodes, R.A.W. (1997), *Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability*, Buckingham: Open University Press.
Richards, D. (1997), *The Civil Service under the Conservatives 1979–97: Whitehall's Political Poodles?*, Brighton: Sussex Academic Press.
Richards, D. and M.J. Smith (2000a), 'New Labour, the constitution and reforming the state', in S. Ludlam and M.J. Smith (eds), *New Labour in Government*, Basingstoke: Macmillan.
Richards, D. and M.J. Smith (2000b), 'The public service ethos and the role of the British civil service', *West European Politics*, **23**(3), 45–66.
Rose, R. and T. Karran (1994), *Governing by Inertia*, London: Routledge.
Rubenstein, W.D. (1986), 'Education and the social origin of British elites, 1880–1970', *Past and Present*, 112, 163–207.
Scott, R. (1996), *Report of the Inquiry into the Export of Defence Equipment and Dual Use Goods to Iraq and Related Prosecutions*, London: HMSO.
Smith, M.J. (1999), *The Core Executive in Britain*, Basingstoke: Macmillan.
Smith, M.J., D. Marsh and D. Richards (1993), 'Central government departments and the policy process', *Public Administration*, **71**(4), 567–94.
Thatcher, M. (1993), *The Downing Street Years*, London: Harper Collins.
Theakston, K. (1995), *The Civil Service Since 1945*, Oxford: Basil Blackwell.
Theakston, K. (1998), 'New Labour, new Whitehall?', *Public Policy and Administration*, **13**(1), 13–34.
Theakston, K. (2000), 'Minister and civil servants', in R. Pyper and L. Robins, *United Kingdom Governance*, Basingstoke: Macmillan.
Theakston, K. and G. Fry (1989), 'British administrative elites: permanent secretaries 1900–1986', *Public Administration*, 67, 129–47.
Thelen, K., F. Longstreth and S. Steinmo (1992), *Structuring Politics: Historical Institutionalism in Comparative Analysis*, Cambridge: Cambridge University Press.
UK Government (1999), *Modernising Government*, London: HMSO.
van der Meer, F.M. and R.L.J. Roborgh (1996), 'Civil servants and representativeness', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Weber, M. (1976), *Wirtschaft und Gesellschaft*, 4th edn, Tübingen: Mohr.
Weller, P., H. Bakvis and R.A.W. Rhodes (eds) (1997), *The Hollow Crown: Countervailing Trends in Core Executives*, Basingstoke: Macmillan.
Wilson, R. (1998), 'Modernising central government: the role of the civil service', speech to the Senior Civil Service Conference, 13 October.
Wilson, R. (1999), 'The civil service in the new millennium', Cabinet Office speech, May.

4. The Australian public service: redefining boundaries

John Halligan

INTRODUCTION

The Australian system is a variant of Westminster that exhibits features of the Whitehall model and maintains a close relationship with Britain. The evolution of the Australian and British systems has been concurrent since the 19th century, and the emergence of a Canberra model is well recognised (Butler 1973). Australia's central government is relatively young in two senses: it was inaugurated only 100 years ago; and it came to preside nationally only during the second half of its existence (that is, from the Second World War).

The culmination of the Australian system's first 80 years was a highly bounded organisation – a public service formed by decades of evolutionary expansion and the growth of discretion. (It was also constitutionally embedded and constrained by the federal system, but it lacked the prescriptions acquired through a long history.) The response in the last two decades of the 20th century was reform that was extensive and, arguably (according to Aucoin 1995), more far-reaching than the reforms in other federal systems.

The lack of frameworks for examining reform led Self (1978, pp. 312–14) to draw on general analyses of public administration that delineated components that were subject to change. Accordingly, 'three arenas of behaviour and belief' were distinguished – the social, the political and the bureaucratic – each associated with an agenda (see Pierre 1995). The first two focus on relationships between a bureaucracy and its environment (that is, they are external); the third is internal. These categories provided a basis for demarcating the main changes to the Australian public service: reformulation of external relationships and reconstitution of the public service internally. The two fundamental relationship-based agendas involved redistributing power between public servants and politicians and realigning the relationship between the public and private sectors.[1]

The internal reforms to the service were comprehensive in that they

covered all dimensions of the system, including basic principles, and involved an inversion of the roles of administrators and managers and a shift from an administrative culture to a management one – and increasingly towards a market- and contract-based system. These changes are well documented (Campbell and Halligan 1992; Halligan 1997a, forthcoming; Davis and Rhodes 2000), as are the debates that accompanied them (Considine and Painter 1997). The internal focus here is on the reconstitution of a traditional centralised, bounded, hierarchical public service as a disaggregated, decentralised, more open and externally focused system.

Labor governments (1983 to 1996) were most responsible for redistributing power internally, although the apogee of political influence through advisers occurred under coalition governments (from 1996). The conservative coalition was more focused on the public–private relationship, albeit building on the foundation laid by Labor. A distinctive new public service has officially been proclaimed (Kemp 1998a), which in its fundamentals purports to be quite different from before.

High levels of reform to each of these three arenas entail risks – of politicisation, of excessive managerialisation and 'marketisation' in a private sector direction, and of disintegration. There are major difficulties with securing a balance between the components of a reconstituted and redesigned public service (for the precedents regarding neglect of this factor, see Halligan and Power 1992), giving rise to high potential for conflict among the various components (Aucoin 1990).

This raises the question of which type of explanation is most helpful. A traditional interpretation is that public services are subject to changing moods and preferences over time; these may be represented as oscillations in fashions or swings of the pendulum (see, for example, Spann 1981; Waldo 1984; Aucoin 1990). The result may be corrective swings that produce a move to the mainstream, suggesting that path dependency dominates in the longer term. There may also be longer term changes in values, with broader developmental implications for civil service systems (Kaufman 1969).

The most significant consequence is reform of sufficient moment to cause a move between models. In this context, the end of the Whitehall model has been raised as a scenario for Britain (Campbell and Wilson 1995).

A second basis for reviewing change is to compare like systems – in this case, the Australian public service with other public services within the 'Anglo' tradition. The Australian reforms have generally reflected the broader reform movements within the Anglo circle (particularly those in New Zealand and the United Kingdom), but they differ in process, and in some respects outcomes, and this provides a means for gauging the level and type of change.

DEVELOPMENT OF THE PUBLIC SERVICE

The Australian public service has a short history, dating only from 1901, when the six colonies federated. As a combination of colonial systems, which themselves lacked a long history – the status of responsible government was, after a relatively short period of direct rule from London, acquired in the second half of the 19th century – the federated system was quickly but unevenly institutionalised. The development of a national public service could be traced to the earliest European settlement in the late 18th century or earlier, but a national government did not formally exist until 1901. Five phases can be distinguished (Halligan 1994) as the public service evolved in parallel with other Anglo systems yet followed its own pathway.

1. Colonial Administration

The earliest Australian tradition for the various public services was paternal, or 'colonial autocracy' (Spann 1979, pp. 252–4; see Caiden 1965, p. 34), in which a colony was administered by a governor responsible to the British government. The central role of government in providing a range of services for the community was established then,[2] as was the use of various British practices, such as patronage.

2. Popular Control of Representative Institutions

The phase of popular control of representative institutions stretched from the mid- to the late 19th century and was associated with the differentiation of political from non-political officials. Ministers assumed control of public servants and became responsible to the legislature. There were also indications of the colonies borrowing basic principles from an evolving Westminster model, but divergences were already apparent in the 19th century (Finn 1990).

One noteworthy trend was the development of the ministerial department as the basic unit of administrative organisation (Spann 1979, pp. 252–3). 'Departmentalism' emerged as administration was divided between an expanding number of agencies, each responsible for its personnel and management. The instability of ministries fostered administrative authority.

A second development was the reliance on patronage. This practice for recruiting staff was inherited from pre-responsible government, only now it was in the hands of elected representatives, who were subject to popular pressures, or the chief officials of agencies. Nevertheless, it appears that 'patronage was exercised with due regard to the political situation and the needs of the public service' (Caiden 1965, p. 39). Only Victoria, between 1870 and 1883, allowed something akin to an American 'spoils' system to occur.

3. Personnel and Business Efficiency

The phase characterised by personnel and business efficiency, extending from the 1880s to the First World War, was one of experimentation with new forms of organisation and procedures that drew on ideas in circulation in the UK and the US and their developing civil service systems – for example, the separation of politics and administration, scientific management, and the use of business methods to improve efficiency (Mosher 1968, pp. 68–72).

Two prominent themes were personnel practice and government enterprise, which had in common the principles of efficiency and the dichotomy between politics and administration. The year 1883 was pivotal in so far as Victoria introduced both the concept of the public corporation for railways management and the first significant legislation for personnel; if both were not immediately successful, they did provide models for later governments. For example, the public corporation as a mechanism for undertaking a range of functions of a business nature emerged as a solution to the colony's intractable problems with political interference in railway management (Wettenhall 1987). The concept was then applied to other functions, laying the foundation for the non-departmental sector, that broad field of public sector activity that lies outside the public service.

The move to institute centralised personnel arrangements in the colonies derived from the lack of uniform rules governing personnel and the prevalence of patronage in recruitment. New legislation provided for independent control of the public service, open competition for entrants, promotion by merit, grading and classification of all personnel, and salaries based on work value. A pattern emerged for the public services, with three main features: a centralised board or commissioner; recruitment to the base grade by open competition; and a career service (Spann 1979). The 1902 Public Service Act extended these principles to the new Australian federation.

4. The Administrative State

It is generally considered that the First World War marked a turning point and closed an era in Australian government and administration (Bland 1944, p. xxv). A series of royal commissions was triggered by the wartime situation, but for four decades after that there was no reform based on general inquiries. The combination of the Depression and war and its aftermath accounted for much of the period from the mid-1910s. The extremes of either unstable government or one-party domination of government characterised the states during this period and were factors in their ossification. After the Second World War, the Commonwealth provided a new presence, overshadowing the

states as it expanded more rapidly and developed a professionalised public service.

The lengthy period between the First World War and the 1970s was characterised by incremental change, but most of this was a product of the growth of government (see Table 4.1) and ad hoc decisions, rather than concerted attempts at designing a public service. Governments relied on the bureaucracy for both administering the system and taking the initiative with regard to policy directions. Public servants' discretionary power grew within a framework dominated by administrative standards and processes serving to obscure the role and central direction of the political executive. The public service acquired the characteristics of the administrative state, which have been described elsewhere (Waldo 1984).

Table 4.1 Australian public service staff, 1901 to 2001

Year	Number
1901	11 191
1911	15 120
1921	23 849
1931	32 312
1941	60 489
1951	161 031
1961	165 214
1971	237 174
1981	151 761
1991	163 220
1996	143 305
2001	118 644

Sources: PSMPC (2001a); Public Service Board & Public Service Commission; Department of Finance statistical yearbooks and bulletins.

5. A Reform Period

The last 20 years of the 20th century were characterised by an acceleration of the pace of change in the public sector. This was initially associated with Labor governments, which introduced a new model for public governance. The overall direction could be described as a move away from an administrative, closed and centralised system towards a political, management-centred, open and decentralised system.

REFORM: INITIATION AND DIFFUSION

The reform era has been remarkable for the level of public sector change. Four features have been important: the magnitude of the reform; the breadth of the reforms; the longevity of the process; and the importance of the changes. In Australia, a wave of reform surfaced in the early 1980s. Although there had been extensive experimentation by state and federal governments since the early 1970s, the conditions for a more concerted effort did not arise until the 1980s – a package of reforms promoted by a government with a mandate and the determination to mount a reform programme.

A second feature was that reform in Australia was comprehensive, rapid and systemic. The changes were comprehensive in two senses: they applied across the public sector; and they left no area untouched, covering the gamut of possibilities – philosophy, operational style, structure, personnel and culture. In addition, the reform was sustained. From the outset, there was one government in power at the federal level, at least until the 1996 election.[3] This continuity of office-holding was a major factor in allowing reform to advance and be sustained. Finally, what differentiated the 1980s from the 1970s was the rejection of traditional ways (identified with administration) and their replacement by a package of reforms based on management. In short, there was a paradigm change in Hall's sense (1993) of an interpretative framework of ideas and standards.

The reform process and sequence in Australia took a form in which the development of initiatives was more protracted than in a country such as New Zealand. The three dimensions of interest here – political/bureaucratic, public/private and internal service – were subject to change over 20 years but at different rates and times.

The main elements of the reform programme focused initially on the core public service (including decentralisation and the senior public service) and improving financial management; this was followed by commercialisation and corporatisation and, later, privatisation. The flagging reform momentum in the mid-1980s produced new directions that were linked to the emerging micro-economic reform agenda, the most significant element being the major re-organisation of the machinery of government.

Australia concentrated much more on reform of the core public service because the need for corporatisation was less pronounced than in, say, New Zealand and privatisation was resisted more. The reform sequence in New Zealand covered similar ground but in different ways: the process was fairly explicit and largely sequential, corporatisation being followed by privatisation plus reform of the core public service. Intergovernmental reform and financial management reform were next, and after that attention centred on the 'non-commercial' welfare state, employment relations, fiscal responsibility, and significant management refinements in the 1990s.

The reform programme in Australia initially consisted of two broad agendas, political and managerial, each of which comprised a set of reforms. To bring about change, the political executive had to secure control over the bureaucracy, and this was eventually accomplished by relying on a shift from administering to managing within the bureaucracy. In the 1990s Australia worked hard at developing and implementing a new management philosophy that was designed to replace the traditional approach (which emphasised inputs and processes) with a focus on results. Unlike New Zealand's theoretically driven approach, Australia's primary focus was on evolving a management framework pragmatically while applying reforms across the public service.

Marketisation and contractualism were initially a secondary element, although more recently they have acquired greater force. The first phase, centred on the 1980s, produced commercialisation, and gradually competitive elements entered specific areas of the public service – for example, the use of business units within government departments. The second phase received its greatest impetus from the Hilmer report on national competition policy (NCPR 1993). This was a product of the microeconomic reform agenda, which first emerged in the mid-1980s and covered various sectors of the economy but by the mid-1990s was concentrating firmly on national rationalisation of utilities and national benchmarking of performance (in hospitals, for example). The national focus on competitiveness and the emergence of the Council of Australian Governments also produced an agenda for rationalising and decentralising the delivery of health and community services.

With the election of a new government in March 1996, the pace of reform to the Commonwealth public service accelerated again. A new stage in reform had already been becoming apparent in the 1990s, but Australia's disinclination to grasp some principles emphatically and its inclination to rely instead on gradualism meant that in the mid-1990s it moved into another period of transition as the pressures for further reform intensified. The new focus was on market and contractual relationships, the main principles being competition and contestability, a client focus, and application of the purchaser–provider model.

Reform Origins

The historical dynamics that account for change and the character of public services have several dimensions. There are forces associated with the expansion and contraction of government. Fiscal stress and economic crisis have been central. Government responses to fiscal austerity have prompted inquiries into the relationships between economic conditions and public

policy and administration. Diffusion of reform and administrative practice has been significant, particularly between the former 'mother' country and Australia, but the influence of other countries, such as the US, has also been important.

There have, then, been two periods of intensive change in Australian history since the foundation of government in the mid-19th century. The first major period of modernisation occurred between the 1880s and the First World War. The second period of great change occurred from the 1970s to the 1990s. These two periods, separated by an extended phase of incremental administrative change (the 1920s to the 1960s), were characterised by intensive change, experimentation, and attention to system design. In particular, the first period was associated with the reconstitution of six colonial systems as six states and the Commonwealth of the federation in 1901; the second was characterised by wholesale reform of all seven public sectors of the federated system. It has been argued that there have been two main paradigms: the first dominated for most of the 20th century but was displaced by a second framework derived in large part from a rejection of key elements of the first (Halligan and Wettenhall 1990).

Just as the current period has particular emphases, so too were earlier phases in the history of the states distinctive in various respects. The schools of thought that seek to link responses in a period to the inadequacies or excesses of its predecessor may have something to offer here. It is, of course, not new to note the operation of such processes. Many observers have discussed the swings in the public administration agenda over time (see, for example, Kaufman 1969; Spann 1981; Waldo 1984).

Five reasons for recent reform can be identified – the failure of traditional approaches; fiscal problems; the ascendency of neo-liberal thinking; management deficiencies; and political control. Labor's reform programme when it assumed power combined both increasing political direction to improve policy implementation and a series of efficiency measures.

Failure of traditional approaches

By the early 1980s it was becoming clear that traditional administration was not adapting sufficiently to handle the demands being made of it. The last significant innovation in the 1970s had been the introduction of the new administrative law, but this offered no solution to broader problems. The recommendations of the Royal Commission on Government Administration (RCAGA 1976) – the last of the old-style comprehensive reviews – were not implemented, in part because the government changed. The failure of 1970s experiments and processes suggested the need for a new, more effective reform package. The managerial approach was crystallised as consensus emerged about the deficiencies of the public service.

Fiscal problems

A principal factor motivating reform was the intensification of fiscal austerity; this produced the need for tighter resource use, which could not be met by a process-oriented approach. In the 1980s Australia emerged from a long period characterised by a regulated economy and a commitment to using the public sector for providing the services of a welfare state. There was increasing concern about the condition of the economy (for example, the deficits) and the functioning of the public sector (for example, the lack of managerial skills and the poor performance of public enterprises). Fiscal difficulties played an important part, and financial deregulation of the economy produced intensified pressures for public sector reform.

The internationalisation of the Australian economy in the 1980s proceeded first with deregulation of the financial system in 1983, then with removal of interest rate controls and deregulation of banking. The collapse in commodity prices and the decline in the terms of trade produced a balance-of-payments crisis in 1985 and the 'banana republic' declaration of the then treasurer. The crisis was a significant turning point because it highlighted the structural problems in the Australian economy. Since that time, restructuring and international competitiveness have dominated the policy agenda (Kelly 1992).

The main directions of reform of the public sector reflected the broader programme of economic reform, eventually leading to a transformation of the roles of the state. In relation to two key roles – fiscal responsibility and the provision of goods and services – there were reductions in the size of the public sector and contractions in direct service provision (Bell 1997). Public sector reform was largely determined and sustained by economic problems. Internationalisation of the economy through financial deregulation produced intense pressures for public sector reform, and with mounting economic demands the reform programme was extended.

Ascendancy of neo-liberal thinking

The early manifestations of neo-liberalism in the 1980s are registered in Pusey's (1991) study of economic rationalists in Canberra. Neo-liberalism assumed more direct significance once the first conservative government of the reform era had been elected. Its National Commission of Audit (1996) operated within a neo-liberal framework, and budgets and public sector reform were seen to be driven ideologically (Kemp 1998a; Wanna et al. 2000).

Management deficiencies

The failure of management in specific agencies was exposed through public inquiries. A bipartisan view emerged that the management skills of senior public servants were both deficient and undervalued relative to their policy and administrative skills. This weakness was seen to be a product of a system

that placed too much emphasis on inputs and process. In addition, the emerging orthodoxy among many public administrators was that managerial approaches should be adopted. This was linked to growing pressure within the public service for a reduction in centralisation – for managers to have greater freedom from procedural constraints and for departments to be able to manage more independently of control from central agencies.

Political control

Reform programmes were also driven by Labor's concern with political control, which had come to be regarded as both an end in itself and a means for implementing party policy. To achieve this, a redistribution of power between the bureaucracy and the politicians was necessary. Other reforms were, however, not ignored; they either conformed to the political objectives (for example, top-down, centrally directed budgeting and management) or were simply subservient to them.

The earlier Whitlam Labor Government was the first to breach the established arrangements. Wilenski, the most influential figure in Australian public service reform at the time, contended that the reason behind the failure to implement the reform proposals of the 1970s was 'neglect of political factors', but that 'these lessons have now been learned' (Wilenski 1986, pp. 166–7, 198). Enhancement of the political executive's power proceeded through several experiments at both state and federal levels during the 1970s and early 1980s. The outcome was a set of political mechanisms for influencing and directing the public service – improved central capacity to set directions and establish priorities, greater ministerial resources, and more effective and diverse external policy advice. A range of tested political methods became available for facilitating political control of the executive branch, but the package remained incomplete.

A new stage emerged in the 1980s when governments embraced managerialist approaches to enforcing and maintaining control, at which point the new package won general acceptance. Although managerial ideas had been infiltrating for some time, what was strikingly different was that managerial change was now accepted and seen in systemic and strategic terms and as complementary to political agendas.

Reform Diffusion

The Australian reform programme has been influenced by the experience of other countries, although other forms of borrowing and influences from other sectors (whether it be the sub-national public sector or the private sector) need to be acknowledged (Halligan 1996a, b).

In the early stage of its reform programme Australia was willing to draw on

British and US examples. First, the Financial Management Improvement Programme provided the basis for the managerialism of the 1980s and, although there were several types of influence from overseas, there were parallels with Britain's Financial Management Initiative. Second, Australia's adoption of the efficiency-scrutiny model from Britain represents an explicit case of diffusion and received official acknowledgement as such. A third case of borrowing was the introduction of a senior executive service, a model developed in the United States (Halligan 1992) and introduced at national level in Australia in 1984 (following its initial adoption in the state of Victoria). A more recent instance of diffusion is the Charter of Budget Honesty, which was borrowed from New Zealand's Fiscal Responsibility Act 1994 (National Commission of Audit 1996, p. 389).

There are, however, other influences and types of reform diffusion.[4] Borrowing from other units of government can occur internally as well as externally (Halligan 1996b). The major Australian changes resulted from experimentation at both state and national levels over a 15-year period. The main diffusion mechanism in the 1980s was the Labor Party, which was organised on a federal basis and controlled most governments at state level as well as nationally. The first system to put the new reform package together was a Labor government elected in Victoria in 1982. The federal nexus was therefore important, and the influence of the state-level experience explicit (Halligan and Power 1992). Increasingly in the 1980s, the OECD provided the basis for an important network of management improvement, its publications (OECD 1990, 1995) and forums becoming important sources of knowledge and debate about managerial change in Australia and other member countries.

PUBLIC OPINION

Australia comes from a tradition that favours society over the state, but historically it has had to rely on the state for development. A traditional and dated stereotype that derived from the development role was of the state as a vast utility. Although the lack or patchiness of the survey evidence makes it difficult to determine precisely the dominant perception of the public service, the overall impression of the nation could be summed up as being either divided or ambivalent, reflecting the inconsistencies and paradoxes in attitudes. A more recent consideration has been changing attitudes towards the standing of institutions, both governmental and societal.

The inconsistencies have been well-established for some time. Despite press and public comment suggesting hostility towards the bureaucracy, 'It would be nearer the truth to say that the prevailing attitude is one of ambiguity . . . The results of public opinion polls illustrate some of these ambiguities

and contradictions' (Encel 1970, p. 73). An early Gallup Poll that asked about the same jobs in government and business found 47 per cent of respondents in favour of the private sector and 44 per cent for public employment, with 5 per cent perceiving no difference. According to Encel (pp. 73–4), the results made explicit a division of opinion but did not indicate strong antipathy toward the bureaucracy. Later surveys reported similar divisions, although the questions were not comparable and only hint at public attitudes (for example, on public service pay). A March 1994 Saulwick Poll found a split between those who believed the federal government had too much power (43.5 per cent) or the right amount of power (41.2 per cent).

Perceptions of the public service during the 1990s may have been reinforced by politicians' constant unfavourable comparisons with the private sector during the process of continuous reform. There have also been challenges to institutional practices that provided support for trust in government both from the new right and changing public attitudes about the worth of institutions (Papadakis 1999). Cut-backs in services reinforce social and economic change and difficulty. Almost two-fifths (38 per cent) of the Saulwick Poll respondents believed that assistance from government bodies was worse than ten years previously. There was also evidence that taxpayers supported higher unit levels of public expenditure – although preferring some changes to its composition – and public sector delivery (Withers et al. 1994). Since the 1980s the ascendancy of economic rationalism within the public service has been debated (Pusey 1991), but how much this has translated into public opinion is unclear.[5]

There are also indications that general and specific attitudes may be in conflict. As elsewhere, specific experiences of agencies and services may rank higher than broader attitudinal positions on the public service – and customer surveys undertaken by the major service delivery departments report fairly high levels of satisfaction with the quality of services and staff. In many respects Australian attitudes appear to be more closely aligned with those from the US; this contrasts with European views, which suggest the influence of the 'settler society' legacy and the greater emphasis on individualism but are somewhat less supportive of a major government role (Bean 1991). Australian views were, however, more pragmatic and less consistently anti-government than those of Americans.

The attitudes towards trust in politicians also suggest ambivalence, and politicians' ranking in terms of honesty and ethics has slipped (Goot 2002). There has been declining confidence in the federal government, albeit as part of a broader trend of declining confidence in institutions in general. Papadakis (1999) reported a major decrease in confidence in the federal government between 1983 and 1995, from 56 to 26 per cent, while Goot (2002), using somewhat different categories, reports some increase since then in confidence

in the federal government. In terms of confidence in each of the three levels of government, there is little variation, but in no case is there a high degree of confidence (Goot 2002).

The drop in confidence in the public service is less significant than for other institutions (such as the church, the legal system, major companies and the federal government), but it is still substantial: 47 per cent had considerable confidence in 1985 but only 38 per cent did so in 1995.

POLITICAL–PUBLIC SERVICE RELATIONS

Under the Westminster model, relations between politicians and bureaucrats have traditionally centred on the coexistence of a neutral public service and responsible government (Aucoin 1995). The inherent tension between the two elements has been kept in balance by applying well-established principles. During the last 30 years, however, an imbalance became apparent, and politicians sought to expand their authority in response to the bureaucrats' ascendancy. This occurred as part of comprehensive programmes of reform that combined management and market components, raising questions about the resolution of contradictions between elements.

The modes of demarcating politics and administration range from the model that firmly delineates political and public service careers and maintains firm boundaries around the public service to the model in which the careers intermingle and the boundaries are weak (Pierre 1995, p. 207). The British system has approximated the former – strong separation combined with distinctive boundaries – and countries operating within that paradigm, such as Australia, have displayed the same features.[6] But the modern reform era has produced some striking departures from tradition (Halligan 2001a), and this section explores Australia's movement away from the traditional model.

Separation of the political and administrative realms has been a feature of the Australian system. The relationship between politicians and bureaucrats has been defined in terms of a neutral public service that is willing to serve the political executive regardless of party. In turn, the political executive has respected the integrity of the public service by upholding its apolitical and professional character and avoiding actions that might fundamentally alter this relationship. The dominant perception reflects the nature of a political system that derives from the Westminster model and provides for responsible government based on the majority party. A strong political executive that is subject to, but not greatly constrained by, parliamentary oversight is the result.[7]

This relationship has been brought into question by a combination of pressures from politicians seeking to expand their authority, specific initiatives designed to refine or clarify the relationship, and public sector reform that has

directly or indirectly reshaped the operating environment and culture. Whereas once the dominant trend was for the expansion of the public servant's roles relative to those of the politician (Aberbach et al. 1981), a contraction of roles was now apparent. The pressures led to major challenges to the basis of the traditional model, thus raising the question of whether that model has survived, been modified or been transformed.

The 'Anglo' tradition had several features. The career public servant was expected to be neutral and, as a permanent official, to be willing to serve (and survive) successive governments. Appointments to the higher public service were not subject to political considerations and were almost exclusively drawn from the ranks of career officials. The most senior appointments were confirmed by the political executive but only after an advisory process that produced recommendations from senior officials. The ministerial department was the repository of policy knowledge and advice to the government. The consistent pattern in the last three decades has been for the political executive to challenge these elements of the traditional system in the drive for a more responsive public service. Four dimensions highlight the types of changes that have occurred (Halligan 2001a): the strengthening of ministerial influence and resources; the weakening of the public servant's position; the breadth and exclusivity of the senior public service's roles; and the appointment and tenure of the senior public servant.

Strengthening the Political Executive

Pressure to expand the influence of politicians first intensified in the 1970s. The bureaucracy was seen as too elitist, too independent, too unrepresentative and insufficiently responsive. The reaction of Labor governments – in particular, those of Whitlam (1972 to 1975) and Hawke (1983 to 1992) – was to challenge the public servants' monopoly on advice to ministers and to question their indispensability to the processes of government. The direction was made explicit in the White Paper *Reforming the Australian Public Service*, which stated that 'the balance of power and influence has tipped too far in favour of permanent rather than elected office holders' (Commonwealth of Australia 1983).

The Hawke government sought to install a set of effective political mechanisms at cabinet and ministerial levels and to consolidate and extend the influence of the political system within the executive branch (Campbell and Halligan 1992). Political direction, whether by cabinet or by ministers, was accepted as the basis for action and the cabinet system was refocused, to give more prominence to collective responsibility and to the priorities of government. The major machinery changes of mid-1987 produced a consolidated departmental structure based on 16 core departments and changes to central agency functions.

Second, the Hawke government opted to strengthen ministerial support without fundamentally changing the administrative tradition. The Labor Party's 1983 election platform had proposed a political tier within the senior ranks of the public service that would comprise all the departmental heads in the first division and up to 5 per cent of officials in the second division. This scheme, which was influenced by practice in the US, represented the most significant challenge to the tradition of public service neutrality since the formation of the federal government because it sought to place control of policy direction in the hands of political appointees within the public service (Wilenski 1986). In the end, much of the pressure for formal political appointments – as a means of reducing dependence on the permanent public service – was rechannelled through a new position, the ministerial consultant. The Hawke government, mindful of the disruptions produced by the activist Whitlam government, settled for this compromise as a way of augmenting ministerial resources and influence.

Alternative sources of advice and assistance had been increasingly relied on by ministers since the Whitlam government, mainly in the form of growing numbers of ministerial advisers, who were often public servants. The Hawke government chose to expand the ministerial office as an alternative to politicisation, but also moved towards placing more political appointments between (or within) the bureaucracy and politicians. Ministerial staff took over some roles that were previously the province of senior public servants and could be directly and routinely involved in departmental processes (Halligan and Power 1992; Dunn 1997).

The growth in the number of ministerial staff, including advisers, was sustained throughout the 1980s and 1990s (Maley 2000a). Their contribution became an accepted part of the machinery, except that the excessive influence of ministers' offices and the pivotal role of many, often young and inexperienced, advisers was widely, albeit anecdotally, perceived to have become a flaw in the system of government.

Weakening the Public Servant

Before the reform period the public service was a relatively closed system; the boundaries were fairly tightly drawn and there was a sharp differentiation of the public service from the private sector and the political sphere in addition to a preference for working within accepted principles and practices. A softening of the boundaries began to occur in the 1970s and became more evident in the 1980s. The assault on senior public servants was directed at their career autonomy. Traditionally, they had been part of the career system that enshrined permanency – partially as a counterpoint to the provision of fearless advice – within the public service. An important means of expanding

the influence of the political executive was to weaken and transform the officials' position.

Four considerations were particularly important for the status of the career service. The first involved changes to tenure that essentially resulted in the diminution or abolition of permanency. The notion of permanence was removed by redesignating the departmental head as the departmental secretary and making fixed-term appointments. Another break with the past was the replacement of the second division with a senior executive service, which was designed to introduce, among other things, greater flexibility in the use of senior staff. A third tactic for weakening the traditional system was to encourage greater competition by increasing the opportunities for outsiders to enter the service. The fixed-term engagement was established for the senior executive service in order to facilitate this external entry. It became easier to appoint outsiders, although for various reasons the influx was not highly significant. The fourth dimension was the greater provision for displacement, redeployment and retrenchment of senior public servants, which led to a reduction in the size of the senior executive service in the late 1980s.

The relationship that should exist between minister and departmental secretary provided the basis for the changes to procedures for appointing senior public servants. The strengthening of the political executive's control was expressed by defining the relationship with senior officials in unequivocal terms. These revisions were intended to have a levelling effect: the secretary was now no more permanent than the minister, and there was to be greater mobility among the most senior jobs.

Initially, Labor was more insistent than the coalition in demanding responsiveness from the public service, but it remained committed to retaining a career public service up to and including the senior executive service. In the 1990s, however, the nature of their status and whether they should be on contracts became a central concern for the senior public servants. It raised a number of questions about relations between politicians and bureaucrats, particularly the question of the long-term future of the senior public service as it was seen to be progressively moving away from the Westminster model. Contracts for secretaries and for all members of the senior executive service (SES) promised to take this transformation much further. The subject of contracts for the SES re-emerged in a discussion paper on the public service released in November 1996 (Reith 1996).

The debate intensified in the mid-1990s, when fixed-term appointments moved higher on the agenda. In 1994, the Public Service Act 1922 was amended to provide for fixed-term statutory appointments for secretaries, and most transferred to an appointment based on a five-year contract, accepting salary increases in return for sacrificing tenure. By the mid-1990s the big question was the potential effect of applying fixed-term contracts systemically

across the senior public service. Opposition to across-the-board contracts was shaped by several factors, but the most important was that the public servants' increasing vulnerability and attention to employment security was influencing the nature of advice to ministers. The strongest concern, expressed by some secretaries, was the prospect of politicisation: Tony Ayers, the most senior departmental secretary, was moved to declare, 'We've taken a very significant step away from the Westminster system and it will not be reversed' (Windsor 1996).

The Policy Role: From Monopoly to Competitor

The policy role of the senior public service was being progressively moved away from its traditional position of centrality. With the rise of managerialism came a reaction against the emphasis on policy work and the lack of management skills. At the same time, ministers increasingly relied on alternative sources of advice, and their staff both advised and provided conduits for extra-government proposals.

During the years of the Labor government there was a transformation of public service work, and policy autonomy was diminished. At one time the senior public service had considerable autonomy in the policy process, but ministers were increasingly relying on alternative sources of advice and support and ministerial staff were becoming increasingly influential. Gradually the policy capacity of the ministerial office was strengthened, with advisers playing a number of policy roles (Maley 2000b), and policy became much more of a top-down process. At the same time, the work of the senior public servant assumed a more instrumental character, becoming more managerial and reflecting the political executive's preference for a public service that concentrated on achieving the executive's objectives. The entry of new participants – specifically those supporting ministers – meant that the role of the senior public servant became more limited.

Under the new framework the public service focuses on contributing to policy development, implementing legislation, and overseeing service delivery. The overall effect has been to transform the service's policy role from a near monopoly to one of being a competitor for government's attention.

Until the mid-1990s, integration of policy and implementation had been a basic tenet. Separation of these two elements has since become a central feature, and responsibility for service delivery has shifted to special agencies and external providers. By the late 1990s the policy role was divided between the public service and the political executive plus external advisers. With contestable advice, there were more competitors than before, and the minister responsible for the public service noted the activities of private interest groups: 'The public service is no longer the sole source of advice to governments, but

it does remain the government's key advisory voice in the public interest' (Kemp 1997, p. 2).

Departmental Secretaries: Appointment Process and Tenure

Governments have not generally sought to make use of political appointees: overt political appointments to top positions in the public service occurred under Whitlam, although there were only a few (if celebrated) examples (Weller 1989). Ministerial preferences did play a part, but most senior managers continued to come from the public sector.

The guidelines and practice for the appointment of departmental secretaries have moved from official input – somewhat akin to the situation in comparable countries – to political domination. Before 1976 it was customary for the chair of the Public Service Board to advise the departmental minister of possible candidates, consulting with the prime minister as appropriate before the nomination went to cabinet (Parker and Nethercote 1996, pp. 99–100). Under the revised process, the Board chair recommended candidates to the prime minister on the basis of advice from a committee of mainly departmental heads, although this committee stage was later omitted. Following the abolition of the Public Service Board in 1987, the Secretary to the Department of the Prime Minister and Cabinet was empowered to provide a written report on candidates. In contrast, other countries continued to have committee guidance and more information about the selection process, including performance criteria (Halligan 1997b; Weller and Wanna 1997).

The debate about loss of tenure has been intense, and changes to the standing of the secretary proceeded through four stages between 1984 and 1999 – from permanence, to replacement of permanence by position contracts, to contracts with the public service, and finally to performance review.

As noted, the first formal change to tenure (in 1984) redesignated the permanent head as the departmental secretary on a fixed term. In 1994 the fixed-term statutory appointment of secretaries was introduced. The question then became the effect of applying contracts across the senior public service on Westminster principles. As senior executives have increasingly been placed on individual agreements this has become a reality. In the final stage (since 1996) performance review was introduced for secretaries. This device in itself is unexceptional, but the Howard government employed it as means of constant scrutiny and reinforcing vulnerability.

The other aspect of continuity has been the association of turnover with loss of tenure. The increasing turnover of secretaries in the 1990s assumed significance because loss of position now meant termination of employment. Early in the Labor prime ministership of Paul Keating (1992 to 1996), several senior departmental secretaries were replaced because ministers wanted someone

else, and another secretary was summarily sacked, showing how peremptory and rapid such exits could now be.

Of greatest importance was turnover associated with changes of government: it represented the ultimate departure from convention. The coalition disposed of six secretaries for reasons that were unexplained. Even more telling was the readiness of successive governments to dispense with their chief adviser (the Secretary of the Department of the Prime Minister and Cabinet). Since 1993 two have resigned with a change of prime minister, and the incumbent is not expected to continue with a new government.

Balance in Relationships: Apolitical and Responsive or Politicised?

The concept of an apolitical public service has been maintained throughout the reform era by successive governments. Even the leader of the government least sympathetic to the public service declared commitment to a 'non-partisan and professional public service' (Howard 1998). If the rhetoric was consistent, the parallel language and action provided the guide to changing government thinking about the bureaucracy. Yet, while requiring this highly responsive system, governments continued to assert the integrity and apolitical character of the public service, and the 1999 Public Service Act enshrined this central value.

A final dimension is the coherence and identity of the public service. On one hand, management devolution and then the workplace agenda required agencies to be responsible for employment and other matters. The Balkanisation of the public service was recognised as one possible consequence of a strong agency focus. On the other hand, countervailing mechanisms for fostering public service integration and identity have been lacking. There has traditionally been a head of the public service, but in 1987 this responsibility was transferred from the Public Service Board to the Department of the Prime Minister and Cabinet. The incumbent serves the prime minister but has not assumed the mantle for the public service. The Public Service Commissioner can advocate public service values but does not have the standing of the public service head. There is no one operating like the head of the British civil service or the State Service Commissioner in Wellington.

Even though overt political appointments were not much used in Australia, practice suggests that the government desire for greater control was realised. A decade after Labor assumed government, the second Labor prime minister of the reform era reflected that central to the reforms was ensuring the government 'belonged to the elected politicians' with ministers 'in the driving seat' (Keating 1993). The combination of strong political direction and changes to the employment basis and insularity of the senior public service redistributed

power between ministers and public servants and produced greater responsiveness. Careers were no longer guaranteed. This Australian promotion of a climate of insecurity for senior officials has moved beyond 'new government' behaviour to consolidation of an unclear approach. One diagnosis is of 'personalisation' based on a narrow conception of politicisation – one linking appointments and use of the public service for party ends (Weller and Young 2001, pp. 172–3). In a broader sense that includes other dimensions of politicisation, the system can readily be pronounced as politicised (Mulgan 1998).

THE PUBLIC AND PRIVATE SECTORS

The role of the public service has changed in three recent phases. The last 30 years have been characterised by change (expansion and then contraction of the bureaucracy) and reform (from the 1980s). In the phase prior to the mid-1980s, the bureaucracy occupied an influential position during a period of growth in the strength and size of the public service. This was the era of the mandarins. Towards the end of this first phase, the service's position came into question, and in the second, more short-lived, phase, which extended until the 1990s, it was subject to reform under the Hawke Labor governments (1983 to 1992) and Keating (1992 to 1996). In the third phase, which emerged during the 1990s out of the foundations laid in the previous phase, the public service was less influential within both society and government, and more subservient to the private sector, an agenda of the Howard coalition government.

Key Elements of Privatisation

The Howard government's objectives included microeconomic reform in order to improve Australia's competitiveness, of which the public sector was one element; provision of better government by ensuring that the use of public resources was effective and reflected community priorities; and the achievement of 'a more relevant, efficient and innovative, world class' public service (Kemp 1998a).

There was a commitment to private sector primacy because of the government's strong belief in that sector's creativity and adaptability. This, of course, applied to government enterprises and the public service: there was a concept of the public service as a business that was to operate in a competitive environment and be judged in terms of results. Accordingly, the government was committed to the removal of prescriptive rules and restrictive work practices. A deregulated, decentralised personnel system comparable with that operating in the private sector was a central feature and reflected the broader agenda for workplace relations. Corporate governance principles were to be applied to

both the core public service and enterprises in the broader public sector. Outsourcing was a means of developing partnerships and a better balance between the private and public sectors.

Government policy was clearly in favour of privatising the public service. Departments and agencies were required to identify 'functions or services that could be contestable and transferred, in whole or in part, to the private sector. Only when . . . the public sector clearly adds [more] value than might be elsewhere achieved is service delivery being retained' (Kemp 1997). The reliance on a business-like approach to public sector management means that the public service is expected to 'benchmark itself against all sectors to determine what it does best, what it can improve, and what is more effectively delivered by the market' (Kemp 1997, 1998a).

The scope of the public sector is defined in three simple ways: by the *Yellow Pages* test (if a supplier is listed in the telephone book supplement, its public sector role should be questioned), the emphasis on choice, and contestability. The provision of policy advice by departments is also contestable.

Choice for consumers and purchasers is a related element, with improvement in responsiveness to citizens seen as being closely linked to providing greater individual choice. Many reforms are designed to give citizens more choice 'by transferring functions to the private sector and enlisting the knowledge and skills of the private sector in delivering government services'. Second, improvements in responsiveness to citizens' needs were to result from increasing the opportunity for citizens to influence the public service (Kemp 1997, 1998a).

The changing nature of public–private relationships had several elements: borrowing business techniques, transferring responsibilities (divestments) or privatisation (in the generic sense), and the overall repositioning of the public and private sectors.

Within a philosophy that emphasises private sector primacy, choice for consumers and purchasers, and the use of market mechanisms, a new stage in the relationship between the public and private sectors was depicted, with correspondingly different roles for the public service. A comprehensive review of departmental activities was instigated, guided by a performance-management approach that expected the use of tools such as competitive tendering and contracting, purchaser–provider arrangements, and business process re-engineering (Kemp 1998b; Department of Finance and Administration 1998a, b; Bartos 1998).

Cultural Convergence

The first period of reform (centred on the 1980s) produced intense interest in importing private sector practices and techniques, among them commercialisation, asset management, risk management and user charging. The public

service spent much of the decade seeking to operate more like a business. The Department of Finance, the main agency promoting reform, reported that agencies were increasingly adopting techniques comparable with those used in the private sector. Commercialisation was closely associated with the transition of an agency to a user-pays or fee-for-service operation. Business units were established within departments of state, with management and operational systems like those in a private organisation (Department of Finance 1988, p. 70).

The contracting-out of work became standard practice for departments, the rapid change coming at the expense of in-house staff (Howard 1996). Outsourcing also emerged in the form of specialised technical services, such as information technology services, being performed by the private sector.

The desire to improve business enterprises' efficiency became central to the government's programme of microeconomic reform. There was a gradual move towards private sector models, the company form of incorporation being chosen for several enterprises. For the first decade of reform the government was inclined to preserve enterprises within the public sector while promoting greater competition, but privatisation became increasingly important.

The benchmarking of public service agencies with other types of public and private organisations provided a major source of support for government agendas in the late 1990s. Benchmarking exercises were conducted in areas such as financial management, human resource management and leadership, and performance was compared with 'best practice' in other government organisations and the private sector. In these surveys there was not much explicit concern about the methodological problems involved in comparing public and private, small and large, and different types of organisation. The minister reported that the findings were dramatic and 'revealed a number of deficiencies which had long been suspected': the cost of administering selection processes in the public service was three times higher than in best-practice private sector organisations; the focus of managers was still on process, not results; less than half of the core Commonwealth agencies knew their full product or service costs; professional financial skills were not valued; and public service leaders rated poorly in terms of communication, trust and strategic management. These benchmarking projects were used to show that in terms of efficiency and quality of management the Commonwealth lagged behind other government jurisdictions and still further behind the best private sector practice (Kemp 1998b, p. 2).

At first the principles of corporate management held sway in the 1980s (Davis et al. 1989) but, with the fuller embrace of business processes and techniques, those of corporate governance became accepted as integral to the public sector (Barrett 2002). The shift of the public sector towards private sector practice, apparent for over a decade, acquired centrality under the coalition.

Asset Sales and Outsourcing

A programme of major asset sales was finally launched in the late 1980s by the Labor government – the main rationale being reductions in the budget deficit – but the pace of activity was constrained by party opposition to privatisation: divestments were only A$1813.4 million for 1986 to 1990, rising to A$7507 million for 1991 to 1995. Under the coalition government, the process of selling assets accelerated: divestments amounted to A$41 763 million for 1996 to 1999 (calculated from Wettenhall 2002).

Outsourcing has been widely accepted as a means of obtaining external expertise and capabilities. One indication of the level of outsourcing came from an Australian National Audit Office benchmarking study of the internal audit operations of Commonwealth agencies; this showed that around 58 per cent of the IT function was outsourced to some degree and some 45 per cent of agencies' internal audit operations were outsourced. Moreover, outsourcing of internal audit operations by Australian public service agencies was over double that for an international database of public and mainly private organisations (ANAO 1998).

The extent of this reliance on external organisations has attracted debate, the main questions concerning the limitations of outsourcing (Mulgan 1997), the broadening of the range of services involved, and the move from selective outsourcing to a more comprehensive approach that involved whole blocks of services.

Government's rationale for its outsourcing agenda has been argued in terms of access to private sector expertise and methodologies in various services and management, and the benefits of strategic partnerships with the private sector for industry development and the promotion of small and medium-sized enterprises. Given the commitment to using the private sector in conjunction with the public service, and the blurring of the lines between the two, any loss of internal capacity was not officially perceived as problematic (Boxall 2000). Market testing of government agencies has proceeded (as announced in the 2000–01 budget) with the objective of improving internal capacity by benchmarking but with the intention of outsourcing in the first instance the various strands of corporate services.

The privatising of support services attained its strongest expression in the area of IT, which was being outsourced across the public service. The features of the IT initiative can only be summarised here. The prime minister instructed ministers in 1998 that 'outsourcing of IT infrastructure should proceed unless there is a compelling case on a whole-of-government basis for not doing so' (ANAO 2000, summary). Under this initiative, the infrastructure and telecommunications requirements of agencies were grouped and offered to the market. An external service provider acquired 'end-to-end responsibility for delivering an integrated suite of services' (ANAO 2000, summary). By mid-2000, six major tenders had been finalised.

Long before the Audit Office report and the subsequent official review (Humphry 2000), features of the IT initiative were being widely debated. The debate centred on the initiative being a whole-of-government matter; the commitment to complete and compulsory outsourcing, regardless of arguments to the contrary; and the implementation process, which was beset by complications. The situation came to a head when the Audit Office released its report, which pointed to deficiencies in the financial methodology, overstatement of savings, underestimation of transitional complexities, shortfalls in attaining minimum service levels, and problems with transaction costs (ANAO 2000; Halligan 2001b). The Humphry review focused on the risks involved in the transition from internal to external provision, reporting that agencies experienced significant difficulties in the implementation process. Humphry concluded that it was the government's prerogative to set central policies but that legislative responsibility for implementation and management lay with agency chief executives. The particular outsourcing model would depend on an agency's needs, and the decision about which model to adopt should be made by an agency in accordance with its legislative responsibilities (Humphry 2000).

This reform process was notable for being centralised and compulsory, a startling divergence from the government's reform programme. On one hand, the IT initiative was centrally driven by the Office of Asset Sales and Information Technology Outsourcing. On the other hand, the overall direction of the mainstream programme for the public service was decentralised to agencies and secretaries. Thus a government that was highly committed to devolving responsibility to secretaries was willing to make a major exception in this area; an otherwise decentralised reform programme was being overridden in significant respects by a centralist agenda. Yet this case was also notable because lessons were learnt, and there were signs of growing maturity in attitudes to the public service (Halligan 2001b).

The government's agenda extended to the separating out of functions that involved departmental corporate services. The competitive tendering and contracting process was seen to have major implications for various corporate services. A number of actors in the reform process believed there was no reason why these services should not be provided by the private sector. Precedents had been set by the initiatives in information technology and internal audit. Further, two key central agencies – the Department of Finance and Administration and the Department of the Prime Minister and Cabinet – had moved towards outsourcing corporate services.

Contracting the State

The structural adjustments in Australia have reversed the long-term process of extending and maintaining the role of the state. Australia's reputation in the

OECD as a country with a small public sector, and one that had already experienced extensive reductions to the public service, meant little to a new government bent on having its turn at reshaping the state. The government, driven by the size of the budget deficit, effected one of the largest downsizings of the public service through a multi-faceted process of shedding jobs and pruning programmes. It reported that when it came to power in 1996 it found a 1995–96 budget deficit of A$10.3 billion. By 1998–99 it could claim a surplus of A$2.7 billion, a major turnaround within its first term and the first surplus since 1989–90.

The size of the Australian public service declined from a peak of 173 444 in 1985 to 118 644 in 2001 (see Table 4.1). Much of the drop occurred after the coalition government began cutting numbers in 1996.

The overall impact of the downsizing, outsourcing and privatising of the federal and state-level public sectors was pronounced: the ten years from 1988 to 1998 were a period of contraction for the public sector and expansion for the private sector. The greatest change occurred at the federal level, especially in the non-core public sector.

The model that was emerging viewed the public sector as an adjunct to the private sector. Functions that could be performed outside were transferred, and internal operations were to be made more comparable with private sector activity. As noted, agencies were required to identify contestable functions that could be transferred to the private sector, unless the public sector added greater value to service delivery (Kemp 1997). A narrow market-testing agenda (external provision being the strong preference) was revived and pursued in 2000, with corporate services a priority. The overall result was a strong public–private convergence, but largely in one direction.

INTERNAL RECONSTITUTION OF THE PUBLIC SERVICE

The Australian public service has been changing from a centralised system with a complex classification structure based on permanent positions to a decentralised, simplified structure based on continuing employment and contracts. The internal system is being shaped by external adjustments – private sector skills and political responsiveness – that have affected boundaries and operating style and the general exposure of the service to a range of new influences as the bounded system recedes in importance.

Among the reforms to the public service since the mid-1980s are the following:

- the abolition of many routine clerical and processing tasks as a result of technological change;

- fundamental reform and simplification of job families and classification structures, focusing on multi-skilling and improved development and career opportunities;
- the introduction of legislative and workplace arrangements covering redeployment and retrenchment;
- an increased emphasis on flexibility and responsiveness through the devolution of responsibility to individual agencies and line managers;
- debate on, and redefinition of, the core role of the public service and the transfer of many of its functions to other sectors;
- the introduction of policies and frameworks for performance management and performance-based remuneration;
- integration of the public service workplace into the broader workplace relations framework, including through workplace agreement-making as the main means of setting wages and conditions (PSMPC 2000, p. 54).

Career Service

Any consideration of the 'career service' needs to take account of the term's different meanings (Halligan 1991). Essentially, there have been two approaches: one concentrates on the heart of the concept, placing emphasis on the notion of a career (for example, Spann 1979); the other focuses also on associated characteristics (for example, Caiden 1965; Wilenski 1980).

The term's lineage has commonly been traced to the Northcote–Trevelyan reforms in Britain during the 19th century. It had a clear meaning when used historically: from the colonial period (pre-dating the establishment of the Commonwealth of Australia in 1901) until the late 20th century a public servant could expect continuous employment until retirement. Four principles were most explicit:

- recruits selected by open, competitive written examinations;
- entry at the base grades of three of the four divisions – professional, clerical and general;
- promotion according to merit and generally confined to insiders;
- an entitlement to tenure until age 65 and rights to salary, annual leave, inquiry or appeal under particular circumstances, and so on.[8]

As a consequence, 'The theory of the Australian public services came to be that they were "closed" career services recruited from school, except for a limited number of people with special, mostly professional qualifications' (Spann 1979, p. 255).

During the 20th century two directions were followed. The first reinforced

features of the career service, and the second extended the concept in ways not originally envisaged. The directions could be said to represent an expression of the two forces identified by Subramaniam (1959) as being significant in the development of personnel practices: the first, combining fair play, equality and employee satisfaction, derived from the egalitarian ethos; the second, involving efficiency (or economy) and authority, was based on a business ethic. Of the changes that served to support egalitarianism, examples are wage setting being made subject to an arbitration process in 1911, rather than leaving it to the employer; preference being accorded to returned soldiers during the First World War by means of lower entry requirements; and the introduction of promotion appeals committees in 1945, reflecting a political climate that emphasised employees' rights and welfare (Scarrow 1957, p. 60). On the other hand, the question of efficiency was also tackled. From the beginning, provision existed for lateral recruitment, but it was normally reserved for the recruitment of specialists and professionals when no Commonwealth officer was available. Graduate recruitment was introduced in 1933 under certain conditions (Scarrow 1957).

With the vast expansion in the role and size of the federal government during and after the Second World War, new regulatory mechanisms and policy-making processes were required. The higher public service expanded as greater specialisation and a larger second division became necessary. The 1959 Committee of Inquiry into Public Service Recruitment recommended the direct entry of recruits to the training classes of the second division. Although this recommendation was made with the British administrative class in mind, the Australian situation differed in a number of respects – for example, because the British social context did not exist in Australia. The influence of egalitarianism remained too entrenched for an elitist concept to receive support.[9] The constraints on recruiting graduates were relaxed and the education of staff was given greater recognition. The number of graduate entrants with general rather than specialist degrees increased.

By the 1960s and 1970s more expansive and inclusive conceptions of the career service were favoured, reflecting principles concerned with conditions of service that had developed over time, although the breadth of commentators' coverage suggests that they were describing a personnel system rather than a career service (see, for example, Caiden 1965, pp. 2–4). An influential list produced by the Royal Commission on Australian Government Administration argued that the general concept had come to cover five elements: recruitment by merit; unified service;[10] independent and non-political control of recruitment and conditions of employment; protection of public servants' rights by regulations discouraging recruitment of 'strangers'; and legislative protection against arbitrary dismissal (RCAGA 1976, p. 169). This collection was an extension of the original notion, with elements of the broader personnel system now being identified with the career service.

Opening up the Career Service

Equity of access

The pattern of representativeness is related to the political, administrative and societal context. Three factors stood out – the tradition of egalitarianism, the career service as it developed within the Australian public service, and the commitment of political groups (the modern Labor Party, in particular) to equity.

Beginning in the late 1960s, a range of rules and practices that discriminated against women and people born overseas were removed. Since the removal in 1966 of the policy requiring women to resign on marriage, an increasing proportion of women have been appointed and have developed careers in the public service. During the 1970s specific steps were taken to promote equity of access to employment and advancement in the service. Such programmes moved from being voluntary to mandatory in the 1980s. Equal employment opportunity (EEO) had formally existed in the public service for a decade before 1983, but the results were regarded as disappointing. The Hawke government developed policies designed to encourage greater employment of groups traditionally under-represented in the Australian public service – women, indigenous Australians, migrants and the disabled. These policies were seen as strengthening the merit principle, since they aimed to remove barriers that disadvantaged some groups in competition based on merit (Commonwealth of Australia 1983, p. 33). The Public Service Act was amended in 1984 to require departments to develop and implement EEO programmes.

Responsibility for EEO – which was originally centralised and identified with equity – was substantially devolved to agencies following the machinery-of-government review in 1987 and was subsequently loosened further. By the 1990s it was mainstream, 'repositioned in the context of devolution and efficiency', the vehicle being human resource management. As a result, it was claimed that EEO 'gained economic respectability from human resource management theory but lost authority, becoming a handmaiden to the latest views on strategic delivery of good-quality human resource management' (MacDermott 1996, pp. 126–7). By the late 1990s the emphasis had shifted to diversity management and the valuing of differences among staff (while still encompassing EEO principles). Under the devolved mode, agencies were required to maintain workplace diversity programmes (Junor and Coventry 2001).

In terms of the EEO categories, women and indigenous Australians are above average compared with the general population. The proportion of women in the senior executive service had risen to 27.4 per cent by 2001, which is about double the figure for 1992 (PSMPC 2001c), but never has there been more than the current two female departmental secretaries.

Lateral appointments

Another tactic for changing the traditional system was to introduce new personnel through lateral appointments to the public service. The term 'lateral appointment' was generally taken to refer to entry into the service on a permanent basis to positions above the base level of the old third division. However, before the Public Service Board could recommend an external appointment it still had to be satisfied that there was no officer as capable within the service. Although there were many precedents for such appointments, the practice assumed significance under the Whitlam Labor government (1972 to 1975) and subsequent governments have continued it. Appointments of this nature became easier to make, although for various reasons the influx has not been highly significant.

A central objective in establishing the senior executive service was that public service positions should become more open and competitive. Greater openness was to be achieved by inviting applicants from within and outside the Australian public service to apply for all vacancies in the SES. A particular goal was to transfer people from the private sector to the public service. To facilitate outsiders' entry, fixed-term engagements were offered (Commonwealth of Australia 1983, p. 13).

Streamlining personnel administration

Between 1983 and 1987 a series of changes was introduced with the purpose of streamlining and rationalising personnel practices – both workplace and managerial. The changes were designed to improve efficiency, although some measures were simple attempts at economy. Streamlining was essentially about simplifying procedures and processes in order to improve resource use and to enhance the managerial capacity of the public service. The new procedures and regulations would give departmental managers more control of personnel practices. The main fields streamlining applied to were redeployment, retirement, and promotion appeals (although a range of other procedures and processes were also 'streamlined').

The senior executive service was to operate as a service-wide, corporate entity. At this systemic level the quality of public service management was to be improved by allowing greater movement of senior managers within the service. At departmental level, there was to be greater opportunity for deploying senior staff. The figure of 22 per cent for mobility between 1984 and 1986 suggests, however, that this objective was not substantially achieved. Nevertheless, it was an important first step towards loosening up the system. As a former Public Service Commissioner argued, 'All SES officers now need to accept that they are a resource to be flexibly deployed in accordance with government priorities' (Enfield 1989, p. 124).

Another line of attack focused on promotions and promotion procedures.

Appeals against promotions within the senior executive service and upper middle-management positions were abolished because such a right was regarded as inappropriate for managerial positions.

In the 1980s the career service concept lost many of the characteristics embodied in the broader version. In one sense this could be represented as a reversion to the core notion of a career service. The concept was best viewed as one that provided for a career in the public service but that no longer had a strong emphasis on special privileges and protection, nor strong boundary differentiation. The differences can be illustrated in three ways. First, principles were no longer applied uniformly among the levels of the service; there was now a clearer distinction between senior managers and those at middle and lower levels. Second, it was no longer a closed system because at senior level, and often at other levels, the service was more open and positions more competitive. Third, there now existed an alternative category of employment – public servants recruited from outside, often at advanced stages in their careers, and employed on contract (Halligan 1991).

It was still possible to use Ridley's (1983) perspective of a career civil service as 'one that offers a course through life for its members: continuity of employment and scope for advancement'. However, he also identified another essential element – career distinctiveness – which regarded the service as 'a profession apart, following its own path through life because it requires special qualifications, employs special skills and expects its members to hold special values' (Ridley 1983, pp. 179–80). But the degree of career distinctiveness was now in question: in contrast to the notion of a life-long career within a closed system of employment, there was now a system that offered the prospects of a career but within a relatively open arrangement.

The matter has to be examined at two levels. The concept of entering at a base grade and rising through the ranks is long gone. In the mid-1980s, almost 70 per cent of new recruits entered at base grade classifications (equivalent to ASO1); by 2000, the largest proportion of new entrants (26 per cent) were at ASO4 level, the remainder being spread across the classifications. Following the turbulence of the last decade or so, it is now possible to review the continuity of and commitment to careers. Since 1992–93 the number of separations has exceeded the number of new recruits, a reversal occurring only in 1999–2000 (PSMPC 2000, p. 56; 2001b).

There is also some evidence of career commitment, with the average length of service increasing and the maintenance of tenure for many public servants. At the SES level in 1998–99, most promotees (75 per cent) had entered at base grade or through a graduate-recruitment programme, most were promoted within their agency and the majority had worked for no more than two agencies (PSMPC 1999, p. 14).

Deregulation and Devolution

In terms of the shift to a management paradigm for the public service, two frameworks have been officially articulated: the new 'management' focus of the 1980s and the outcomes framework of the late 1990s, both of them with a financial management basis. The rudimentary Financial Management Improvement Programme developed in the early 1980s led to the gradual institution of a set of management reforms. 'Managing for results' covered corporate management, programme management, organisation design, management information, and evaluation. The management framework was developed over time, the official version being subsequently described in terms of cabinet responsibility for strategic directions and objectives, financial planning and management flexibility for meeting the objectives, incentives to improve management performance, and public servants' accountability to ministers for achieving objectives. It was argued that this framework had a 'consistent, logical and integrated structure . . . in relation to financial management, industrial relations [and] people management' (Sedgwick 1994, p. 341).

By 1998 a new framework was emerging, one that built on the previous framework but also supplanted it because of its perceived limitations. The reform agenda was now being depicted as an 'integrated package of reforms' that covered financial arrangements, public service and workplace relations, each with a new legislative basis (Boxall 1998; Department of Finance and Administration 1998b). Among the elements of the new framework were a deregulated personnel system that was more comparable with that in the private sector, accrual budgeting and contestability of service delivery, with much greater use being made of the private and voluntary sectors.

The coalition government was moving the public service towards a deregulated personnel system – according to official sources including Kemp (1997, 1998a) and Reith (1996) – because of its commitment to workplace reform. The Workplace Relations Act 1996 was designed to modernise the industrial relations system as part of the government's broader programme of economic reform. The Act supported more direct workplace relations between employers and employees and provided for freedom of association and greater choice in achieving mutually beneficial agreements.[11]

The Public Service Act 1999 succeeded a large body of prescriptive, regulatory, detailed, complicated legislation, including the frequently amended Public Service Act 1922. (The original Public Service Bill 1997 was the subject of numerous amendments in the Senate, which had the effect of nullifying the government's intent for some of the fundamental changes.) In effect, the 1999 Act reconceptualised the framework for employment and management of the public service, to allow for the workplace efficiency and flexibility sought under the more general Workplace Relations Act. Under the Public

Service Act, employment powers (including remuneration policies and classification structures) were devolved to heads of agencies. This shift to agency-level bargaining has produced 'growing individualisation of employment relations and the reassertion of managerial prerogatives' (O'Donnell and O'Brien 2002, p. 1).

Balancing Devolution with the New Regulatory Regime

The devolved environment was being balanced by greater public accountability (of secretaries to ministers and parliament) through an annual report by the Public Service Commissioner on the state of the public service (PSMPC 2000, 2001b). The Public Service Act spells out the public service ethos by stating the key values (including the merit principle), recognises the service's apolitical character, and prohibits ministerial direction of staffing decisions. As the government saw it, the objective was 'to enshrine for the first time a coherent and explicit statement of the values which must underpin a professional public service' (Kemp 1997). The effectiveness of the combination of new approaches to the public service – including decentralisation, contractualism and accountability through the 'state of the service report' – will not become clear for some time.

In a devolved environment, direction and control of agencies have been conceptualised in terms of corporate governance. As private sector approaches have penetrated the public service more extensively, the need to base management, structures, culture and relationships within the corporate governance framework of the private sector has become apparent for government enterprises and budget-funded agencies, including departments of state. Among the elements of good governance are corporate planning, business plans, performance information and standards, and a client service focus (ANAO 1997).

INTERPRETATIONS

The fundamental questions in the Australian case relate to the level and direction of change. Table 4.2 summarises the change from the traditional (or pre-1980s) system to the current system (reflecting developments in the reform era but emphasising the most recent). The two right-hand columns indicate a high level of change and consequential effects; together, they can be regarded as depicting a civil service in transition.

Three dimensions are dealt with here; two concern external relationships and the third is internal.

The first external relationship is that between public servants and politicians: has the system become irrevocably politicised? The traditional principles have

Table 4.2 Dimensions of change to the Australian public service

Criterion	Traditional	Contemporary	Consequence
Type of change	Incremental	Extensive and comprehensive reform	Constant change
Relationships with politicians	Separate and formally independent servants of government of day	Responsive	Boundaries weak Vulnerability Imbalance
Public–private relations	Separate identities	Convergence between sectors and public service as adjunct	Adjunct Boundaries weak
Culture	Administration	Management (markets and contracts)	
Public service system			
• structure	Collective and coherent • centralised • closed and bounded	Disaggregated units • decentralised • open and permeable	Capacity deficits?
• career service	Central feature • permanency and life-long employment	Secondary significance • continuing employment • contracts	

been fairly resilient, certainly by comparison with other models. Politicians continue to remain publicly committed to these principles, but a number of questions remain about how they have been operating in practice, for there have been many indications of covert exploitation of the concept of a neutral and professional public service. These have taken the form of subtle pressure on public servants – which might be identified more with specific ministers – and are therefore hard to pinpoint conclusively, except when they surface as in the notorious 'children overboard' case arising out of the election campaign in 2001.

As Australia works through these new phases of reform, relations between politicians and public servants continue to evolve and are unlikely to stabilise for some time. Public servants remain attached to the traditional Westminster ideal, while government behaviour has continued to be ambiguous, producing confusion about the continuing relevance of the ideal.

Even though the quest for responsiveness has eroded traditional boundaries, this has been partly countered by the recent strengthening of a commitment to the public interest and statutory values that affirm the identity of the public service. The demands of responsible government and the continuing exaltation of traditional principles create a dynamic that ensures the relationship will continue to evolve and will stretch further this variant of the Westminster model.

The second external relationship is with the private sector, and again there is clear evidence of an erosion of boundaries. The model that has emerged regards the public sector as an adjunct to the private sector. Functions that can be performed externally are transferred, and internal operations are more comparable with those in the private sector. A market-testing agenda has been pursued, with external provision being the strong preference. This agenda has produced public–private convergence, but largely in one direction.

The third dimension involves the internal character of the public service. Following a highly devolved model, the individual agency is now central and individualisation is the basis for public servants' employment. This is in the context of a strong commitment to management compared with most OECD countries. The long-term effects of a disaggregated public service are not yet apparent.

Implications of Boundaries

The boundaries that traditionally defined and insulated the public service have been substantially demolished. Public–private boundaries have been shifted and remain under review. General politicisation has gone further than in comparable 'Westminster' systems. In combination, this makes for an uncertain mix. There are two general positions on the implications.

The first expresses concern about the dismantling of the public service's capacity in the last two decades. The transfer of production and delivery is understood in an age when the enabling role has become accepted; less understandable is the loss of core abilities to handle policy, operate strategically, and retain and enhance knowledge. Anecdotal evidence suggests that capacity is missing in many areas. One official position is that a major challenge for the future within a changing environment is that of building workforce capabilities (PSMPC 2000, p. 173).

The erosion of public servants' policy role and the expansion of that of others means that public servants are only one of several actors who must compete for the government's attention, and there are more competitors than ever before. Yet, under the public service framework, the service must focus more on contributing to policy development; otherwise, its residual responsibilities are defined in terms of the public interest and responsiveness to government needs, two areas of ambiguity and fuzziness that can allow scope for exceptions. Policy options that do not conform to the formula – low cost, business planning and private sector delivery – may not advance far on the agenda.

The other position views boundary change more positively. The public service 'has become less self-sufficient as an organisation' and is now 'much more integrated with other sectors of industry in terms of sharing ideas, practices and personnel' (PSMPC 2000, p. 54).

There is also the argument that capacity still exists where it counts. Claims that global forces have had significant internal effects on governance have been challenged for Australia, because across a number of policy areas capacity has not necessarily been diminished and a variety of outcomes is apparent, if changed in character. The range of options open to governments has expanded greatly as they have gone beyond traditional bureaucracy to make use of the external contractors and partnering relationships that characterise the new governance (Davis 2000, p. 231; Weller 2000, p. 2). Further, smaller government does not preclude the capacity to act. In order to effect major change to an economy, a strong state is necessary (Gamble 1994).

Comparisons with Similar Systems

A comparison of the Australian public service with services in the other systems within the 'Anglo' tradition provides an alternative means of evaluating the level and type of change. Despite conformity with the general direction of reform (Zifcak 1994), there have been important differences. For example, the Australian process was more evolutionary than that in New Zealand, and possibly that in the United Kingdom. In terms of the three dimensions that are the focus of this chapter, several contrasts are apparent.

With regard to political–bureaucratic relations, the Australian case can be readily distinguished from the situations in New Zealand and the UK. Australia's use of political (or ministerial) advisers has been much greater and the declining reliance on appointment processes for departmental secretaries much more problematic. The position of head of the public service has become more political (Halligan 2001a).

Australian reform did not emphasise public–private relations at the same time as New Zealand and the UK; rather, it was marketising and privatising in the 1990s, when the other two countries showed signs of relaxing their commitment to that kind of reform. In a number of respects this suggested convergence, but the contrasts re-emerged at the end of the 1990s, following changes of government in New Zealand and the UK and a reassessment of the results of the reform era and future directions. Slower to move to the market side of reform, Australia has continued to follow that path.

Australia has also followed overseas practice in workplace relations and with its emphasis on devolving to agencies. Other countries have, however, been moving beyond 1990s approaches to reviewing and rebuilding core capacity. Debate will continue in Australia about the costs of capacity deficits and the financial trade-offs and transaction costs of using agents to perform basic tasks. In contrast to other countries, the significance of the public sector has received less affirmation and there has been less recognition of a need to enhance the public sector in a more considered and broadly conceived way.

Models

Interpretations of trends and reform can be broadly considered in terms of whether they focus on change or on continuity. One approach examines the significance of change from the standpoint of whether the overall result is sufficiently fundamental to have produced a new model. This is seen in terms of a movement away from the traditional model (Campbell and Wilson 1995) or as a positive product of reform activity.

A second set of interpretations also asks questions about patterns of change over time and the durable features of systems. Different schools are involved. In summary, change can be regarded simply as the product of a swing in fashions that will in turn be subject to pendulum movements (Spann 1981), internal contradictions that lead to the search for new solutions (Aucoin 1990), or longer-term reform excesses that eventually produce swings in underlying values (Kaufman 1956).

Australia still operates within the Westminster tradition. Its core values, as enshrined in the Public Service Act 1999, derive from this tradition and establish parameters for action. As in the UK, the system has proved sufficiently resilient to survive, although the question of how malleable the model is

remains, and there have been costs, including greater divergence than in the past between rhetoric and practice.

The traditional cycles and pendulum swings have not abated in the reform era, and movement through a cycle will modify what has been done. The overall consequences of strong commitment to neo-liberal reforms do not have bipartisan support. The Australian public service is decentralised, marketised, contractualised, and politicised (at a general level), suggesting substantial potential for the recentring of some operating principles and practices. Corrective mechanisms can be expected to come into play in some key matters, affording support for advocates of path dependency.

Other countries have either relaxed their commitment to a narrow reform creed or broadened the focus. The reform cycle will proceed, and the greater openness to policy and management alternatives – and the stronger commitment to the public service apparent in New Zealand and the UK – will become more explicit in Australia.

Australia has learnt from policy reversals and failures, and government zeal in pursuit of objectives through whole-of-government approaches and compulsion has reached a turning point. The idea of needing to fit organisations to broad strategies has been taken up, acknowledging the importance of the variability of boundaries between internal and external work, being less prescriptive, and evaluating agency needs in terms of the customer or client base. Whole-of-government consistency has now been depicted as of second-order importance (Moore-Wilton 2000).

CONCLUSION

The Australian public service has been reformed, more than the services in most OECD countries, through a sustained approach that has involved a combination of political principles, private sector management and market principles. Australia has moved resolutely down the path of a smaller, more responsive public service. Giving first preference to the private sector and outsourcing or privatising have often been ends in themselves. The political demands for responsiveness have been intense and have gone beyond overt measures for enhancing the role of ministers and their private offices to covert expectations of public servants.

The contradictions between elements of the reform programme – in particular the tensions between management and market approaches and the consequences of a highly decentralised, contractualised public service – will provide one force for change in the future.

A ratchet process of change might be seen to be in operation; yet there are

also indications of a balancing over time. There continues to be strong commitment to the need for a professional public service and its contribution to the public interest, but there remains an uneasy relationship between core system values and the demands of the political executive and its expectations for a privatised public domain. The Australian public service has been resilient, but it remains vulnerable to political adventurism.

NOTES

1. There are also the changed relationships with society and the citizens, but these are less clear and not resolved, so are not dealt with directly here.
2. The 'tradition of public provision' is discussed further by Davis (1998).
3. The Labor government first gained office in March 1983 and was re-elected for four more terms. Bob Hawke was prime minister from 1983 to 1991 and was succeeded by the treasurer for that period, Paul Keating. The coalition government under John Howard took office in March 1996 and was re-elected in 1998 and 2001.
4. Borrowing from the private sector needs to be noted in this context and is picked up later in this chapter.
5. As for explaining perceptions, party preference plays a role: Labor voters and manual workers have been more inclined to support the public domain, while Liberal and Country Party voters have been more attached to the private sector (Encel 1970). For a broader discussion, see Papadakis (1999) and Goot (2002).
6. The separation of the roles and careers of politicians and bureaucrats does not mean that representatives with public service backgrounds are not elected, only that they are usually from the state public service and have occupied positions that were usually neither senior nor policy-related. The rules governing political activity in Australia fall into the middle of the international spectrum. Australia has been more liberal than other countries such as the US and Britain, and over time there has been a mellowing of views about public servants' rights (Spann 1979, pp. 258–9). Public servants can belong to a political party, but there are cautions because of possible conflicts of interest. Standing for parliament is permitted, but the constitution provides that a person employed by the Crown is disqualified from being elected. A public servant must resign from the public service in order to contest a parliamentary election but retains the right of re-employment if unsuccessful (Public Service Commission 1995).
7. The Australian departures include federalism and a written constitution, which are highly important for the operating context of the national executive branch but do not directly affect the character of political–administrative relationships. The Senate is not normally controlled by the governing party, which may have to bargain with other parties in order to secure the passage of legislation.
8. This draws on several sources – Caiden (1965); Curnow (1989); Subramaniam (1959). The Fulton Committee view of the career service was often quoted during the 1970s: 'Most civil servants should enter at young ages with the expectation, but not the guarantee, of a lifetime's employment; and . . . the great majority of those who come to occupy top jobs will in practice be career civil servants' (see, for example, Wilenski 1980, p. 18).
9. An administrative elite did, nevertheless, emerge as the result of incremental moves towards cultivating the senior public service.
10. The unified service was characterised as a hierarchical structure of positions, position classification of salaries, promotion by merit, a promotion appeals system, and a distinctive system for retirement and pensions (RCAGA 1976, p. 169).
11. The minister's press release quoted a journalist who described it as 'the most uncompromising deregulation of the Public Service anywhere in the world – including . . . Britain and reform in New Zealand' (Hon. Peter Reith, press release, 13 July 1997).

REFERENCES

Aberbach, J.D., R.D. Putnam and B.A. Rockman (1981), *Bureaucrats and Politicians in Western Democracies*, Cambridge, MA: Harvard University Press.

ANAO (Australian National Audit Office) (1997), *Applying Principles and Practice of Corporate Governance in Budget Funded Agencies*, Canberra: ANAO.

ANAO (Australian National Audit Office) (1998), *Benchmarking Internal Audit in the Commonwealth Public Sector 1997*, Canberra: ANAO.

ANAO (Australian National Audit Office) (2000), *Implementation of Whole-of-Government Information Technology Infrastructure Consolidation and Outsourcing Initiative*, audit report no. 9, Canberra: ANAO.

Aucoin, P. (1990), 'Administrative reform in public management: paradigms, principles, paradoxes and pendulums', *Governance*, **3**(2), 115–37.

Aucoin, P. (1995), *The New Public Management: Canada in comparative perspective*, Montreal: Institute for Research on Public Policy.

Barrett, P. (2002), 'Achieving better corporate governance in the public sector', keynote address to International Quality and Productivity Seminar, 26 June, http://www.anao.gov.au.

Bartos, S. (1998), 'Competitive tendering and contracting', *Canberra Bulletin of Public Administration*, 88, May, 63–4.

Bean, C. (1991), 'Are Australian attitudes to government different? A comparison with five other countries', in Francis G. Castles (ed.), *Australia Compared: People, Policies and Politics*, Sydney: Allen and Unwin.

Bell, S. (1997), *Ungoverning the Economy: The Political Economy of Australian Economic Policy*, Melbourne: Oxford University Press.

Bland, F.A. (1944), *Government in Australia*, 2nd edn, Sydney: Government Printer.

Boxall, P. (1998), 'How the reforms fit together: an Australian perspective', *Canberra Bulletin of Public Administration*, 88, May, 117–21.

Boxall, P. (2000), speech notes for Australian National University Postgraduate Careers Advice Seminar, Canberra, 4 October.

Butler, D. (1973), *The Canberra Model: Essays on Australian Government*, Melbourne: Cheshire.

Caiden, G.E. (1965), *Career Service: An Introduction to the History of Personnel Administration in the Commonwealth Public Service of Australia 1901–1961*, Melbourne: Melbourne University Press.

Campbell, C. and J. Halligan (1992), *Political Leadership in an Age of Constraint: The Australian Experience*, Pittsburgh: University of Pittsburgh Press.

Campbell, C. and G.K. Wilson (1995), *The End of Whitehall: Death of a Paradigm?*, Oxford, UK, and Cambridge, US: Blackwell.

Commonwealth of Australia (1983), *Reforming the Australian Public Service: A Statement of Government Intentions*, Canberra: Australian Government Publishing Service.

Considine, M. and M. Painter (eds) (1997), *Managerialism and its Critics: The Great Debate*, Melbourne: Melbourne University Press.

Curnow, R. (1989), 'The career service debate', in G.R. Curnow and B. Page (eds), *Politicization and the Career Service*, Canberra: Canberra College of Advanced Education & NSW Division of Royal Australian Institute of Public Administration, pp. 11–37.

Davis, G. (1998), 'Australian administrative tradition', in J.M. Shafritz (ed.), *International Encyclopaedia of Public Policy and Administration*, Boulder, CO: Westview Press.

Davis, G. (2000), 'Policy capacity and the future of governance', in G. Davis and M. Keating (eds), *The Future of Governance: Policy Choices*, Sydney: Allen and Unwin.

Davis, G. and R.A.W. Rhodes (2000), 'From hierarchy to contracts and back again: reforming the Australian public service', in M. Keating, J. Wanna and P. Weller (eds), *Institutions on the Edge: Capacity for Governance*, Sydney: Allen and Unwin.

Davis, G., P. Weller and C. Lowes (1989), *Corporate Management in Australian Government*, Melbourne: Macmillian.

Department of Finance (1988), *FMIP Report*, Canberra: Australian Government Publishing Service.

Department of Finance and Administration (1998a), *Competitive Tendering and Contracting: Guidance for Managers*, Canberra: DOFA.

Department of Finance and Administration (1998b), *The Performance Improvement Cycle: Guidance for Managers*, Canberra: DOFA.

Dunn, D.D. (1997), *Politics and Administration at the Top: Lessons from Down Under*, Pittsburgh: University of Pittsburgh Press.

Encel, S. (1970), *Equality and Authority: A Study of Class, Status and Power in Australia*, London: Tavistock Publications.

Enfield, J.D. (1989), 'A career service: will it survive?', in C. Pirie and J. Power (eds), *Economic and Management Pressures on Australian Public Administration*, Canberra: Canberra College of Advanced Education & Victorian Division of the Royal Australian Institute of Public Administration.

Finn, P. (1990), 'Myths of Australian public administration', in J. Power (ed.), *Public Administration in Australia: A Watershed*, Sydney: Hale and Iremonger, pp. 41–56.

Gamble, A. (1994), *The Free Economy and the Strong State: The Politics of Thatcherism*, Basingstoke: Macmillan.

Goot, M. (2002), 'Disengaged, distrustful, disenchanted? Polled opinion on politics, politicians and the parties', Sydney: Department of Politics, Macquarie University, http://www.pol.mq.edu.au/pub/disengaged.htm.

Hall, P. (1993), Policy paradigms, social learning and the state: the case of economic policymaking in Britain', *Comparative Politics*, **25**(3), 275–96.

Halligan, J. (1991), 'Career public service and administrative reform: Australia', *International Review of Administrative Sciences*, **57**(3), 345–60.

Halligan, J. (1992), 'A comparative lesson: the senior executive service in Australia', in P.W. Ingraham and D.H. Rosenbloom (eds), *Promise and Paradox of Civil Service Reform*, Pittsburgh: University of Pittsburgh Press.

Halligan, J. (1994a), 'Changing patterns of administration of the Australian states: new paradigms or old cycles?', in J. Eddy and J. Nethercote (eds), *From Colonial to National Administration, 1788–2001: Towards an Australian Public Service*, Sydney: Hale and Iremonger.

Halligan, J. (1996), 'The diffusion of civil service reform', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Halligan, J. (1996b), 'Learning from experience in Australian reform: balancing principle and pragmatism', in J.P. Olsen and B.G. Peters (eds), *Learning from Reform*, Oslo: Scandinavia University Press.

Halligan, J. (1997a), 'New public sector models: reform in Australia and New Zealand', in J.-E. Lane (ed.), *Public Sector Reform*, London: Sage.

Halligan, J. (1997b), 'Departmental secretaries in Canada and the United Kingdom', *Australian Journal of Public Administration*, **56**(4), 26–31.

Halligan, J. (2001a), 'Politicians, bureaucrats and public sector reform in Australia and New Zealand', in B.G. Peters and J. Pierre (eds), *Politicians, Bureaucrats and Administrative Reform*, London: Routledge.
Halligan, J. (2001b), 'The implications of the Humphry report', *Canberra Bulletin of Public Administration*, 99, March, 1–4.
Halligan, J. (forthcoming), 'Paradoxes in reform in Australia and New Zealand', in J.J. Hesse, C. Hood and B.G. Peters (eds), *Paradoxes in Public Sector Reform*, Berlin: Duncker and Humbolt.
Halligan, J. and J. Power (1992), *Political Management in the 1990s*, Melbourne: Oxford University Press.
Halligan, J. and R. Wettenhall (1990), 'Major changes in the structure of government institutions', in J. Power (ed.), *Public Administration in Australia: A Watershed*, Sydney: Hale and Iremonger.
Howard, J. (1998), 'A healthy public service is a vital part of Australia's democratic system of government', *Australian Journal of Public Administration*, **57**(1), 3–11.
Howard, M. (1996), 'A sea change in staffing mode? Commonwealth departmental spending on external consultants and in-house employees, 1988–89 to 1993–94', *Canberra Bulletin of Public Administration*, 80, September, 75–83.
Humphry, R. (2000), *Review of the Whole of Government Information Technology Outsourcing Initiative*, Canberra: Commonwealth of Australia, December.
Junor, A. and H. Coventry (2001), 'Diversity management', in C. Aulich, J. Halligan and S. Nutley (eds), *Australian Handbook of Public Sector Management*, Sydney: Allen and Unwin, pp. 86–98.
Kaufman, H. (1956), 'Emerging conflicts in the doctrines of public administration', *American Political Science Review*, **50**(4), 1057–73.
Kaufman, H. (1969), 'Administrative centralization and political power', *Public Administration Review*, 29, Jan/Feb, 3–15.
Keating, Hon. P. (1993), 'Performance and accountability in the public service: a statement by the Prime Minister, P.J. Keating', Canberra: Parliament House, 1 July.
Kelly, P. (1992), *The End of Certainty: The Story of the 1980s*, Sydney: Allen and Unwin.
Kemp, Hon. D. (1997), 'Public administration in the new democratic state', address to the 1997 National Conference of the Institute of Public Administration Australia, Canberra, 21 November.
Kemp, Hon. D. (1998a), 'Reforming the public service to meet the global challenge', ministerial statement, Canberra, 25 January.
Kemp, Hon. D. (1998b), 'An overview of APS reforms – what are we doing?', ministerial statement, Canberra, 25 February.
MacDermott, K. (1996), 'Repositioning equal employment opportunity', *Australian Journal of Public Administration*, **55**(3), 126–8.
Maley, M. (2000a), 'Too many or too few? The increase in federal ministerial advisers, 1972–1999', *Australian Journal of Public Administration*, **59**(4), 48–53.
Maley, M. (2000b), 'Conceptualising advisers' policy work: the distinctive policy roles of ministerial advisers in the Keating Government, 1991–96', *Australian Journal of Political Science*, **35**(3), 449–70.
Moore-Wilton, M. (2000), 'An outward-looking public service', keynote address to IPAA (ACT) Conference '5+ Years of Reform: milestones or millstones?', Canberra, 20 November.
Mosher, F.C. (1968), *Democracy and the Public Service*, New York: Oxford University Press.

Mulgan, R. (1997), 'Contracting out and accountability', *Australian Journal of Public Administration*, **56**(4), 106–16.
Mulgan, R. (1998), 'Politicisation of senior appointments in the Australian public service', *Australian Journal of Public Administration*, **57**(3), 3–14.
National Commission of Audit (1996), *Report to the Commonwealth Government*, Canberra: Australian Government Publishing Service.
NCPR (National Competition Policy Review) (1993), *National Competition Policy* (Chairman: F.G. Hilmer), Canberra: Australian Government Publishing Service.
O'Donnell, M. and J. O'Brien (2002), 'Individualism, union organisation and management prerogatives in the Australian public service 1983–2000', *Labour and Industry*, **12**(3), 103–22.
OECD (1990), *Public Management Developments: Survey 1990*, Paris: Organisation for Economic Co-operation and Development.
OECD (1995), *Governance in Transition: Public Management Reforms in OECD Countries*, Paris: Organisation for Economic Co-operation and Development.
Papadakis, E. (1999), 'Constituents of confidence and mistrust in Australian institutions', *Australian Journal of Political Science*, **34**(1), 75–93.
Parker, R.S. and J.R. Nethercote (1996), 'The administrative vocation in the 1990s', in J. Halligan (ed.), *Public Administration under Scrutiny: Essays in Honour of Roger Wettenhall*, Canberra: Centre for Research in Public Sector Management, University of Canberra & Institute of Public Administration Australia, pp. 97–124.
Pierre, J. (1995), 'Conclusions: a framework of comparative public administration', in J. Pierre (ed.), *Bureaucracy in the Modern State: An Introduction to Comparative Public Administration*, Aldershot: Edward Elgar, pp. 205–18.
PSMPC (Public Service and Merit Protection Commission) (1999), *State of the Service Report: 1998–99*, Canberra: PSMPC.
PSMPC (Public Service and Merit Protection Commission) (2000), *State of the Service Report: 1999–00*, Canberra: PSMPC.
PSMPC (Public Service and Merit Protection Commission) (2001a), *Australian Public Service Statistical Bulletin 2000–01*, Canberra: PSMPC.
PSMPC (Public Service and Merit Protection Commission) (2001b), *State of the Service Report: 2000–01*, Canberra: PSMPC.
PSMPC (Public Service and Merit Protection Commission) (2001c), *Workplace Diversity Report: 2000–01*, Canberra: PSMPC.
Public Service Commission (1995), *Guidelines on Official Conduct of Commonwealth Public Servants*, Canberra: Public Service Commission.
Pusey, M. (1991), *Economic Rationalism in Canberra: A Nation-Building State Changes its Mind*, Cambridge: Cambridge University Press.
RCAGA (Royal Commission on Australian Government Administration) (1976), *Report*, Chairman: H.C. Coombs, Canberra: Australian Government Publishing Service.
Reith, Hon. P. (1996), 'Towards a best practice Australian public service', discussion paper, Canberra: Australian Government Publishing Service.
Ridley, F.F. (1983), 'Career service: a comparative perspective on civil service promotion', *Public Administration*, 61, Summer, 179–96.
Scarrow, H.A. (1957), *The Higher Public Service of the Commonwealth of Australia,* Durham, NC: Duke University Press.
Sedgwick, S.T. (1994), 'Evaluation of management reforms in the Australian public service', *Australian Journal of Public Administration*, **53**(3), 341–7.

Self, P. (1978), 'The Coombs Commission: an overview', in R.F.I Smith and P. Weller (eds), *Public Service Inquiries in Australia*, St Lucia: University of Queensland Press, pp. 310–33.

Spann, R.N. (1979), *Government Administration in Australia*, Sydney: George Allen & Unwin.

Spann, R.N. (1981), 'Public administration', *Australian Journal of Public Administration*, **40**(1), 12–25.

Subramaniam, V. (1959), 'Promotion in the Commonwealth public service: the development of current practice compared with those of the New South Wales and Victorian public services', unpublished PhD thesis, Canberra: Australian National University.

Waldo, D. (1984), *The Administrative State: A Study of the Political Theory of American Public Administration*, 2nd edn, New York: Holmes & Meier.

Wanna, J., J. Kelly and J. Forster (2000), *Managing Public Expenditure in Australia*, Sydney: Allen and Uwin.

Weller, P. (1989), 'Politicisation and the Australian public service', *Australian Journal of Public Administration*, 48, 369–81.

Weller, P. (2000), 'Introduction: in search of governance', in G. Davis and M. Keating (eds), *The Future of Governance: Policy Choices*, Sydney: Allen and Unwin.

Weller, P. and J. Wanna (1997), 'Departmental secretaries: appointment, termination and their impact', *Australian Journal of Public Administration*, **56**(4), 13–25.

Weller, P. and L. Young (2001), 'Australia: mandarins or lemons?', in R.A.W. Rhodes and P. Weller (eds), *The Changing World of Top Officials: Mandarins or Valets*? Buckingham: Open University Press.

Wettenhall, R. (1987), *Public Enterprise and National Development: Selected Essays*, Canberra: Royal Australian Institute of Public Administration (ACT Division).

Wettenhall, R. (2002), 'Public enterprise divestments in Australia: a turn-of-the-century review', in Byong-Man Ahn, J. Halligan and S. Wilks (eds), *Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea*, Cheltenham, UK, Northampton, USA: Edward Elgar.

Wilenski, P. (1980), 'Has the career service a future?', in R.M. Alley (ed.), *State Servants and the Public in the 1980s*, Wellington: New Zealand Institute of Public Administration.

Wilenski, P. (1986), *Public Power and Public Administration*, Sydney: Hale and Iremonger.

Windsor, G. (1996), 'Defence head lashes out over Howard sackings', *The Australian*, 4 June, p. 1.

Withers, G., D. Throsby and K. Johnston (1994), 'Public expenditure in Australia', paper no. 3, Canberra: Australian Government Publishing Service for the Economic Planning Advisory Commission.

Zifcak, S. (1994), *New Managerialism: Administrative Reform in Whitehall and Canberra*, Buckingham: Open University Press.

5. The New Zealand public service: national identity and international reform

R.C. Mascarenhas

INTRODUCTION

New Zealand has evoked academic interest since the early 20th century for promoting social and economic policies that encouraged the development of a democracy based on political equality (Lipson 1948). Once described as the 'mecca of socialism', the country made a dramatic departure in the 1980s by adopting neo-liberal policies that brought about a transformation in the state's role in the economy. These policies of liberalisation, deregulation and privatisation, introduced by a Labour government elected in 1984, led to public management reform that again attracted worldwide attention in the 1990s. As a small democracy operating in the British tradition, New Zealand has in some respects been that tradition's best product in terms of the faithful replication of institutions and practices. The two arguments in this chapter deal with the fundamental tensions, or dialectic, in the development of the New Zealand public service.[1] First, there is the search for and formation of the service's identity – the continuing influence of constitutional links and heritage, despite the shift over time from colonial status – compared with the country's own shaping experiences. Second is the set of challenges to this identity posed by public sector reform: the neo-liberal experiments of the late 1980s and early 1990s.

In this study of the New Zealand public service two different perspectives are adopted. The first is that in a modern industrialised society one expects to have established political and administrative institutions that are generally prevalent in similar types of societies. That assumption – while not merely an observed fact – was an expectation of the original settlers, who brought with them ideas and experience from their country of origin, which in this case happened to be Great Britain. As a dominion, Great Britain has had both a direct and an indirect influence on the political, social and economic institutions established in New Zealand. The second perspective is the gradual

emergence of a national identity guided by a variety of historical, social, ethnic and religious factors. If the former perspective takes a generic concept of public administration applicable across countries, the latter recognises each country's uniqueness. As members of political and administrative institutions, people reflect the norms and values of their society; academic researchers in comparative political economy refer to this as 'social embeddedness' (Bekke et al. 1996, p. 21).

A democratic system of government that can constantly respond to a society's changing demands in the form of effective performance relies primarily on its public service. Historically, New Zealanders have continued to support their political system and the public service in so far as these institutions reflect the fundamental social values of democracy and equality. It was in pursuit of democracy and equality that the early settlers imported and simultaneously constructed the institutions of society and state (Lipson 1948). In importing the institutions, they looked back to their mother country; in constructing them, they were influenced by local circumstances. Both politicians and public servants played a significant role in that construction, and in the process of achieving it they were called on to resolve some underlying difficulties affecting their relationship.

The evolution of a working relationship between politically elected officials and their civil service is an experience unique to each country and an ongoing process. The significance of this relationship between politics and administration has engaged the attention of many academics (for example, Hyneman 1950; Mosher 1968; Rose 1987; Aberbach et al. 1981). While the politics–administration dichotomy is central to the academic discussion in comparative public administration, specific factors that influence this relationship are the accountability, responsibility, representativeness and responsiveness of both the legislature and the civil service. Public acceptance or the legitimacy of the political system is governed by these factors and is discussed in this chapter. At this point it is necessary to suggest that the importance or emphasis a society attaches to them depends on the type of democracy.

Reverting to the emphasis in New Zealand on equality prompts discussion of the distinction between liberal democracy and social democracy (Mulgan 1989). Liberal democracy stresses the importance of private property and the need to limit the power of government, thus enhancing individual freedom. The state's role is restricted to protection of individual rights and freedoms. In such an individualistic society, individuals pursue their self-interest, which in essence is the foundation of a capitalist system. This model of democracy was initially best exemplified in the United States' constitutional system, but the emergence of economic theories of organisation such as public choice has led to the model's ascendance in

other Anglo-Saxon democracies, such as New Zealand. As Mulgan (1989, p. 66) noted,

> This approach to social analysis and public policy has recently been favoured by officials in the New Zealand Treasury and Reserve Bank and by business groups such as the Business Round Table. It is sometimes referred to as a new right or, better, a neo-liberal approach.

Although this change in political thinking in the mid-1980s has had a profound influence on the reform of the public service, New Zealand had – prior to this and during most of its history – sought to promote the model of social democracy. Between 1850 and 1984 the state played an active role in promoting economic development and developed the public service to implement policies that promoted social and political equality (Lipson 1948; Mulgan 1989). The shift in political values in the 1980s led to a schism between the political and administrative systems and the citizens, producing an underlying conflict between societal demands and the policies of successive governments (both Labour and National), ultimately resulting in a dramatic change in the electoral system in 1993. This was New Zealanders' response to the changing political scene – that is, from the 'politics of equality to the politics of inequality' (Mascarenhas 1994).

This chapter traces the evolution of the New Zealand public service by focusing on a number of themes:

- the development of the public service from 1850 to the present;
- the emergence of the distinctive identity of the New Zealand public service;
- the representativeness of the public service;
- the politicisation of public servants;
- the public attitude to the public service;
- reform of the public service between 1988 and 2002;
- the configuration of the public service.

HISTORICAL DEVELOPMENT OF THE PUBLIC SERVICE IN NEW ZEALAND

The historical development of the public service is examined in five phases: the era of political patronage (1850 to 1912); the foundations of a public service (1912 to 1962); the role of the independent personnel-management agency (1962 to 1988); and the transformation of the public service between 1988 and 2002.

Political Patronage, 1850 to 1912

The first phase in the development of the civil service in New Zealand can be summed up as a struggle to rescue the civil service from political patronage. Political representatives' dominance in the recruitment, promotion and remuneration of public servants was possible because of the absence of any rules and regulations regarding the management of public personnel. In the absence of such rules or regulations, the term 'civil service' was, according to Lipson (1948), a misnomer. The prevailing view among political representatives was that the best available talent should move into the private sector, and the Civil Service Act 1886 sought to achieve that by keeping entry to the civil service at the lowest level, with low salaries. The civil service came under constant attack from political representatives during a period when the country was experiencing stringent economic conditions and a looming deficit in the public accounts. In 1880 the Royal Commission on the Civil Service was established. Its report was notable for epitomising extreme attitudes: 'A career service was viewed as an extravagance' (Henderson 1990, p. 16). The report belied the expectations of senior civil servants, who had expected the Royal Commission to recommend the establishment of an agency to develop systematic personnel management, when it recommended instead a reduction in salaries. According to Lipson (1948, pp. 156–7), 'The Chairman's conception of government economy confused the distinction between surgery and butchery.' That description of the 1880 Royal Commission's findings seems appropriate to describe events a century later, when restructuring of the civil service reduced its numbers from 80 000 to 35 000 between 1986 and 1989.

The first serious attempt to promote a professional civil service in New Zealand came with the Civil Service Act 1886, which introduced a system of competitive examinations for civil service entry. This system remained in operation until 1946 (Henderson 1990).

The idea of a competitive examination for entry to the civil service had little to do with encouraging merit, but it was used as a vehicle for equal opportunity. A low-level examination combined with nomination by political representatives was set up as the method of entry. This 'principle of equal opportunity persevered at the expense of the caliber of the public personnel . . . an attitude fraught with future significance, since it became a dogma of the New Zealand conception of democracy' (Lipson 1948, p. 160). Constant criticism of the civil service by politicians prompted senior civil servants to establish the Public Service Association in 1890. The PSA has had a major role to play in changes to the civil service while simultaneously protecting civil servants' interests.

The social programmes introduced by the Liberal–Labour government of the 1890s led to the realisation that their successful implementation would

require a politically neutral civil service. This in turn became the basis for a series of attempts at reform in the management of the civil service, culminating in the Public Service Act 1912.

Foundations of the Public Service, 1912 to 1962

The Public Service Act 1912 laid the foundation for a politically neutral service free of patronage, thus restoring public confidence in government. This was achieved by ensuring that public servants would carry out the policies of the government and that they would be protected from political interference while doing so. The Act did away with ministerial authority in the appointment, promotion, dismissal and salary determination of public servants; all of this became the responsibility of an independent Public Service Commission, which introduced the merit system in the public service. Although the Commission was assigned responsibility for the efficient management of the public service, its jurisdiction was limited. Major departments such as defence, police, and posts and telegraph were exempt from its authority, and its efforts at enhancing the quality of the public service were further hampered by the occurrence of the two World Wars and a severe recession in the economy, with attendant salary cuts and extensive retrenchment.

Attempts at post-war recovery involved a range of government measures requiring the support of the public service. The measures led to a dramatic transformation in the role of the government – into what Lipson (1948, p. 368) described 'as a universal producer' – which was undertaken by machinery that was antiquated for both policy making and implementation (Lipson 1948; Polaschek 1958). Apart from a serious shortage of qualified personnel, the transformation was handicapped by structural flaws related to the distribution of ministerial portfolios, whereby responsibility for different branches of a single department was assigned to more than one minister. Further, in some cases many government functions associated with a single matter – which ought to have been planned and administered as a unity – were spread over several agencies. To overcome these flaws, Lipson recommended a process of rationalisation, which was not implemented. (Despite all the restructuring of the 1980s, it is surprising to note that the flaws identified by Lipson hamper coordination to this day.) The consequence of such illogical structuring for policy planning and coordination was that, 'instead of a solo performance on a single instrument, there is a disharmonious septet . . . without even a clearly recognised first violin' (Lipson 1948, p. 382).

Despite the drawbacks of excessive fragmentation, the Public Service Commission succeeded in putting an end to political patronage, introduced a classification system, increased the efficiency of many departments, and encouraged the varied agencies under its jurisdiction to form a single service

(Lipson 1948, p. 439). A growing recognition of the need for training led the commission in 1937, with the support of the PSA, to establish the New Zealand Institute of Public Administration. In the absence of an administrative class such as that in Britain, the New Zealand public service sought to adopt a programme of special education in public administration for middle- and senior-level public servants.

The Role of an Independent Personnel Agency, 1962 to 1988

The 1962 Report of the Royal Commission on State Services (the McCarthy Commission) recommended changes to the role of the Public Service Commission and its reconstitution as the State Services Commission, with a single commissioner. This reconstituted commission, with four members, took direct responsibility for management of the public service. It was also responsible for ensuring economy and efficiency within the public service and for advising government about personnel matters involving the post office, the railways, and other agencies outside the public service.

Following the recommendations of the McCarthy Commission, the Machinery of Government Section was established in 1964, and attempts were made to restructure the Departments of Defence and Transport. In 1976 the Management Audit Section was set up to promote economy and efficiency in the service by carrying out reviews of departmental organisation and operations. The consequent changes resulted in internal dissension.

A significant contribution of the State Services Commission was the establishment in 1989 of the Department of Prime Minister and Cabinet, to assist the prime minister. In order to reflect socio-economic changes taking place in society, it became necessary for the public service to promote equal employment opportunities for women and Maori, groups that until then had not been properly represented. A fundamental re-examination of the way government functioned became increasingly relevant. A shift from accountability based on procedural compliance to review of performance followed (Henderson 1990). In response to the Controller and Auditor-General's report on financial administration of departments, the State Services Commission emphasised the importance of financial management information as a management tool. It also noted the absence of proper systems for setting clear and measurable objectives. In order to encourage departments to adopt performance measurement, the Commission initiated systems intended to measure not only quantifiable outputs but also qualitative ones such as client satisfaction (Henderson 1990). Departments were encouraged to prepare corporate plans to identify objectives and means of achieving them. By focusing on the clarification of objectives and establishing systems for the measurement of performance, the Commission laid the foundation for the reforms of the public service in 1988.

State Sector Reform, 1988 to 2002

In 1984 the Labour government launched a programme of economic liberalisation and deregulation; this was followed by a major restructuring of the public sector. The reform was a response to a period of indifferent economic performance characterised by low economic growth and high levels of inflation and unemployment. As with other Conservative governments such as those in Britain and the United States, it was a neo-liberal response designed to reduce the role of the state and encourage the private sector to play an active role. Neo-liberal political rationality advocates different ways of managing the national economy but featuring the market and contracts. The outcome of this shift in thinking in the 1980s in New Zealand was a dramatic reduction in the public service as a result of measures such as restructuring the core public service, setting up commercial activities of government as independent state-owned enterprises, and establishing Crown agencies. The reforms brought about a transformation of the State Services Commission's role in managing the public service.

By the mid-1990s concerns were being expressed about the public management model's emphasis on efficiency without paying sufficient attention to political and constitutional matters (Mascarenhas 1996a; Rohr 2002).

New Zealand's failure to correct well-known weaknesses has been widely reported, and there are unanswered questions in the areas of accountability, performance measurement and strategic management. There was a need to 'debug' the less successful elements, to make modifications that would allow further development, and to recognise the case for second-generation reforms (Schick 1996; Boston et al. 1996; Scott 2001). An important weakness of the New Zealand reform was the lack of integrative mechanisms that could steer and coordinate a complex array of agencies operating independently of once-powerful central agencies such as the Treasury and the State Services Commission. A possible avenue for overcoming this lacuna was the planned setting up of a senior executive service, which for a variety of reasons was unable to meet expectations. The election in 1999 of a Labour-led coalition government reversed some of the previous reforms by modifying the Employment Contracts Act and renationalising accident compensation. In order to give central agencies greater capacity to exercise control, an Advisory Committee to Review the Centre was established. In its report the Committee noted the effects of fragmentation when the larger picture is overlooked and, in advocating new ways of working, envisaged an integrated state sector career service so as to promote common norms and standards of functioning (Gregory 2002).

EMERGENCE OF A NEW ZEALAND IDENTITY

As a nation with strong links to Britain, New Zealand inherited its political institutions by adopting a parliamentary system of government generally distinguished as the 'Westminster system'. In the Westminster system the relationship between the political executive, ministers and cabinet (who are elected members of parliament) and the public service is more fused. Ministers are held publicly accountable for the actions of public servants working in their departments. Although Britain has had a significant influence in shaping the political institutions of its former colonies, New Zealand in its short constitutional experience has sought to carve out some distinctive traditions. One concerns the composition of its public service. The homogeneous social and economic background from which New Zealanders hail has prompted a desire to avoid adopting the concept of an elitist administrative class – a source of senior-level administrators. That a nation's public service reflects its historical evolution is evident from the distinctive styles that have emerged in various countries (Mascarenhas 1993).

Although there has been a conscious effort on the part of New Zealand not to adopt an administrative class, there seems, at the same time, to have been considerable openness to ideas from elsewhere, particularly the US and Australia. As Lipson (1948, p. 450) noted,

> The New Zealand civil service, in fact, has been based upon principles more analogous to those of Australia or of the United States. The Dominion insists, as a fundamental of her public service policy, upon the absence of any equivalent to the administrative class for entry into which advanced education qualification is required.

New Zealand sought to compensate for the absence of an administrative class by encouraging middle and senior public servants to attend the Diploma in Public Administration course offered at Victoria University College. Britain encouraged a generalist education; the concept of a specialist education for the public service was a US phenomenon. While education in public administration was encouraged, New Zealand also showed interest in the scientific management movement of the 1920s, which had had a distinctive influence on US public administration.

The New Zealand Attitude to the Administrative Class

In 1853, when Britain was involved in discussion of the Northcote–Trevelyan report, New Zealand was in the process of establishing a system for recruitment and promotion of its public service. Many of the Northcote–Trevelyan report's recommendations were justified as equally applicable to New Zealand

and were adopted – with one exception. The recommendation not accepted was that

> for the superior situations endeavours should be made to secure the services of the most promising young men of the day, who would be employed from the first on work suited to their capacities and their education the germ of the British civil service's 'Administrative Class'. (Henderson 1990, p. 15)

In New Zealand, the entire focus was on initial entry: cadets joining the clerical service were expected to work their way up to higher positions based on experience and merit. Once in service, cadets, who joined the public service after completing the School Certificate or an equivalent competitive examination, were encouraged to return to university to study on a part-time basis.

This practice of seeking to graduate after entering the public service impeded those wanting to enter the service after graduation. Recognising this anomaly, the University of New Zealand expressed the view that its best graduates were full-time students who – owing to the public service practice of recruitment straight from school and furthering education on a part-time basis – were placed at a disadvantage because they were too old for normal entry and were appointed only if no suitable candidate from the public service was available to fill a vacancy. According to the university, this situation contrasted with the British system of recruitment of top graduates to the administrative class. The Public Service Commission argued, however, that there was no difference in the quality of part-time and full-time graduates. Subsequently, at the instigation of the New Zealand University Students' Association, a committee was set up to investigate the matter (Henderson 1990). Members of the committee, on which there were representatives of both the university and the Commission, differed in their views on the value of a generalist degree since it was felt that what the public service needed was specialists in engineering and allied disciplines. The British concept of an administrative class

> was rejected on the grounds of the small scale and of the narrow scope of public administration in New Zealand. It was also considered to be against the spirit of the national feeling of New Zealand as a whole, and of the public service, that anything contrary to democratic recruitment should be instituted. (Henderson 1990, p. 157)

As immigrants from Britain, New Zealanders' initial tendency was to reject any suggestion of an administrative class that reminded them of the class-oriented society they had left behind. The absence of an administrative class can, however, result in a lack of general administrators with common beliefs, attitudes and ethics that encourages the adoption of a broader view of their role (Mascarenhas 1993; Self 1972). For Lipson (1948, p. 456),

> This tradition was an unfortunate consequence of the New Zealand conception of democracy. It has its roots in the colonial antagonism toward a principle of an administrative class on the British model. New Zealanders have generally condemned the mode of recruitment to this class as undemocratic, and this attitude is mirrored in the commissioner's reports . . . in this respect the New Zealand public service is more democratic than the English civil service, where all the higher positions are restricted to University trained men.

In adopting this position, New Zealand overlooked certain merits of the administrative class – recognition of the general administrative function, preparation for which requires university education in subjects that 'open, invigorate and enrich the mind', and the opportunity it provides for future administrative leaders to receive early in-service training in responsible work (Lipson 1948).

The New Zealand public service had to recognise the demands placed on modern governments and acknowledge that these could not be handled without considering some variant that would provide the basis for administrative leadership. This became even more necessary with some of the political and economic changes of the 1980s. In tracing the unsuccessful attempts to create an administrative class, Martin (1988) acknowledged the need for coordination at the centre and advocated a policy and advisory class to meet it.

Training as an Alternative

As noted, the practice of recruiting cadets at clerical level and encouraging them to seek higher education at university on a part-time basis affected the prospects of those who sought entry after graduating. The situation of the latter group became the concern of the University of New Zealand, and it attempted to resolve the problem, as well as to meet the demands of a changing public service, by establishing the Diploma in Public Administration. The idea was supported by the newly established New Zealand Institute of Public Administration, which urged the adoption of a method for potential administrators to develop their capacities through further education (Henderson 1990). This led to the creation in 1937 of the School of Political Science and Public Administration, with Professor Leslie Lipson as its head. The programme was open to public servants, who – having been selected by a committee after applications had been invited from departments – were granted scholarships for two years of full-time study in the social sciences. Candidates were to be selected on the basis of 'academic ability and the qualities of character which would indicate the potentialities of future administrative leadership. The course included subjects from the fields of political science, economics and law, together with close attention to public administration' (Lipson 1948, p. 460).

The Diploma in Public Administration met the special needs of a broad-based liberal education for a limited number of potential administrators, but in the 1940s the concept of in-service training became more acceptable. The development of a public administration programme and in-service training occurred as a result of the growing impact of the 1920s concept of 'scientific management' (influenced by the work of Frederick W. Taylor) and its emphasis on the non-political public service, which recognised the separation of politics and administration (Henderson 1990). This realisation was particularly important at a time when the New Zealand public service was trying to eliminate patronage.

The Senior Executive Service

Until the creation of the senior executive service (SES) under the State Sector Act 1988, the New Zealand public service relied on a non-elitist approach to meeting the needs of administrative leadership at the highest levels. Although New Zealand lacked an administrative class, by the 1960s its top public servants were generally people who had entered the service after obtaining university degrees and interacting closely with their counterparts in Britain and elsewhere. New Zealand had struggled to develop a unified public service that reflected the democratic values of equality that, as a nation, it had upheld for over a century. While the setting up of an administrative class was unacceptable, the attempt in 1988 to establish a senior executive service on US lines suffered from structural incompatibility with a system that allowed departmental chief executives total freedom in personnel matters under the State Sector Act 1988. Designed to provide a future intake at the highest level under the management of the reconstituted State Services Commission, the initiative was unable to generate momentum and was for all purposes a non-starter.

While the concept of an administrative class was rejected because of its identification with British class society, that of an SES was easily absorbed as an import from a more egalitarian society. The creation of an SES in the US in 1978 was intended to overcome the departmental and programme identification of the career service and to develop top administrators with policy and administrative skills (McGregor 1983). But it failed to achieve either objective (Levine 1988). Despite this evidence, both Australia and New Zealand adopted the system and soon began to realise their folly. The New Zealand State Services Commission (1991, p. 10) admitted that it 'has not realised the promise it offered'. The failure of this attempt to launch a senior executive service can be attributed to the high mobility that now exists between the public and private sectors.

When it was introduced in 1988, the SES was intended to be

> a pool of management talent, an incentive for developing management careers in the public service and . . . a unifying force at the most senior levels of the public service. In fact, however, senior managers saw SES as a constraint on their pay and work opportunities. Many believed they could get a better deal in individual employment contracts that would not have been possible under SES. (Schick 1996, p. 50)

Flexibility and Mobility

Important changes to the New Zealand public service were introduced with the State Sector Act 1988, which brought about increased flexibility in salaries and employment conditions by adopting a system of employment contracts for senior public servants. The Employment Contracts Act 1990 established a framework of labour management that was applicable to both the private and the public sectors. Although these changes allowed for greater movement between the sectors, they also resulted in a considerable shortage of qualified manpower in the public sector. Changes in public service employment conditions brought with them flexibility and mobility – regarded as essential at the time – but they were also likely to hamper the service's effective functioning.

The situation at the highest level, where chief executives and senior managers frequently move between jobs, is humorously referred to as 'musical chairs'. Public servants appear to be enjoying the best of both worlds – the salaries and perks offered to executives in the private sector plus the security of tenure (despite contracts) associated with the public service. In other words, except in very serious cases of breach or non-performance, the contracts of senior public servants are generally renewed. In some cases when an executive has left before completing the term of his or her contract, generous compensation has been provided, despite unsatisfactory performance and the reason for the departure being to take up another position. Recent cases of generous compensation arising out of contract termination have led to Audit Office investigations against government ministers (Controller and Auditor-General 1999b). The Minister of Higher Education has disclosed that he has instituted inquiries relating to such severance payments to a chief executive who sought to end his contract to take up another position. Disclosure of such cases has led to serious public misgivings about the system of contracts for senior executives in the public sector, giving rise to doubts about the integrity of the public service and, as Gregory (1999, p. 67) puts it, 'diminishing public service social capital'.

In what has turned into a fragmented public sector (a product of continuous restructuring), the lack of clarity regarding some public agencies' legal status finally prompted the States Services Commission to clarify their accountability to their respective ministers and parliament as advocated by the Audit Office (Minister of State Services 1999; Controller and Auditor-General 1999a). By delegating responsibility in personnel matters to chief executives

– particularly in the context of budgetary constraints and limited-term contracts – the State Sector Act exacerbated the internal tensions that usually arise during the annual wage round. This was attributable to the sudden shift from the centralised wage-fixing machinery that existed under the State Services Commission to departmental responsibility. The outcome of the new arrangement was an unprecedented number of industrial disputes resulting in slow-downs and even strikes.

Although difficult to substantiate, there is growing anecdotal evidence that the 'new managerialist' culture has brought about a 'we–they' phenomenon that was not previously prevalent in the New Zealand public service. A major factor that has encouraged this feeling is the salary discrepancies between higher and lower levels in departments. In a climate of budget constraints and constant restructuring, lower level public servants operate under the constant threat of redundancy. This phenomenon, a product of public sector restructuring, has emerged at a time when the Public Service Association has lost its influence within the public service.

PUBLIC SERVICE REPRESENTATIVENESS

New Zealand's emphasis on democracy and equality – the foundation of its political system – had ensured that its public service would mirror similar values. To outsiders, this emphasis has appeared at times to promote mediocrity. During the early history of the evolution of the public service, the emphasis was on extricating the service from political influence in the form of patronage: it was thought that a low-level competitive examination for entry would allow equal opportunity. The curious practice of promoting such widespread representation in the public service was to allow legislative representatives to nominate candidates from those who had qualified through a competitive examination. It was felt that if representatives nominated candidates to the lowest levels (clerical grade) geographical representation would be assured. The practice may not seem quite so curious when one notes the views of Mosher (1968, p. 10):

> Loosely associated with the idea of subjective responsibility is that of representativeness of the people in the appointive public service. The general idea is an old one in [the United States]. Certainly it was implicit and sometimes explicit in the Jacksonian spoils system; in the provision of the Pendleton Act for proportionate representation of the different states in appointments in Washington; in the long established general practice of staffing most field offices with local residents.

The argument for entry at the lowest level could be justified on the grounds of geographical representation and equal opportunity. However, failure to allow

graduates to compete for positions and the existence of differential salaries for women and men were viewed as discrimination. The Hunt Commission's 1912 recommendation that women workers should receive lower rates of pay and have less responsibility than men remained entrenched until the 1960s (Henderson 1990). That the view persisted is borne out by the decision in 1955 to set up an executive division with the intention of altering the image of public servants as performers of routine clerical duties. In proposing such a measure, the Hunt Commission stated that male, but not female, school-leavers would be directly recruited to the proposed executive division (Henderson 1990, p. 229). The executive division did not come into being because of the Public Service Association's vehement opposition to a perceived negative policy.[2]

An unintended consequence of this abortive attempt to set up an executive division was the considerable unease generated within the public service, as well as among the public. The attitude to women in the public service appeared anomalous because New Zealand, having been the scene of an active suffragette movement, had been the first country to give women the right to vote. Besides, the Maori Women's League had played a very active role in promoting the interests of Maori women. It is likely that discussion about such a discriminatory policy led to public calls for equal pay and equal opportunity for women and Maori within the public service. Several decades of agitation followed. In 1960 the Government Service Equal Pay Act was passed.

During this period the number of women in the public service increased substantially. By about the 1950s, economic prosperity, coupled with technological advances, had brought about considerable changes in attitudes, which encouraged women to work outside the home, which 'the ideological values espoused by conservative public service administrators, centred on the man as the breadwinner and the women as the homemaker, came to be at odds with the lives and expectations of many New Zealand families' (Henderson 1990, pp. 260–61). William Sutch, a senior public servant, pinpointed New Zealand's conservatism as the reason that public discussion of equal pay had not begun, even though its principles had already been accepted in other countries (Henderson 1990).

Although the breakthrough for equal pay and equal opportunity took a long time, progress in the last 30 years has been phenomenal (see Table 5.1). New Zealand has been active in promoting equal employment opportunity (EEO) policies and has made them a legislative requirement under the State Sector Act. EEO ensures 'affirmative action (firmly associated here with the application of the merit principle), the elimination of bias from human resource management systems, and changing of work place culture' (State Services Commission 1995, p. 3).

Table 5.1 Staffing of the New Zealand public service, 1913 to 2000

Year	Permanent staff (number)	Females as a proportion of permanent staff (per cent)
1913	4 918	
1920	6 992	
1930	8 102	
1940	12 158	
1950	30 062	27.7
1960	38 781	28.4
1970	50 189	30.2
1980	64 830	34.8
1990	46 240	49.1
2000	29 057	55.2
2001	30 355	55.4

While EEO has implications for women, Maori, Pacific Islanders and other ethnic minorities, the special relationship of Maori to the Crown under the 1840 Treaty of Waitangi imposes a particular obligation to ensure that Maori have special representation in the public service. Since 1978 the State Services Commission has taken steps to promote EEO for Maori and Pacific Islanders. Young Maori are encouraged to join the public service, and efforts are made to recruit well-qualified Maori school-leavers into the executive clerical mainstream and into technical occupational classes (Boston et al. 1996).

Despite these efforts to increase Maori participation in the public service, the State Services Commission considers the outcome as less than encouraging. For example, the Maori population aged 15 to 59 years constitutes about 9.7 per cent of the total population but their representation in the public service is 6.5 per cent. According to the Commission, 'If the Public Service is to meet the needs of the increasingly diverse society it must reflect, at all levels, the New Zealand population as a whole . . . Overall, therefore, the Public Service needs to make a greater effort to increase Maori participation' (1993, p. 1).

Although legislation prescribes that public service departments adopt EEO policies, with special representation for Maori, its implementation must be viewed in the context of existing dominant values. There is a perception that the New Zealand public service is dominated by pakeha (people of European descent), whose actions are less likely to contribute to the expectations of the State Services Commission. When it comes to Treaty of Waitangi obligations, the focus appears to be on the symbolic aspects rather than the substance. Despite relatively healthy race relations in New Zealand, one cannot achieve

greater equality of opportunity unless one works through the deep-rooted prejudices that subconsciously influence individuals' actions. The document *Maori Participation* (State Services Commission 1993), while making a strong case, was unlikely to bring about increased participation unless these prejudices were tackled.

Thus, if the composition of the public service is narrowly based, the possibility arises that only selective signals from society will be received and transmitted to the administration. The danger is not only imminent in the policy-advisory capacity of the public service at the collective-choice level; it can be considered especially relevant during policy implementation. Consequently, interpretation of the objectives of a certain policy depends on the attitude, the expertise, the role conception and, ultimately, the values of the official concerned. Officials may prove accessible and responsive only to the wishes and needs of a particular segment of society to which they belong (Bekke et al. 1996).

POLITICISATION OF THE PUBLIC SERVICE

In parliamentary systems such as that in New Zealand, a successful relationship between the political executive and the public service is crucial for the performance of the government, and this in turn reflects on the government's legitimacy. The principle of collective cabinet responsibility incorporates the idea of individual ministerial responsibility for effective management of a department, duly assisted by permanent public servants. Since the relationship is governed by norms and conventions, it is generally recognised that public servants support the government of the day, being mindful of the principle of political neutrality. That principle has successfully been practised since the Public Service Act 1912, despite the fact that ministers, as elected members of parliament, are amateurs and their public servants, because of their education and experience, are considered experts. Over the years, that discrepancy in the level of knowledge and expertise between ministers and public servants has gradually widened, putting greater stress on the relationship (Rose 1987).

A factor that has necessarily had an influence on the minister–public servant relationship is the compatibility arising out of a common social background. As a relatively homogeneous society, New Zealand tends to promote a common set of values and attitudes, thus bringing to policy matters a perspective generally in consonance with that of society at large. In fact, the over-emphasis New Zealanders place on attempting to achieve the values of democracy and equality has often been at the cost of recognising and rewarding outstanding talent, earning them the sobriquet 'passionless people' (McLauchlan 1976; Lipson 1948).

The similar social background and common values have cemented a healthy relationship between ministers and their public servants. Indeed, the bid to ensure that the public service remained non-political and loyal to whichever government came to power has necessitated the restricting of public servants from indulging in political activities. In order to ensure loyalty, civil servants were disqualified from political activities other than voting; this rule remained in force from 1858 to 1936. The Political Disabilities Removal Act 1936 allowed public servants to take leave to stand for election to public office, with the right to return to their original position if unsuccessful (Henderson 1990). It is, however, not usual for public servants to seek political office, and the Act's possible effect on relations between politicians and the public service has been negligible.

If civil servants' political activities have never assumed much significance in political relations, civil servants' loyalty has on occasion caused concern. This issue of doubting their political neutrality arises from two sources. The first is the perception that senior civil servants are generally more supportive of Conservative governments and the second concerns the underlying current when a party is elected to power after having been in opposition for a long period. While the first view is difficult to substantiate, the second can arise because members of a new government lacking experience in government are likely to have to struggle to establish a relationship. Newly elected governments, particularly after a long time in opposition, have not 'found it easy to accept initially that advisers to the previous National administrations could transfer their loyalty to a new regime' (Martin 1988, p. 15; Mascarenhas 1990).

If this feeling of the civil service withholding wholehearted support from a new government is not significant, the internal dissensions arising out of value conflicts have resulted in increasing numbers of 'leaks' and 'whistle blowing', causing concern for the State Services Commission. Such concern led the Commissioner to reiterate the importance of public servants' duties and loyalties to ministers and government (Martin 1988). Growing concern prompted the government in 1997 to introduce the Protected Disclosures Act, which, if passed, would provide formal avenues for public servants to disclose serious wrongdoing in their organisations without taking recourse to whistle blowing.

Serious incompatibility between a minister and his departmental head led to the retirement of W.B. Sutch, permanent head of Industries and Commerce. While the State Services Commission had the right to retire public servants who had completed 40 years service, the common practice was to allow them to continue until the age of 60. In this case, the Commission advised Sutch to retire because he no longer enjoyed the confidence of government and business to the extent necessary for a permanent head. Henderson (1990, p. 317) summarised the issues arising from this particular incident:

> The service would not be fulfilling its responsibility to democratic government if the question of 'loyalty' or responsiveness to the policies of the government of the day was not addressed, or even if personal incompatibility between a minister and a permanent head had seriously hindered their working relationship.

Two other incidents to do with minister–permanent head incompatibility (Internal Affairs and Conservation) are of more recent vintage. In both cases, termination of the permanent head's contract was requested by the ministers concerned. Since these were contractual appointments under the State Sector Act 1988, the State Services Commission had a limited role.

The year 1984 marked a distinct shift in relations between elected governments and the public service in New Zealand, when the latter took on an advocacy role. The Treasury, generally considered the most important and conservative department, issued *Economic Management* (Treasury 1984), which was intended as an agenda for reform and a briefing paper for the newly elected Labour government. Following the reform's implementation, the government received another briefing paper from the Treasury, *Government Management* (1987), which became the basis for reform of the public service in 1988. Business in New Zealand, which has been critical of the public service, found certain sections of the public service in agreement. The gist of the intended reform was the introduction of a more market-oriented approach and a reduction in the role of the state (Mascarenhas 1996a). Thus began a trend that identified senior public servants in critical departments such as the Treasury and the State Services Commission for their ideological positions and led to the exit of those referred to as the 'old guard' (Mascarenhas 1990).

The 'opening of the books' – that is, the Treasury's release of *Economic Management* and *Government Management* – went beyond what would be regarded as a smooth transition from one government to another. It appears to have occurred as a result of excessive concern on the part of the public service that it is not governments (politicians) that bring about change but that it is the public service that dictates the boundaries within which governments can operate. In seeking to redefine relations between politicians and the public service, the reforms essentially bestowed greater freedom and autonomy on chief executives, with the expectation that their political masters would hold them accountable for results. The New Zealand model went one step further by establishing a contractual relationship based on principal–agent theory, a contract in which the terms were dictated by public managers in the context of asymmetrical control over information. The implication of the reform in terms of politicisation of the public service in Westminister systems is summarised by Savoie and Peters (1996, p. 14):

> In summary, the village that has now been burnt was a comfortable, and in its way and in its day, very efficient way to organise the executive branch of government.

> That system has been replaced first by a more ideological and politicised strand of public policy maker, and then by a more technocratic public manager. These successive waves of 'reform' have damaged an institution at the same time that they have placed individual public employees in positions of even greater influence and control over policy. This may be yet another example of the tragedy of the commons in which individual gains result in collective losses.

It was becoming increasingly evident that the reformed public service was likely to tread the thin line of political neutrality in New Zealand. In 1993 Finance Minister Ruth Richardson asked the Treasury to prepare an estimate of the cost of opposition Labour party policies – the ultimate test of the political neutrality of public servants. When released, the figures based on the Treasury assessment suggested to the voting public that implementation of the opposition's proposed policies was out of reach of any government in New Zealand. The figures undoubtedly had an impact on what turned out to be a close election. A complaint laid by the opposition finance spokesperson was investigated, and it was found that the criteria adopted to cost the policies had differed from those normally used for government policies. Following this disclosure, an inquiry conducted by the chairman of the State Services Commission found that the Treasury officials had indeed made a mistake in adopting different criteria for costing opposition policies.

The prospect of a change in government in 1999 prompted the opposition Labour–Alliance spokespersons to warn senior public servants who were too politically oriented that they may become an obstacle in implementing the policies of a newly elected government (*Evening Post*, 31 May 1999).

Without referring to this episode, Gregory (1999, p. 67) predicted,

> The 'tighter ship' established through contractualized accountability, together with the informal disciplines imposed by greatly reducing staff and stripping away traditional public service employment protections may reinforce a politically dutiful and compliant public service; however, a new careerist culture characterized by opportunistic job-hopping and inflated pecuniary rewards may enhance the very 'moral hazard' agency theory is designed to control.

THE PUBLIC ATTITUDE TO THE PUBLIC SERVICE

In parliamentary systems of government the mechanism of public accountability renders a minister directly accountable to the public. The minister's effectiveness rests on the public service, which, while offering advice and taking responsibility for implementation, plays an equally crucial role. The public's attitude to a government and its legitimacy rests equally on the performance of its public service. Although the public service has been the target of attack by business groups, particularly during periods of economic downturn,

historically the 'New Zealand public has always looked towards the state, as a benefactor, parent or guardian' (Mascarenhas 1982, p. 33). With that attitude towards the state and the strong ethos of democracy and equality, it seemed appropriate in 1984 to state that the New Zealand public service reflected the larger society and culture more than did the public service in other western countries: 'Though it is patterned on Whitehall, it does not suffer from the enclosed nature and isolation of an elitist public service. It reflects the egalitarian ethos and therefore is more representative of, responsive to, and responsible concerning public needs' (Mascarenhas 1984, p. 18).

That image of a public service that responded to public demands was strengthened with the passing of the Parliamentary Commissioner (Ombudsman) Act 1962, which provided for independent review of bureaucratic decisions that affected citizens (Henderson 1990). This was followed in 1982 by the passing of the Official Information Act, which gave the public access to official information hitherto regarded as secret. Interestingly, the Ombudsman has been the avenue for public redress in the face of departments' continued unwillingness to publish or disclose information on request. Although both pieces of legislation – 20 years apart – brought about a change in the relationship between government and its citizens, this was a time when public participation in major decisions was disallowed under the National Development Act 1980. It was also a time in which government was involved in major development projects (Mascarenhas 1982). That process of excluding public participation became increasingly evident with the globalisation of the economy.

The image of the public service as bureaucratic, rule-oriented, wasteful and inefficient – a stereotype prevalent universally, without any need for empirical evidence – was portrayed in New Zealand in the form of a television series, *Glide Time*, written by Roger Hall. If *Yes, Minister* appeared as a more realistic portrayal of Westminster, *Glide Time* veered closer to feeding on public perceptions based on stereotype.

Since 1984 the state's role in the economy has undergone a dramatic change, with the introduction of market-oriented policies in housing, health and education and with that a testing of some of the assumptions of equality and fairness. Mulgan (1993, p. 53) describes the shift from an accessible to an inaccessible state thus:

> At the risk of oversimplification, it might be argued that in the 1990s, as distinct from the early 1980s and before, the strong single-party government of the 'elective dictatorship' has become an instrument of elitism rather than an instrument of populism. This change has followed from the opening of the economy, the government's overriding imperative of maintaining market confidence, and the privileged position this has delivered to the view of the public interest favoured by financial interests. Not that opposing views have been rendered totally powerless.

Lipson (1948) has much praise for the state–society relations that existed in New Zealand between 1890 and 1947, when governments were required to be highly responsive to the wishes of the average citizen. The closeness of citizens and decision makers made 'the concept of an elite inappropriate to the analysis of New Zealand politics' (Mulgan 1993, p. 47). That relationship has been affected significantly by the post-1980s restructuring. The more serious aspect of this change is that both the Labour government of 1984 to 1990 and the National government of 1990 to 1996, in failing to keep to their electoral commitments, chose to adopt policies without a clear mandate. Since the policies they adopted reflected the views of dominant groups (such as business and the farming sector), the voice of the majority, who belong to lower income groups in society, went unheard (Mascarenhas 1994).

This trend can be attributed to the existence of a first-past-the-post electoral system without the necessary constitutional checks (such as a bicameral legislature), increasing policy deliberation in caucus (which is closed), and conventions of party discipline that have resulted in strong single-party governments termed 'elective dictatorships' (Mulgan 1993, p. 47). Thus a political and administrative system that grew out of a homogeneous political culture became increasingly unrepresentative, appearing almost incompatible with the growing economic, political, ethnic and religious diversity of present-day New Zealand. Following a referendum in 1993, this disproportionate electoral system gave way to a mixed-member proportional system, which had been recommended by the Royal Commission on Electoral Reform in 1986.

While the political response to the economic reforms of the 1980s was a change in the electoral system, a further dent in the public service's image was made in 1997 by the sudden retirement, and later imprisonment, of the Controller and Auditor-General on grounds of financial impropriety. In passing judgment, the judge is reported to have said,

> Offending from positions such as Chapman's, particularly as Auditor-General, was so serious that any sentence other than jail would be inadequate and inappropriate. Chapman was supposed to control financial offending, not commit it. Offending at that level produced a sense of community outrage and carried a call for condemnation and general deterrence. (*Evening Post*, 14 March 1997)

While the Attorney-General's actions undermined the image of the public service, a major accident in 1995 at a viewing stand at Cave Creek, a property managed by the Department of Conservation, further damaged it. Among other incidents that affected the public service image were the charges of corruption laid by the Department of Courts against two judges; damaging evidence against the Serious Fraud Office and Inland Revenue in the Winebox Enquiry, alleging tax evasion by major New Zealand companies; and an out-of-court settlement following a lengthy case against government, which was

ordered to pay over $300 million for Treasury's non-awareness of certain legal requirements in the sale of New Zealand Steel to Equiticorp in the mid-1980s. These are a few of the mishaps arising out of the sudden shift in the culture of the public service from one of 'doing things right' to 'doing the right things'.[3]

In 1998 the State Services Commission set up an inquiry in response to revelations that some staff in the departments of Inland Revenue and Work and Income had sold client information to debt-collecting agencies. While this inquiry was in progress the Parliamentary Committee on Government Administration received similar evidence of corruption and advised the State Services Commissioner to expand the inquiry to cover all departments that had had allegations of corruption made against them (*Evening Post*, 8 December 1998). The Inland Revenue Department was investigated by a parliamentary committee after a series of public complaints about its high-handedness in dealing with penalties for tax arrears, leading to widespread bankruptcies and even suicide by some taxpayers.

The current decline in people's image of the public service has to be examined in the light of recent restructuring, the objective of which was to induct private sector methods and culture into the public service (Gregory 1999).

STATE SECTOR REFORM

Globalisation and the increasing pressure on public resources arising out of declining economic performance rendered reform of the public service imperative. Disenchantment with the decline in the quality of public services was encouraged by neo-liberal thinking and two apparently distinctive responses to these developments in industrialised countries can be identified. While the governance approach sought to examine the relationship between the political and administrative systems, so as to enhance the capacity to meet societal needs, the managerial approach sought to bring into the functioning of the public service modern techniques of management, replacing democratic notions of justice, fairness and equity in public services.

But the two models – governance and managerialist – are not necessarily distinctive. In fact, the initial efforts of New Zealand reform were an attempt to redesign the relationship between the political executive and the public service in several ways:

- reasserting the dominance of the minister over the permanent head by reducing the latter's policy-making role and emphasising the managerial role of higher public servants;
- reducing the independence of permanent heads by adopting a limited-term contract appointment and ensuring loyalty;

- shifting the policy-making role closer to the minister by having politically appointed advisers in ministerial offices;
- adopting a contractual relationship in which a minister purchased policy advice (outputs) from a department or elsewhere (contestable).

Thus the reforms introduced by the State Sector Act 1988 appear to have encouraged the subordination of higher public servants rather than strengthening their relationship with the politically elected executive. This brought about a shift in the Westminster style of policy making, whereby public servants offered advice to their departmental minister, who then, if required, placed it before the cabinet.

In contrast to this, which was more of a move towards the 'governance' model, the 'managerialist' model of civil service reform focused on:

- naming departmental heads as chief executives and giving them freedom to manage the department – including the appointment, remuneration and promotion of employees;
- adopting a clear separation of policy making from operating responsibilities for departments involved in delivery of services – on the grounds of likely capture contributing to likely bias in policy advice;
- creating a senior executive service to develop general management skills, changing the role of the State Services Commission;
- restructuring departments that had not been divided into business groups with general managers;
- introducing a system whereby departments were made responsible for outputs purchased by ministers, who in turn were responsible for outcomes and held accountable through a system of performance measurement.

The reforms were expected to clarify departments' objectives, improve accountability, make efficient and economic use of resources, provide for contestability of government services, and reduce bureaucratic capture.

The governance and managerialist models are compatible but, in the process of its gradual development in New Zealand, the managerialist model seems to have gained the ascendancy at the cost of the fundamentals of the Westminster system (Campbell and Wilson 1995; Mascarenhas 1995; Savoie and Peters 1996; Gregory 1999). That ascendancy was not an intended product of the reform, rather it occurred because of the extraordinary influence of the pre-reform ideological justification, which was fully supported by certain business groups that enjoyed exaggerated importance during the period. This is where the New Zealand reform has chosen novelty at the expense of substance.

A case in point is the attempt to define a distinct role for a minister and to introduce the concept of owner and purchaser, bringing the principal–agent distinction into the public sector. In promoting this distinction, the minister–department relationship of trust, which is a product of the Westminster system, was changed into a contractual relationship, adding to already confused notions of capture and contestability. How is it possible to have a contract when the minister is responsible for outcomes and the department for outputs? The two cannot be structurally separated. This serious lacuna in the restructuring has led to the Controller and Auditor-General tabling a report to parliament on the question of holding someone accountable 'for events or outcomes over which they have little or no control' (Controller and Auditor-General 1999b, p. 74). In the same report the Audit Office questions the simplistic relationship between government as purchaser and government as owner, claiming this causes considerable difficulties for parliament in holding government accountable. While acknowledging the changes introduced in the Public Finance Act 1989 as being in the right direction, a decade of experience with the Act has led the Audit Office to raise some fundamental questions about parliamentary accountability (Controller and Auditor-General 1999b).

My reservation that the novelty has been overtaken by the underlying substance of the reform (Mascarenhas 1996a, b) has been independently commented on by Schick (1996), who says the purchasing and ownership roles of the minister pull the department in opposite directions. He continues (p. 19),

> Arguably, however, government could have implemented major changes in managerial practices without introducing these novel features. This is not to say that the contractual reforms do not add value, rather it is to make the point that not all that New Zealand has accomplished is dependent on theories of opportunism, capture, agent–principal problems, transaction costs and the like . . . Another way of stating this point is to argue that a major portion of what has been accomplished has been due to conventional management ideas – freeing managers in exchange for holding them accountable for results – rather than to institutional economics.

If the governance model is in some ways compatible with the managerialist, the contractual is not. It is based on a view of managers as opportunistic, with their behaviour needing to be carefully monitored by specifying performance expectations through a series of contracts that establish accountability relationships between ministers, chief executives and public servants; close interaction between the private and public sectors; and emphasis on evaluating performance. The Public Finance Act 1989 elaborates on the various contractual arrangements – purchase agreement, ownership agreement and management agreement – leading to a series of negotiations and a system of continuous performance monitoring (monthly, semi-annual and annual),

without considering the value of this exercise for accountability and the costs involved (Mascarenhas 1996b). The entire process demands the generation of information and a measure of managerial and accounting skills on a continuing basis. This is complex, time-consuming and expensive, and, most importantly, it calls for expertise. In these circumstances, the cost of generating the information and the use it is put to are of considerable importance (Mascarenhas 1996b).

The use of the information depends on the user's needs. Control agencies, members of parliament, the department and the ordinary citizen have different needs, and information has to be tailored to meet them. The problem with the Public Finance Act is its emphasis on frequent and detailed reporting, without sufficient evidence of the value of this for public managers, the government, parliament and the public. It seems that the current wave of performance measurement fails to take into consideration the real purpose of the exercise. Excessive demand for performance measures serves only to divert senior public servants from what they would like to concentrate their efforts on. It fails to recognise that the public service is diverse and that amenability to performance measurement varies and should be recognised (Mascarenhas 1996b). Schick (1996) queries whether these costs are worth incurring in comparison with what can be achieved simply with managerial discretion.

The initial technocratic approach to reform using specific contracts based on the principal–agent model had overlooked the implications of the minister–civil servant relationship in a Westminster system of government (Campbell and Wilson 1995; Mascarenhas 1995) – something described as 'burning the village' by Savoie and Peters (1996). Thus the relationship between politicians and civil servants is based not only on the intimate relationship between them but also on the recognition that the former enjoy the legitimacy of having been elected while the latter possess the knowledge and experience. That relationship is strengthened through creative dialogue and synthesis (Aberbach and Rockman 1988). The managerialist model, emphasising performance-based contracts for specific outputs with specific measurements, has replaced the traditional minister–civil servant relationship based on mutual trust. This was severely tested in the case of the Cave Creek tragedy, when doubts arose about who was responsible – the minister, the chief executive, or both (Controller and Auditor-General 1999b). The State Services Commission's attempts to clarify the responsibility and accountability of chief executives has served only to confuse the issue (State Services Commission 1997). These are matters of public service norms, values and sometimes morals that are ingrained in the culture of a public service and have developed over time. They cannot easily be spelt out in contracts and official documents.

As Gregory (1999, p. 68) writes, '[The] high ethical standards that are commonly acknowledged to have prevailed for most of this century could

have been easily threatened by structural reform.' Apart from that, the reforms have resulted, according to a cabinet committee paper, in the government receiving poor policy advice, leading to sub-standard laws (*Evening Post*, 14 December 1998). While the reduction in numbers was intended to achieve greater economy and efficiency, quite the reverse seems to have resulted. Among recent incidents in the public eye as targets of investigation by parliamentary committees and the Audit Office are payments to consultants, unauthorised payments to members of statutory boards or Crown entities, handling of clients by the Inland Revenue Department, and overspending on computer systems for the police, Land Information Systems, and hospitals. As Boix and Posner (1998, p. 692) note,

> Public agencies located in communities that are poor in social capital, by contrast, will be trapped in sub-optimal equilibrium. Not trusting their employees, principals will be forced to invest in expensive monitoring and sanctioning devices to guard against opportunistic behaviour. And recognising that they are not trusted, employees will drag their feet and work only as hard as they must to avoid discovery and punishment. In such a situation, the provision of collective goods will be slower and more expensive than in more civic polities.

There is no doubt that the constant exposure to innumerable investigations, on charges of misappropriation or financial malpractice, has affected the morale of the public service and indirectly its public image (Gregory 1999). Excesses in the exercise of their power by officials in the Inland Revenue Department, resulting in suicides by severely stressed taxpayers, confirm the fear once expressed that removal of 'process controls can make the system vulnerable to excessive concentration of power leading to malversation' (Hood 1990, p. 212). John F. Robertson, a former senior public servant who later became the Chief Ombudsman, commented:

> The changes taking place in New Zealand need careful watching while new standards of conduct and administrative practice are built up, often by players who have not been part of the earlier ethical standards of the old Public Service or who do not feel bound by 'old fashioned' notions of the public service and public interest. The emphasis on the bottom line of cost effectiveness, the enforcement through contractual obligation of performance based on securing given outputs with a given level of resources, may well see a lack of sensitivity to the public's expectation of justice and fairness from its officials. (1990, p. 6)

The folly of separating politics and administration, as attempted in the reform, has been realised in New Zealand. There were efforts to make amends by looking into government's strategic interests, which led to the identification of long-term goals, strategic result areas, and short-term goals (or key result areas) as guidelines for the public service to develop purchase and performance agreements. While the strategic result areas derived from government's

five long-term vision statements are applicable to the public service as a whole, the key result areas are applicable to the chief executives of individual departments (State Services Commission 1996). Clearly, it must be realised that in relationships at the highest level – where politicians and public servants interact on questions of governance, policy and administration – the challenge for both is to integrate the three arenas in the national interest (McGregor 1983; Mascarenhas 1990).

CONFIGURATION

The synthesis attempted here recalls some of the material in earlier sections and is based on the categories developed by Heady (1996) and Morgan (1996).

Relation to the Political Regime

Having adopted the British model, in which the civil service is subordinate to the elected government, it was necessary for New Zealand to adapt that legacy to local conditions. Thus in the early stages the political and administrative system attempted to establish a national identity by rejecting the administrative class. This led to a type of civil service that was ruler-responsive; that is, 'where the civil service system is closely curbed and controlled, and its members [given] relatively little discretion in the making of policy' (Heady 1996, p. 211). Lipson (1948) considers the term 'civil service' a misnomer. It took over 50 years for the civil service to become responsive to a majority party. The enactment of the Public Service Act 1912 marked a new beginning – one in which government was supported by a neutral public service. Once the norms and conventions were established, it was expected that the public service would adapt to changes in government by offering to serve the government of the day.

The role of a non-political public service in parliamentary systems is significant, particularly in effecting a smooth transition when there is a change of government. The importance of an independent public service became evident in 1984, when a constitutional crisis occurred following the election. The election had raised expectations about the devaluation of the New Zealand dollar, and there had been hectic activity on the foreign exchange market. The constitutional crisis arose because the prime minister, who had called the snap election, had been defeated and was unwilling to stem the run on the dollar by announcing the expected devaluation, awaiting instead the change of government, which would take several days. In the period between the defeat and the takeover by the new government, Treasury head B. Galvin, supported by the Governor of the Reserve Bank, S. Russell, and Deputy Prime Minister

J. McLay, called on the defeated prime minister to ask him, with the consent of the prime minister designate, to announce the devaluation of the New Zealand dollar in order to avert a financial crisis. The announcement was finally made after considerable persuasion, pressure and threats of resignation from some of the prime minister's cabinet colleagues.

Exceptional as it may seem, this incident highlights the crucial role sometimes played by senior public servants in Westminster systems of government. Experience of this constitutional crisis and the absence of a clear-cut majority in the 1993 election prompted initiatives by the State Services Commission, with the assistance of the Solicitor-General, to develop conventions for the public service to deal with future constitutional stalemates resulting from inconclusive elections.

In 1996, following the first election based on proportional representation, the prospect of a coalition government once again tested the non-political role of the public service. It took more than six weeks for the contending parties to reach agreement. In the interim, the previous National Party government ministers remained in office with the assistance of the public service, on condition that no new policy initiatives would be made until a new government was formed. The State Services Commissioner, the chief executives of Prime Minister and Cabinet and the Treasury protected the sanctity of that arrangement.

Despite adopting excesses of new public management, some remnants of the Westminster system seem to have prevailed, particularly during the transition from one government to another after elections. This confirms the need to recognise the political and constitutional role of public servants under new public management, a view I have expressed elsewhere (Mascarenhas 1990, 1995) and reiterated by Rohr (2002, pp. ix–x), who calls it a 'gentle corrective to the deficiencies and excesses in the New Public Management literature'.

The Socio-economic Context

In a pluralist society that had sought to promote democracy and equality, the government had taken an active economic and social role. It was a role assumed out of necessity, in the absence of a private sector. The state was active in the promotion and ownership of industry; there was also some regulation of the private sector. Farming, in particular, enjoyed substantial state support in the form of loans, land development, extension services, research and development, training centres, and the assistance of producer boards for monopoly export (Mascarenhas 1982). Once described as the Leviathan universal producer (Lipson 1948), this aspect of the state, which had its origins in the Liberal–Labour government's social and economic experiments of the 1890s, extended as far as the National Party government's energy-intensive

'Think Big' projects of the early 1980s. Such an extensive role demanded a public service possessing diverse expertise but willing at the same time to respond to democratic control. This ability to exercise responsibility within the framework of a democratic system has been vital in the case of New Zealand, which, unlike other countries, has very limited constitutional checks on the executive (Mulgan 1992).

The mixed socio-economic context of New Zealand remained intact until 1984, when the policies of economic liberalisation, deregulation and privatisation moved the economy rapidly to a pluralistic competitive one, in which the market assumed a significant role. Consequently, the public service, which had been dramatically transformed by the State Sector Act 1988, lost its monopoly on advising government. In the efforts to introduce greater contestability and market-oriented approaches, some of the traditional values of accountability were eroded. The interaction of ideas and personnel between the public and private sectors brought with it the culture of the private sector, which has had both benefits and drawbacks. A major difficulty with contestable policy advice is how one judges its quality and cost (Audit Office, in *Evening Post*, 1 April 1997). A cabinet committee paper commenting on the poor quality of policy advice attributed the weakness to inadequate identification of problems; insufficient time for policy development and inadequate consultation; lack of legal advice; poor communication between those who develop, draft and administer policy; and the absence of uniform standards across the public sector (*Evening Post*, 14 December 1998).

A Personnel Management Focus

The Public Service Act 1912 set up an independent personnel agency, the Public Service Commission, which developed a classification of the public service, adopted uniform salaries and conditions of work, eliminated political patronage, encouraged efficiency, and introduced staff training. The Commission's role was restricted to major departments and major employers such as the railways and posts and telegraph; defence and police had their own personnel system (Lipson 1948; Polaschek 1958), and it played a crucial part in promoting the concept of an efficient independent public service. Of the three commissioners, one was usually a nominee of the Public Service Association but did not act as the Association's representative during deliberations. Differences between members did, however, affect the Commission's deliberations on some issues.

The Commission was caught between several contending groups – for example, the Public Service Association, government, permanent heads, and the public – and in the process was embroiled in developing the machinery for pay fixing, a matter that undermined its efforts in areas such as reviews of

departments, organisation and methods. After considerable deliberation, the McCarthy Commission was set up in 1962 to review the public service. It commented that the 'Public Service Commission had been pre-occupied with pay fixing and routine personnel management, to the detriment of the promotion of efficiency and economy. It had not been able to give the imaginative and forceful leadership the public service required' (Henderson 1990, p. 291). To overcome these problems, the Commission recommended the establishment of a new body – the State Services Commission – with greater power and authority to take its place. The new body was to be headed by a commissioner, assisted by two deputies as members of an executive team. A committee model on the lines of the old Public Service Commission was adopted.

The reconstituted State Services Commission proceeded with the earlier efforts relating to pay fixing and embarked on a series of machinery-of-government changes, for which purpose a new section, the Higher Salaries Commission, was set up in consultation with government. This extended the State Services Commission's jurisdiction to non-public service personnel, who, in terms of personnel management, were independent. With its extended powers, the Commission played a significant role in advancing the cause of equal employment opportunity for women and minorities, establishing occupational classifications, and setting up new departments, as suggested by the Royal Commission. In promoting new areas of activity, however, it encountered some controversy with regard to appointments as well as retirement. Between 1962 and 1988 routine personnel management – particularly pay fixing – appears to have dominated the Commission's work.

With the enactment of the State Sector Act 1988, which transferred to departmental chief executives responsibility for personnel management, the role of the central personnel agency changed. The State Services Commission was now responsible for recruitment and evaluation of chief executives, managing the senior executive service, and an expanded machinery-of-government function. Schick (1996) advocated that a review of departmental performance should be undertaken by the Commission, for which appropriate resources should be allocated.

Qualifications

The perception of the New Zealand public service in the 1940s was that when one joined the service as a cadet at the age of 16, after completing the School Certificate, one might well have the opportunity to become a permanent head in 40 years' time. With the socio-economic and technological changes that the public service has undergone, that notion of a service with a strongly ingrained anti-elitist attitude has virtually disappeared. Entry in the early days was through political patronage, but this has gradually been replaced by

professional performance and it is now uncommon for anyone without a university degree to enter the public service.

Public Servants' Mission

In analysing public servants' mission, two factors need to be accounted for. The first is the notion of democracy, where equality has been the underlying value, and the second is the concept of the Westminster system. Both factors essentially foster a culture of responsiveness. The notion of equality, strongly entrenched in New Zealand democracy, serves to ensure a common set of values between politicians, the public service and the public, and these common values ensure a broad spectrum of representation and encourage greater responsiveness to public needs. Adherence to the Westminster system, in which the politically elected and the permanently appointed have a common social background and are structurally placed in a cooperative–responsive mode, ensures that public servants reflect the policy of the government of the day. This is also ensured by the promotion of a neutral public service governed by a code of conduct, conventions and norms of behaviour and trained to support governments regardless of the public servants' personal beliefs. Together, these factors sum up what is called the 'culture of the public service'.

The two documents issued by the Treasury – *Economic Management* (1984) and *Government Management* (1987), which were accepted as the basis for economic liberalisation, deregulation and subsequent reform – moved the public service beyond political responsiveness to guidance or advocacy. Owing to its special status and responsibility for managing the government's finances, the Treasury had over the years acquired power in the form of ideas and information and considered itself equipped to set societal goals. While Morgan's (1996) framework is less applicable to a country like New Zealand, it does, however, fit what he refers to as the 'pragmatic quadrant'.

CONCLUSION

This chapter traces the public service in New Zealand from its role as 'universal provider' in a social democracy to a service with a limited role of protecting rights and freedoms in a liberal democracy. The role change in the 1980s and 1990s was to encourage the private sector to play an active part by adopting liberalisation, deregulation and privatisation. The outcome was a dramatic reduction in the public service. Although this did have an impact on New Zealand's otherwise excessive state intervention in the economy, the subsequent changes in the organisation and functioning of the public sector (by

passing the State Sector Act 1988 and the Public Finance Act 1989) led to a fundamental change in the culture of the public service. The shift was from a culture where politically elected officials and their public service worked in close harmony, to an enterprise culture (Mascarenhas 1993) based on contractual relations promoted by the 'new public management'.

The political system that spawned the new public management was equally affected by change in 1996, when proportional representation was introduced and elected governments were thus politically unable to engineer the changes to overcome what some consider the excesses of new public management. These excesses were essentially the product of reform that bestowed greater managerial independence on agencies, which began to operate as fiefdoms; an outcome that was partly accentuated by a lack of coordination and oversight as the power of the State Services Commission gradually diminished and political accountability declined. The reform that was supposed to reinstate elected officials' power over the public service had the opposite effect. It was so narrowly focused on a single authority, the chief executive, that the reformers overlooked how 'other organizations in the public service configuration will respond' (Wise 1990, p. 149).

NOTES

1. The term 'public service', favoured in the 20th century in New Zealand, conveys the same meaning as 'civil service', as used in the 19th century, or 'state service'.
2. Here it is pertinent to comment on the Public Service Association. Established in 1890, the Association, whose membership has included all levels of the public service, including permanent heads, has played a positive role in enhancing efficiency and economy in the public service. Its early history records its self-imposed task of constant surveillance over political interference in the service.
3. A correspondent, J. Wright, in the *Evening Post* of 14 March 1997 commented,

> Your first-class editorial on the conviction of former Auditor General Jeff Chapman (March 4) correctly pointed out that he undermined the nation's trust, did serious injury to his office, and shamed the public service of which he was part. We have heard no such condemnation from the person who should have made such comments, State Services Commissioner Don Hunn. Yet from Cave Creek to this shabby episode, Mr Hunn has presided over what I see as a growing lack of accountability and performance in the public service.

REFERENCES

Aberbach, J.D., R.D. Putnam and B.A. Rockman (1981), *Bureaucrats and Politicians in Western Democracies*, Cambridge, MA: Harvard University Press.

Aberbach, J.D. and B.A. Rockman (1988), 'Political and bureaucratic roles in public service reorganization', in C. Campbell and B.G. Peters (eds), *Organizing*

Governance and Governing Organizations, Pittsburgh: University of Pittsburgh, pp. 79–98.
Bekke, H., J.L. Perry and T.A.J. Toonen (eds) (1996), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press.
Boix, C. and D.N. Posner (1998), 'Social capital: explaining its origin and effects on government performance', *British Journal of Political Science*, 28, 686–93.
Boston, J., J. Martin, J. Pallot and P. Walsh (1996), *Public Management: The New Zealand Model*, Auckland: Oxford University Press.
Campbell, C. and G.K. Wilson (1995), *The End of Whitehall: Death of a Paradigm*, Oxford: Blackwell.
Controller and Auditor-General (1999a), *Inquiry into Certain Events Concerning the New Zealand Tourism*, Wellington: Government Printer.
Controller and Auditor-General (1999b), *Third Report*, Wellington: Government Printer.
Gregory, R.J. (1999), 'Social capital theory and administrative reform: maintaining ethical probity in the public service', *Public Administration Review*, 59, 63–75.
Gregory, R.G. (2002), 'All the king's horses and all the king's men: putting New Zealand's public sector together again', paper presented to the Structure and Organization of Government Conference on Knowledge, Networks and Joined-up Government, Melbourne University, 1–3 June.
Heady, F. (1996), 'Configurations of civil service systems', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press, pp. 207–26.
Henderson, A. (1990), *The Quest for Efficiency: The Origins of the State Services Commission*, Wellington: State Services Commission.
Hood, C. (1990), 'De-Sir Humphreyfying the Westminster model of bureaucracy: a new style of governance', *Governance*, 3, 205–14.
Hyneman, C. (1950), *Bureaucracy in a Democracy*, New York: Harper and Brothers.
Levine, C. (1988), 'Human resource erosion and the uncertain future of United States civil service: from policy gridlock to fragmentation', *Governance*, 1, 115–43.
Lipson, L. (1948), *The Politics of Equality: New Zealand's Adventures in Democracy*, Chicago: University of Chicago Press.
McGregor, E. Jr (1983), 'The public service problem', *Annals of the American Academy of Political and Social Science*, 46, March, 61–76.
McLauchlan, G. (1976), *The Passionless People*, Auckland: Cassell New Zealand.
Martin, J. (1988), *The Profession of Statecraft? Three Essays on Some Current Issues on the New Zealand Public Service*, Wellington: Institute of Policy Studies.
Mascarenhas, R.C. (1982), *Public Enterprise in New Zealand*, Wellington: New Zealand Institute of Public Administration.
Mascarenhas, R.C. (ed.) (1984), *Public and Private Enterprise in New Zealand*, Wellington: New Zealand Institute of Public Administration.
Mascarenhas, R.C. (1990), 'Public sector reform in Australia and New Zealand', *Governance*, 3, 75–94.
Mascarenhas, R.C. (1993), 'Building an enterprise culture in the public sector: reform of the public sector in Australia, Britain and New Zealand', *Public Administration Review*, 53, 319–28.
Mascarenhas, R.C. (1994), 'From the politics of equality to the politics of inequality', seminar paper presented at the Institute of Governmental Affairs, University of California, Berkeley.

Mascarenhas, R.C. (1995), 'Policy–administration dichotomy and public management: implications for the Westminster system', seminar paper presented at the Centre for Research on Public Sector Management, University of Canberra, Canberra.
Mascarenhas, R.C. (1996a), *Government and the Economy in Australia and New Zealand: The Politics of Economic Policy Making*, London and San Francisco: Austin and Winfield.
Mascarenhas, R.C. (1996b), 'Searching for efficiency in the public sector: interim evaluation of performance budgeting in New Zealand', *Public Budgeting and Finance*, 16, 13–27.
Minister of State Services (1999), *Crown Entities Package*, Wellington, 15 July.
Morgan, E.P. (1996), 'Analysing fields of change: civil service systems in developing countries', in H. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press, pp. 227–43.
Mosher, F. (1968), *Democracy and the Public Service*, New York: Oxford University Press.
Mulgan, R.G. (1989), *Maori, Pakeha and Democracy*, Auckland: Oxford University Press.
Mulgan, R.G. (1992), 'The elective dictatorship in New Zealand', in H. Gould (ed.), *New Zealand Politics in Perspective*, Melbourne: Longman Paul.
Mulgan, R.G. (1993), 'Political culture', in G. Hawke (ed.), *Changing Politics? The Electoral Referendum 1993*, Wellington: Institute of Policy Studies.
Polaschek, R.J. (1958), *Government Administration in New Zealand*, London: Oxford University Press.
Robertson, J.F. (1990), 'Ethics in the public sector: the role of parliament and officers of parliament – a New Zealand viewpoint', paper presented to the National Conference of the Royal Australian Institute of Public Administration in association with the Electoral and Administrative Review Commission and the Department of Government, University of Queensland, 7 September 1990.
Rohr, J. (2002), *Civil Servants and their Constitutions*, Lawrence: University of Kansas Press.
Rose, R. (1987), 'Steering the ship of state: one tiller and two pairs of hands', *British Journal of Political Science*, 16, 409–33.
Savoie, D.J. and G. Peters (1996), 'Empowering individuals and disempowering a class: the politics of administrative reform', paper presented to conference 'The Executive at the Vortex of the Political System', University of Canberra, Canberra, 1–3 August.
Schick, A. (1996), 'The spirit of reform: managing the new state sector in a time of change', report prepared for the State Services Commission and the Treasury, Wellington.
Scott, G. (2001), *Public Management in New Zealand: Lessons and Challenges*, Wellington: New Zealand Business Round Table.
Self, P. (1972), *Administrative Theories and Politics*, London: Allen and Unwin.
State Services Commission (1991), *Annual Report*, Wellington: Government Printer.
State Services Commission (1993), *Maori Participation: Strategies for Government Departments*, Wellington: State Services Commission.
State Services Commission (1995), *Equal Employment Opportunity: 1984–1994 and Beyond*, Wellington: State Services Commission.
State Services Commission (1996), *Strategic Management in Government: Extending the Reform Model in New Zealand*, Wellington: State Services Commission.

State Services Commission (1997), *Responsibility and Accountability Standards Expected of Public Service Chief Executives*, Wellington: State Services Commission.

Treasury (1984), *Economic Management*, Wellington: Treasury.

Treasury (1987), *Government Management: A Brief to the Incoming Government*, Wellington: Treasury.

Wise, C.R. (1990), 'Public service configuration and public organizations: public organization design in the post-privatization era', *Public Administration Review*, 50, 141–55.

6. The Canadian public service: balancing values and management

O.P. Dwivedi and John Halligan

Canada is perhaps the most enigmatic of the Anglo-American systems. The public service system reflects both the Westminster tradition and the influence of the neighbouring United States. Yet the country's administrative tradition and its public service remain distinctively Canadian.

In terms of reform, two features are well established. First, there is the innovative, creative developmental quality that has produced many influential experiments over the decades and a willingness to appropriate reforms from elsewhere. The second feature is the lack of assurance when it comes to implementing these initiatives. This suggests two related paradoxes: Canada was the first to explore management reform but was slow to incorporate and institutionalise it, and in some respects the public service remained unmanagerialised; second, despite having never fully embraced managerialism, the Canadian public service exhibits many standard management features and has experienced the tensions and conflicts produced by attempts to change the administrative culture.

The Canadian reform pathway has been one of evolution and incremental change rather than systemic reform. Canada might be seen to be better placed by virtue of having avoided the more extreme experiments in the Westminster family, but has it found a middle ground that offers an effective merger of old and new? We find observers lamenting either the lost management opportunities and the failure to commit politically (Aucoin 1995) or the influence of management values superimposed on durable traditional principles (Dwivedi and Gow 1999).

This chapter examines the defining characteristics of the Canadian public service as they have evolved and been contested by the public management movement.[1] There is recognition of different opinions about the place of public management in particular – one that focuses on the level of commitment to implementing modern management and a second that focuses on the limitations of new public management and the loss of traditional values.

HISTORY

Canadian administrative culture combines British institutions with American ideas and practices, both being adapted according to local circumstances (Hodgetts 1983). Four phases have been important – the three discussed in this section cover most of Canada's administrative history; the most recent phase of reform is reviewed in a subsequent section.

Patronage

For the first 50 years of the birth of the nation the main preoccupation of the administration was its ambiguous relationship to the party in power. In 1857 the Civil Service Act formally recognised the existence of the deputy minister, thus codifying a practice, developed after the introduction of responsible government in the 1840s, of having a single elected head of each department aided by a permanent non-elected official. The dominant feature of this period was political patronage in appointments to the public service that persisted, despite inquiries and recommendations for change, until the 20th century.

A milestone occurred in the 1908–18 phase, when patronage was addressed through Civil Service Acts in 1908 and 1918. The Civil Service Commission was created to recruit and appoint by open competitive examination candidates to the 'inside' service in Ottawa (1908) and to the 'outside' service (1918). After 1918 the public service became much more bureaucratic and progressively isolated itself from political storms.

The Administrative State

The relatively simple model of government that Canada inherited from Britain suffered pressure and distortion over time. The political and administrative values introduced with the administrative state were at odds with those of the prevailing political culture in several ways. The main components that put a strain on the Canadian version of the Westminster model of government were about levels of administrative discretion and accountability, deficits and cost controls, politicisation, collective bargaining and representative bureaucracy (Dwivedi and Gow 1999).

The term 'administrative state' refers both to the growth of the state administration and to the extension of the administration's powers. Specifically, it denotes a system of governance through which public policies and programmes affecting almost all aspects of public life are influenced by the decisions of public officials. The administrative process thus becomes an instrument in the formulation and implementation of a highly expanded public agenda. Looking at what has happened to the various political institutions in

modern times, Hodgetts observed that the administration had changed far more than parties, legislatures, interest groups and courts: 'The public service more than any other institution has shown itself to be the barometer of societal pressures and the innovator of structural and procedural devices for meeting these changing demands' (1973, p. 344).

The growth of the modern state resulted in the growth of the administration because each new programme was attributed to an administrative bureaucracy or agency for its implementation. There were two important trends:

- the growth of federal government employment, which continued until 1977, when it reached its peak at 282 788 employees under the federal Public Service Commission's jurisdiction, and its subsequent levelling off and decline (and correspondingly greater growth in provincial government employment);
- at federal level, the decline of the share of wages in current general expenditure, which began after 1981 and by 1995 had fallen to half its 1981 level.

The challenge to the Westminster model, and especially the principles of responsible government, ministerial responsibility and the rule of law, came from the fact that the bureaucracy in Canada (as elsewhere) had encroached on domains previously reserved for cabinets, legislatures and courts. Governments were obliged to turn over much of their organisation and functions to central agencies run by public servants. The growth of administrative regulations to complete the provisions of legislation was largely their work. That this activity was by nature legislative is recognised in two expressions widely used for regulations in Canada – 'delegated legislation' and 'quasi-legislative' powers or Acts. Likewise, many services, boards and tribunals render Acts that in earlier times would have been left to the courts.

Insofar as the Westminster model approximated the Weberian model of bureaucracy, the challenge presented by the rise of the administrative state was that of accommodating political arrangements worked out for the most part in the 19th century within this new, complex and technically sophisticated administration.

Whether it was to achieve better running of the machinery of state or better supervision and control over it, since before pre-confederation times there has been a trend of transferring new functions and powers to the federal administration. Indeed, many innovations were adopted in response to previous extensions of the administrative state.

The main change since World War 2 has been the passage from a small group of individuals who knew each other to a vast administration where even the elites became too numerous to personally know each other. When the elites

were few in number, they could function efficiently in an informal way; with the growth of the administration, more structure was needed to inform the elites' selection, indoctrination, training and motivation.

The rank and file were motivated by security and a concern for their own, and they were slow to accept the claims of other groups who asked for better representation in their ranks. As many theorists have said, public servants seem to want to protect themselves as much as possible from the political and economic environment surrounding them, with the result that the public service sometimes seems like a closed shop. Pressure from business and the tendency of the mass of the administration to pursue security by conforming to the rules led to the search for new and more efficient ways of managing the public service.

Management Reform

Canada is distinguished from the other countries discussed here by its early acceptance of new management ideas and its protracted implementation of them. In contrast with the two unitary systems – New Zealand and the United Kingdom – new public management was not introduced rapidly or through a sustained reform programme at national level; instead, it was at provincial level that the most direct impact was first experienced. The management reform agenda at federal level became manifest in 1984, when a Progressive Conservative government came to power with a distinct philosophy of reducing the role of government and with explicit components for reducing the federal deficit, less generous social programmes, cut-backs in spending, tax simplification, deregulation, and the privatisation of Crown corporations (Wilson and Dwivedi 1998, p. 94).

Initial experiments with management, programmes and evaluation

The origins of modern management can be traced to the 1962–64 Glassco Royal Commission on Government Organization, which is regarded as the Canadian counterpart of the Hoover commissions in the United States. The Royal Commission's influential first volume of its report was entitled *Management of the Public Service* (1962), and the four subsequent volumes had 'management' in their subtitles.

The main thrust of the Glassco report was that the government and its administration were not structured to do their jobs properly. Central agencies were neither empowered nor competent to develop and implement overall policies, while the Treasury Board and the Civil Service Commission intervened excessively in the day-to-day operations of departments, thus depriving the latter of the chance to manage their affairs and be accountable for this management.

The Glassco report's main recommendations were structural. Two of the most important were acted on before the end of the decade. In 1967, the president of the Treasury Board became a cabinet post separate from that of Minister of Finance, the staff were transferred from the Department of Finance to the new department, and the Treasury Board became responsible for overall administrative policies, collective bargaining and expenditure management. Transferral of this role to the Treasury Board increased its powers and responsibilities, most notably at the expense of the Public Service Commission, which (as the Civil Service Commission) had previously been responsible for such policy matters as advice on salary levels and position classification. In 1969 the post of Comptroller of the Treasury was eliminated and responsibility for controlling commitments and authorised expenditures was transferred to departments and agencies.

Looking back, one finds many precursors of contemporary themes in the report. To begin with, the report notes that government 'will seldom be viewed as better than a necessary evil', reflecting the business views of its chairman and anticipating the dominant philosophy of the 1980s. Its overall theme of 'let the managers manage' was also a precursor of the new public management movement. Additionally, the report promoted cost recovery wherever possible in order to encourage awareness of and responsibility for the real cost of government services. Even so, the Commission went beyond the main thrust of its mandate to emphasise the importance of services that are responsive to the public's needs and preferences (Royal Commission on Government Organization 1962, pp. 25, 63).

Thus the Glassco report paved the way for structural changes that allowed the government to have an overall administrative policy, while departments assumed greater responsibility for the management of affairs. Although it also dealt with some themes that were to be increasingly popular, it did not really deal with the next wave – that of programme budgets. While the Glassco Commission was at work, officials in the Treasury Board had already begun studying programme budgeting as it had been introduced in the Department of Defense in Washington, DC. The system was eventually introduced throughout the Canadian government in 1970.

The implementation of a planning, programming and budgeting system (PPBS) was an important step, one that made possible the new public management movement. For the first time, instead of presenting budgets by showing the costs related to each administrative unit, managers were asked to define the objectives of each principal task, to identify standards by which the successful attainment of those objectives could be measured, and to link the achievement of desired results with costs. Since parliamentary democracy had been introduced, in Canada (as elsewhere) budgets had been primarily concerned with obtaining legislative authorisation for 'inputs': never before had there

been any systematic examination of what was done with the funds (the outputs) and their link with the stated objectives. Henceforth it would be possible to examine budgets for their coherence and logic: if there was a programme to increase air traffic safety, what were the means proposed to do it and how would success be measured?

Although the Treasury Board was interested in the evaluation component of the PPBS, it took longer to implement that component than it did to introduce new planning. In 1974 it introduced a system for measuring output and unit cost – called the Operational Performance Measurement System, or OPMS. This amounted to measuring efficiency, since cost and production were linked, although impact or effectiveness could not be measured in this way.

The Auditor General's denunciation of runaway spending and the creation of the Lambert Commission in 1976–77 produced a new phase. Even before the Lambert Commission submitted its final report, two important steps were taken which were only possible because programme budgets existed. First, in 1977 the new position of Comptroller General was created in the Treasury Board to develop policies and guidelines for financial management and internal audit. A direct consequence was the issuing of a Treasury Board policy circular requiring all departments and agencies to introduce programme evaluation. This was followed in 1981 by Treasury Board circulars on programme evaluation.

Following these initiatives, in a manner typical of modern public administration, the programme evaluation function developed rapidly. Evaluation is the ultimate stage of the rational planning process that was introduced with the PPBS in 1970. Just as programme budgets did not live up to all their promise, so evaluation was criticised as inadequate or ineffectual.

Towards a management culture: senior officials and operational decentralisation

In 1979 two important reports were submitted to the federal government. The Lambert Commission's report was concerned with financial management and accountability, while the D'Avignon Committee's report dealt with personnel management and the merit principle. Both recommended changes to the highest levels of management in the administration.

An important finding of these two bodies was that insufficient attention had been given to management at senior levels. The Lambert Commission had surveyed incumbent deputy ministers and found that, while they considered themselves – but not their ministers or central agencies – to be in charge of their departments, they were chosen more for their competency in policy matters than for their management abilities. This preference for policy questions would seem to be a key component of the culture of higher officials in Canada. Until the late 1970s the government had paid very little attention to management training.

The D'Avignon Committee (1979, pp. 42–54) argued that senior officials were ready to implement a 'philosophy of management', but that one had never been formulated for them on a government-wide scale. Both the Lambert Commission and the D'Avignon Committee reported a lack of clear statements of objectives, greater delegations of powers and responsibilities, and a requirement to account for management in terms of results achieved.

The government seems to have had the recommendation of the two reports in mind when it created the new Management Category in July 1980. Moreover, the category was prepared with the assistance of the Hay Associates consulting firm; one of its objects was said to be to facilitate comparison with the private sector. The purpose of creating the new category was to unite in one group the top managers of the federal government; it included the members of the former senior executive group and the top grades of 55 occupational and professional groups, thus uniting in one category those who were not unionised because of their senior management responsibilities. Members of this new group could then be selected and trained with a view to strengthening their management capabilities. They were to be appointed to a level rather than to a position. This meant that they could be assigned ('deployed') by deputy ministers as the need arose, without the impediment of having to respect detailed job descriptions. It was expected that members of the new category would identify with central management, and they would be evaluated and paid according to their performance. The recommendations of Lambert and D'Avignon are reflected in this new policy.

By the late 1980s trends in profiles of deputy and assistant deputy ministers led to speculation that, in the wake of the emphasis on management in the Glassco, Lambert and D'Avignon reports, substantive technical expertise had been neglected in favour of a preference for generalists with managerial credentials. The culture of the 'federal bureaucracy may have become: if you wish to get ahead in the Department of Agriculture it would seem advisable to forget your skills as an agronomist and obtain an MBA' (Carroll 1991, p. 371).

Following his appointment as Clerk of the Privy Council in 1986, Paul Tellier took steps to increase the management component of the annual rating of deputy ministers. Since the early 1970s deputy ministers had been evaluated by the Committee of Senior Officials, chaired by the Clerk of the Privy Council. In a period of budgetary restraint, the need for deputy ministers to respond to the policies of the central administration, in addition to being good managers of their departments, had become more pressing. Under Tellier, these ratings and the bonuses the deputy ministers controlled were increasingly dependent on compliance with the needs of central management and the need for corporate and government-wide thinking. Deputies were evaluated on their 'solidarity with the corporate authority' and then on their management of their department. This evaluation system encouraged a common

outlook, a 'solidarity stamped with managerialism' (Bourgault et al. 1993, pp. 75, 79). Finally the measures to introduce a management philosophy in the federal administration were completed in 1989, when the Canadian Centre for Management Development was created.

As noted, the Glassco Commission had recommended loosening central agencies' control over operating departments and agencies. As a result, the post of Comptroller of the Treasury was abolished in 1969 and when the new Office of Comptroller General was created in 1977 it no longer had the function of prior approval of commitments and expenditures. In the field of recruitment and selection, the Public Service Commission used the powers given it in the Public Service Employment Act to delegate staffing powers to government departments. By 1981, 98 per cent of appointments were made within departments, subject to audit by the Public Service Commission.

Although the Lambert Commission recommended clarifying the powers and responsibilities of deputy ministers, the next step in this direction went beyond anything envisaged by Lambert. This was the regime called Increased Ministerial Authority and Accountability (IMAA), introduced in 1986. The immediate source of inspiration was the 1983 Auditor General's report on the constraints to effective management in the federal public service. On the basis of extensive interviews of senior public servants, the report identified excessive controls and procedural requirements as major impediments to better management. As a result, IMAA introduced an entirely new contractual basis for relations between the Treasury Board and the departments of government.

There were two elements to the new policy. First, the Treasury Board screened its policies and procedures in order to reduce the requirement for departments to seek authorisation from the Board; this has had dramatic effects, reducing the number of submissions. Second, contractual changes came through the negotiation and signing of memoranda of understanding (MOUs) between the Board and individual ministers and deputy ministers. These were package arrangements that delegated powers and responsibilities and established means of accountability. Targets were set for departmental performance and operations for a three-year period. Deputy ministers prepared annual management reports that noted progress and problems encountered. The arrangement was given a major review at the end of the three-year period, when a new MOU was negotiated.

Before this programme was replaced by a business planning initiative in the mid-1990s, ten departments and agencies had signed MOUs. Savoie (1990) gave a favourable evaluation of the regime, which sought to give managers more autonomy while keeping ultimate responsibility for financial management with the Treasury Board, but in the end Aucoin (1995) argued that it failed for want of government leadership.

The introduction in the late 1980s of the concept of special operating agencies (SOAs) was a further step towards decentralisation. The idea involved identifying activities with low implications for policy that could be granted autonomous status within government departments. In return for freedom from a number of central controls, the agencies thus created were required to operate as businesses. To be chosen, units had to be wholly responsible for the delivery of a service to the public or to other government agencies, had to be able to have accounting separate from that of the parent department, and had to have a stable policy framework and a clear mandate. The first units to become SOAs were the Passport Office, Public Service Staff Training at the Public Service Commission, the Government Telecommunications Agency and Communications Services, and Consulting and Audit Canada. By April 1996 there were 16 SOAs – a very modest number compared with the 91 executive agencies (covering about 60 per cent of the public service) in existence in Britain in 1993 and the 123 *centres de responsabilité* in France in 1992 (St-Martin 1993).

Interested parties had greeted this experiment with enthusiasm, but in a joint evaluation published in 1994 the Auditor General and the Treasury Board said that a condition of its extension would be 'widespread acceptance of the very idea of SOAs' by all actors in the administrative system. According to Aucoin (1995, pp. 146–7), such acceptance required the end of resistance to separating control of policy and operations, which has made innovations of this kind possible in Sweden, Britain and New Zealand.

POLITICISATION OF THE ADMINISTRATION

Although the classic version of the Westminster model that evolved in Canada was based on the political neutrality of public servants, much has happened over the years to politicise the administration.

The Canadian prime minister has always had a free hand in appointing deputy ministers, heads and members of boards and commissions, ambassadors, and other senior officials. It is an important part of the Canadian tradition that most of these appointees come from among the senior ranks of the public service (Bourgault and Dion 1990). By the early 1970s a practical division of labour in the services available to the prime minister was in place. The Privy Council Office, headed by the Clerk, was non-partisan, operations oriented and politically sensitive, whereas the Prime Minister's Office, headed by a Principal Secretary, was partisan, policy oriented and sensitive to operational considerations. Prime Minister Trudeau appeared to many to have broken this equilibrium when he chose Michael Pitfield to be Clerk of the Privy Council and Secretary to the Cabinet in 1975. Pitfield was a career

public servant and had experience in the Privy Council Office, but his appointment was controversial: he was relatively young for the job and was considered by many in Ottawa to have been appointed because he was a close friend of Trudeau. Prime Minister Clark continued the practice by 'hand picking' Marcel Masse as Pitfield's successor. Masse had also been working in the Privy Council Office before his appointment, but he had earned his reputation while working as Secretary to the Cabinet under a premier of Nova Scotia (Dwivedi and Gow 1999, p. 105; Savoie 1999).

In more recent years, however, the previous custom has been restored. In 1986 Prime Minister Mulroney accepted the advice of outgoing Clerk Gordon Osbaldeston and appointed Paul Tellier in spite of many Conservatives' reservations about this long-time mandarin. Prime Minister Chrétien has also stayed with custom in his three appointments to the position.

Prime Minister Mulroney chose to politicise the top echelon by creating the position of chief of staff to replace that of 'executive assistant'. The new title might appear symbolic, but it clearly indicated the Progressive Conservative government's desire to reinforce the political dimension of the minister's private staff by creating a sort of political deputy minister. Created in an atmosphere of suspicion of the public service, these posts allowed for the appointment of relatively young chiefs of staff, with an average age of 35 years, aiming at better control of the administration. By the early 1990s a modus vivendi had been attained with the top levels of the administration, but the Liberal government of Jean Chrétien abolished the position after its election in 1993.

These were relatively minor matters compared with the change observed by Campbell and Szablowski in 1979. After studying the elite group of public servants in the central agencies in Ottawa – the Privy Council Office, the Treasury Board, the Department of Finance, and the Federal–Provincial Relations Office – they concluded that these officials were in many cases political bureaucrats, not because of the way they were appointed or because of their past history but because of their work. They were so closely associated with their political masters (even to the extent of sitting in for them at meetings of the numerous cabinet committees) that there was a symbiosis of mentalities: 'Senior officials long ago have evolved from faithful servants of the Crown to full-fledged political administrators who participate collegially in executive functions' (Campbell and Szablowski 1979, ch. 6). It had long been known that public servants did more than merely execute the will of government. Writing a decade before Campbell and Szablowski, mandarin Gordon Robertson (1968, p. 272) stated, 'Any civil servant above clerical or stenographic grades who has spent any substantial time in a job without contributing to some degree to the policy he administers should be fired.' What was new was the extent of the administrative support apparatus and the degree to which ministers depended on the officials of central agencies.

Officials in policy-making and -implementation positions had long been exposed to another form of politicisation – that of interest groups around each department and major programmes that form 'policy communities'. The result has been a style of administration that has been called 'elite accommodation', meaning that public servants prefer to propose policies and apply them in ways that are acceptable to their powerful clients.

This is obviously a delicate situation for a senior bureaucrat. As Bourgault and Dion (1990) have shown, ministers do not usually like their deputies to take the limelight. Nor do they want government policy to be subverted by intimacy between public servants and interest groups. It is therefore the duty of public servants to be close to their organised clients – but not too close. The situation is complicated by the possibility of collusion between a government official thinking of retiring or leaving the public service and an enterprise doing business with him or her. While Canada has known neither the phenomenon of the *pantouflage* of career French civil servants nor that of Washington, where the practice is common, it has been prevalent enough to give rise to regulations adopted by the Treasury Board in 1985 forbidding public servants from taking employment with any firm with which they have done business until at least one year has passed after their leaving the public service.

Just as public servants give policy advice to governments, so too do they engage in political work, whether by virtue of their proximity to ministers if they work in central agencies, as deputy ministers or on loan to a minister's private office staff or by virtue of their contact with client groups. Indeed, systems analysts have pointed out that public servants sift out from among the many demands on departments those deserving of attention and identify the legitimate spokespersons for these client groups.

Politicisation in Canada may not have been as marked as in other Westminster systems, let alone the distinctive case of the US, yet a familiar pattern of divergence between rhetoric and practice has become apparent. Former Clerk of the Privy Council Jocelyn Bourgon (1997) sought a reaffirmation of the non-partisan public service in her espousal of the Canadian model. At the same time, the appointment of political aides to public service positions has been increasing. That Canada is distinctive is also suggested by political leaders' lack of intense commitment to reform, particularly requirements for greater accountability from the public service (Aucoin 2001).

REPRESENTATIVE BUREAUCRACY

Since the 1960s pressure has been exerted to make the federal service more representative of the Canadian public. Under the stimulus of the wave of Créditiste members elected from Quebec in 1962, and then with the rise of the

separatist movement in Quebec, came the demand for more French-speaking Canadians in the public service. In spite of the view of the majority of the Royal Commission on Government Organization that the subject was outside its mandate, a minority report was issued, calling for recognition of the bilingual character of the public service.

The Royal Commission on Bilingualism and Biculturalism was in operation for most of the 1960s. Its studies revealed that French Canadians had lost ground in the public service since the introduction of the competitive examination system. Following a preliminary report from the Royal Commission, in 1966 Prime Minister Pearson made a policy statement calling for fair and equitable representation of French Canadians in the federal service. The final report of the Royal Commission, in 1969, was followed shortly after by the passing of the Official Languages Act, which adhered closely to the Commission's recommendations (Gow 1994, pp. 178–81). The Act was based on two principles: first, that the national administration in Ottawa should be able to function in both official languages, while in the regions the language of service would depend on the composition of the local population; second, that positions would be designated as requiring either English or French, or both, and that those appointed to these positions would have to possess the requisite language skills or acquire them.

Although it has not been without controversy, this policy has been notably successful. Whereas the proportion of French-speaking Canadians in the public service was 21.5 per cent in 1965, by 2001 it was 31 per cent (Treasury Board of Canada Secretariat 2001a, Table 12). Francophones are now 'over-represented' in the public service in terms of their proportion of the overall population of Canada (23.3 per cent in 1991). More importantly, they went from 11.5 per cent of the executive category in 1967 to 27 per cent in 2001. Although there has been a levelling out recently, these figures are widely regarded as having met the primary goal of the Official Languages Act. What remains more problematic has been the atmosphere of work and the real use of both languages (Commissioner of Official Languages 2001). In 2001 only 37 per cent of positions were classified as 'bilingual' and only 82 per cent of the incumbents actually met the requirements. Further, the ability of public service officers to work in both languages does not guarantee that they will do so. As the *Annual Report on Official Languages 2000–01* admits,

> Despite efforts to have English and French used equitably in the Public Service of Canada, English very clearly predominates in the regions designated as bilingual, that is, those in which English and French are both used as languages of work – except in offices in the province of Quebec, where the use of French prevails. (Treasury Board of Canada Secretariat 2001a)

Contemporary with the launching of the Official Languages Act were the first stirrings of the movement calling for equal opportunity for women. In

their history of the Civil Service Commission of Canada, Hodgetts et al. (1972, p. 483) observed that until very recently government and the commission had not regarded women employees as requiring treatment equal to that of men: 'Unlike more subtle forms of covert discrimination against French-speaking civil servants, there was never any particular attempt made to hide the discrimination against women which was, and is, built into the very fabric of civil service legislation and personnel practice.'

As a result of the Bird Commission on the Status of Women, which reported in 1970, two initiatives that are relevant here were taken. First, the government announced a policy favouring greater access to employment for women, particularly in the scientific, professional and executive categories. The second initiative was the creation of the Advisory Council on the Status of Women, which had a much broader mandate than the Office of the Official Languages Commissioner since it followed all aspects of public policy of interest to women but, like the Office, brought into the administration representation of outside interests. Initially these policies were not compulsory; rather, they provided guidelines for departments and agencies. Over time, however, the federal government has used a variety of programmes to promote equal opportunity and some of these have been obligatory for personnel managers.

In terms of the presence of women in the public service, progress has been slow, notably at the higher levels. It has nonetheless been steady during the 30 years since the first steps, with the overall presence of women increasing from 27.3 per cent in 1967 to 52.1 per cent in 2001 and, more significantly, rising steadily during the 1990s for the executive category to reach 30.0 per cent in 2001 (Treasury Board of Canada Secretariat 2001b). Nevertheless, the results remain unrepresentative.

Between men and women in the public service there is a cultural divide at least as deep as the one between francophones and anglophones, and probably deeper. In the survey done for the Working Group on the Obstacles Encountered by Women in the Public Service, two-thirds of the female respondents believed that a 'glass ceiling' existed, preventing women from reaching the highest levels. Men disagreed.[2] It seems to be a case of another kind of two solitudes, to adapt the words of Zussman and Jabes (1989). In spite of this, about half of the women and the men surveyed thought that women and men were treated equally in their own department: apparently, it was elsewhere that unequal treatment was more prevalent.

Employment equity has been described as 'a guiding force' in the public service for over a decade, with the legal basis strengthened by the Employment Equity Act 1995. Reporting on changes to designated groups is expressed in terms of movement 'towards a representative public service'. For four groups – women, Aboriginal people, persons with disabilities, and

persons in a minority group – the proportions in the public service have increased since the mid-1990s. For three of the designated groups – women (52.1 per cent), persons with disabilities (5.1 per cent) and Aboriginal peoples (3.6 per cent) – representation rates are higher than the respective workforce availability rates of 48.7 per cent, 4.8 per cent and 1.7 per cent. There is still under-representation of people in a visible minority group, with a gap of 2.6 percentage points between representation and the workforce availability figure of 8.7 per cent derived for public service purposes (Treasury Board of Canada Secretariat 2001b, Table 2).

Despite this, only the language question and representation for women have had major impacts on the federal service. They changed the composition of the service and brought values and obligations to the attention of managers; they also changed the culture of the federal service in ways that are difficult to measure. An appropriate representation of visible minorities and Aboriginal peoples across departments and agencies is still a challenge before the government.

PUBLIC OPINION

Canada has a tradition of state intervention but not one of a strong state or administration. Apart from giving considerable support to Canadian businesses and producer groups, the tendency to collective action gave rise to the creation of a welfare state between 1940 and 1970. Since 1980 the parties in power have been trying to reverse or limit this tendency. There is no indication that the general public is ready to abandon any important social programmes, but there have been clear indications that the public is less trusting of government and its administration then they were in the past.

The surveying of public attitudes towards Canadian government has become something of a growth industry. The decline in trust in government and its capabilities can be traced back to the 1970s, with high levels of political alienation and distrust reported in Maclean's polls in the first half of the 1990s (Sims 2001). This was reflected in wide swings in support for political parties operating at national level – for example, the remarkable drop in Canadians' positive attitudes to major political parties as cynicism increased (Mulroney's party's decline is an instance).

This can be seen as part of a general decline in support for public institutions, which may reflect the striking decline in trust in authority in Canada (Sims 2001). However, the 40 per cent trust in public servants as individuals is higher than that for 'government' and much higher than that for politicians (Zussman 2001). Canadian levels of confidence and trust in government have been less than those for the US: this was confirmed by a recent poll that

showed US confidence in government at 68 per cent compared with 46 per cent for Canada (CRIC 2002).

The quality of specific services is ranked higher than that of government services in general, but less than half of survey respondents were satisfied with federal (and provincial) services (Erin Research Inc. 1998). A survey of some government departments in Canada and other countries reported that the most important determinant of service improvements was the needs and demands of customers (Sims 2001, pp. 19–20). There is a link between the efficiency of service delivery and trust in governments, but other factors also have an impact and it is not possible to justify improvements in terms of affecting confidence (Sims 2001).

DIFFUSION

Foreign influences are particularly important in the Canadian case because there are few political traditions and even fewer academic traditions in the country to which practitioners and academics can turn for inspiration. In contrast with the Americans, Canada has no literature that looks back to the constitution as a crucial text, nothing comparable with the federalist papers that still elicit much comment and debate, and no landmark introductory text (for example, Woodrow Wilson's article for *Political Science Quarterly* in 1887). Without any well-known text of founding fathers to refer to, Canadians might have adopted R.M. Dawson's *The Civil Service of Canada* (1929) as the starting point for modern public administration thinking, but there are no references to the book in current texts. In the absence of enduring historical references, Canadian public servants and professors have tended to follow debates elsewhere, particularly in the US, to inform their thinking about Canadian public administration.

Canada's constitution followed the British parliamentary system, with a minimum of written rules and many conventions that are continually being reinvented by politicians and judges. Until World War 1, the predominant administrative ideas came from Britain. When the government of 1911 felt itself overloaded with work, it turned to a British investigator, Sir George Murray, who, much like Lord Durham 70 years before him, left a short and lucid report after a brief visit.

Since World War 1, however, administrative influence has come largely from the US. Frederick Taylor's scientific management had a profound influence on personnel administration in the federal government. As the study and practice of management progressed in the US, Canada usually followed after a short delay. A study of 15 important administrative innovations introduced by the federal government and the provinces between 1960 and 1990 found

that ten of them showed direct evidence of US influence – for example, the planning, programming and budgeting system; the zero-base budgeting system; freedom of information; deregulation; the Administrative Procedure Act; and affirmative action programmes (Gow 1994, p. 104). The importance of US technical services means that many Canadian administrative practices follow the lead of the US in matters such as toxic substances, consumer protection and military technology.

Having similar political systems, Commonwealth countries tend to watch each other for workable solutions to current problems. With the coming to power of Margaret Thatcher in 1979, the UK influenced Canada and many other countries with a series of innovations designed to reduce the importance of the state and to introduce business-like practices to the remaining administration. Privatisation of public corporations, executive agencies with considerable autonomy from central government, results-based management, the Citizen's Charter, and clear performance standards – all of these have had their impact in Ottawa. Among others, New Zealand has also been influential, being the first Commonwealth country to adopt the ombudsman (in 1962) and then in the 1980s by vigorous action to reduce its deficit and its public debt. From Australia came the ideas of a major reduction in the number of government departments, the transformation of the head of each department into a chief executive officer, and the creation of many autonomous administrative units. Along with the US, these countries have been leaders in the new public management movement (Aucoin 1995; Savoie 1994).

Of other countries, Sweden has probably been the most influential. From it came the ideas of the ombudsman and access-to-information laws. Moreover, Sweden's practice of decentralising small government departments and all major operations to autonomous agencies has been known to Canadian officials for a long time, and it inspired the British executive agencies.

In recent years, international organisations such as the OECD have provided experts with forums to meet and exchange ideas. For example, if today there is a generally accepted way of examining government finances in national accounts on a comparative basis, it is because of their influence. Public administration never really was a strictly national phenomenon in Canada, but in the last 30 years it has become more and more open to ideas of 'best practice', wherever they are found.

PUBLIC MANAGEMENT REFORM

By the end of the 1980s the Canadian public service remained surprisingly unreformed compared with other Westminster systems, despite numerous reviews and creative thinking.

Public Service 2000

Prime Minister Mulroney announced the creation of the Public Service 2000 studies to prepare the ground for the changes needed to allow the public service to meet the challenges of the end of the century. The operation was very condensed: announced in December 1989, its ten working groups had reported by mid-1990, and the subsequent White Paper was published at the end of the year (Government of Canada 1990). Although the report seems to have been commissioned in order to repair relations between the government and the public service (Manion 1991), what is relevant here is what it reveals about the culture of the senior levels of that service.

The review was an in-house operation. In contrast with earlier reviews, the study teams and the overall operation were staffed entirely by public servants. Approximately 80 deputy and assistant deputy ministers were mobilised, plus another 40 senior officials.

The White Paper clearly indicated that the intention of the government and the senior officials who produced the report was to effect a change of organisational culture. It began with a statement of the 'simple and unchanging' values of the public service. However, changes in the world economy, Canadian society, technology, and public attitudes and expectations, combined with the now chronic problem of increasing public debt and the impact of the Charter of Rights and Freedoms, necessitated changes in the priority of different values and in ways of achieving them. These new values were improved service to the public, innovation, empowerment of employees, improved management of people, and increased accountability. All these were to be achieved in an environment of severe fiscal restraint, rising expectations and rapid change. The government was conscious that it wanted a true shift in priorities:

> . . . to create a client-oriented public service, a major change since the Public Service has not been used to regarding Canadians as clients. Rather, it has seen itself principally as an institution of government performing necessary tasks as specified from time to time by the Government of the day. (Government of Canada 2000)

In the renewal process, the overall change in culture had to begin with top management. It was the intention to 'shift the balance away from centralized control that is motivated by the desire to be "error free", towards risk-taking and innovation aimed at doing a better job' (Government of Canada 2000). A year later, the Clerk of the Privy Council – under the Public Service Reform Act of 1992 designated as head of the Public Service of Canada – wrote that the old 'command and control' model was not dead but that it was being rapidly replaced by a new culture that put people first and operated more by consultation than by unilateral command (Tellier 1992).

Two important conclusions can be drawn about the kind of administrative culture proposed by the authors of the Public Service 2000 reports. First, while new managerial values are put forward to challenge traditional values, among the new values are some found chiefly in the public sector – justice and equity, accountability, and representativeness. Second, there is the issue of a humanistic version of public management. Of the four management principles outlined in the White Paper, the one concerning people begins with the affirmation that 'the members of the Public Service will be treated as its most important resource'. In the same vein, the Auditor General's report on 'well-performing organizations' states that public servants should be encouraged and supported, motivated by managers and by a clear understanding of their mission, and evaluated on the results they produce. Perhaps it is understandable that senior managers would attach high importance to their personnel, but not all public management thinking follows this humanistic trend.

Pollitt (1990) showed that the Thatcher and Reagan approaches to public management were mainly concerned with downsizing, cutting budgets, and holding public servants to account. As a general rule, the version of new public management that draws from public-choice theory has little regard for employee motivations other than personal gain and advancement. The need to reduce costs, while acknowledged in the Public Service 2000 initiative, was not the major theme it was in Britain and the US. Although efficiency was one of the most consistently important values present in the Task Force reports, economy is mentioned in only four reports, and then not often.

What does the Public Service 2000 exercise reveal about the existing administrative culture? The senior cadres of the public service appear to have evolved a long way from the attitudes of the 1970s, when policy development was the main concern. They have embraced the ideas of service, innovation and accountability; they profess to have adopted a new 'guide and encourage', rather than 'direct and control', approach to management.

The follow-up to Public Service 2000 gave institutional support to the idea of a more flexible and decentralised administration. Although it represented only about 10 per cent of the reforms undertaken, the Public Service Reform Act of 1992 was important because changes to the legislative framework are infrequent and have service-wide impacts. While reaffirming the role of the Public Service Commission in recruitment, promotions, appeals, auditing and training, the Act introduced three major changes in the staffing of the public service:

- The Public Service Commission could now determine cases where merit is measured against a standard of competence, rather than competitively against the competence of other candidates.

- Standards of selection were to consider 'the nature of the duties to be performed and the present and future needs of the Public Service' – such an extension to future needs having been recommended in the D'Avignon report of 1979.
- Within the limits of the classification of professional groups, deputy ministers now had the authority to deploy new or existing personnel as they saw fit.

All these measures increased the flexibility of personnel management. In return, employees obtained the right to appeal against a deployment they consider illegal or an abuse of power.

Other non-legislative changes had implications for the culture of the public service, such as integrating the operating budgets for the personnel, operations and capital of each programme, thereby increasing the deputy ministers' authority to use financial resources where needed. The number of layers of managers below deputy level was reduced in most departments, with the aim of shortening the communications distance from the front line to the top. Almost all departments adopted mission statements and service standards that measured how well an organisation's primary duty was being fulfilled. Departments were also being encouraged to consult their organised client groups and to survey the others.

Restructuring and Programme Review

The lack of emphasis on savings and the prominent place given to accountability in Public Service 2000 seemed to reflect particularly Canadian characteristics within the new public management movement. It was not that the government was indifferent to cost cutting – quite the contrary. The Progressive Conservative government of Brian Mulroney (1984 to 1993) had given high priority to deficit reduction and had modest success, due as much to increases in revenues as to cuts in spending.

Although the Mulroney government announced that it would review all programmes to test their merits, in the end the recommendations of the 1985–86 Task Force under the direction of Deputy Prime Minister Nielsen were not taken up in a vigorous manner. The government chose, instead, to cut generally across the board.

When the Liberal government of Jean Chrétien took power in the autumn of 1993 it launched a review of all existing programmes in order to arrive at an analysis of needs and possibilities. This operation was very much in tune with the doctrines of public management and was largely carried out between departments and agencies on one hand and central agencies and ministers on the other. For each programme, officials were to answer six questions: do the

programme areas continue to serve a public interest? Is a government role still necessary? Could the programme be better delivered? Could it be better administered by the provinces? Could it be privatised? And can the government still afford it?

Part of this operation was concerned with the government's announced intention to cut the public service by 45 000 people from its then size of about 220 000. Following Mulroney as prime minister in 1993, Kim Campbell had dramatically reduced the number of departments, from 32 to 23, cut nine deputies' positions and 53 assistant deputy ministers (from 319 to 266) and reduced both policy and evaluation staffs in departments. Chrétien's government continued this trend, cutting the size of cabinet by one portfolio and abolishing the position of chief of staff in ministers' offices (Aucoin 1995). As a companion exercise to programme review, the minister responsible for the renewal of the public service, Marcel Massé, undertook a review of autonomous boards and agencies and proceeded to recommend the elimination of many of them.

La Relève

The Clerk of the Privy Council, Jocelyn Bourgon, initiated La Relève in 1996. She described it in general terms:

- a *challenge* to build a modern and vibrant institution able to use fully the talents of its people
- a *commitment* by each and every public servant to do everything in their power to provide for a modern and vibrant organization now and in the future
- a *duty*, as the guardians of the institution, to pass on to our successors an organization of qualified and committed staff ready to face the challenges of their time.

Finally, there was no 'master plan': La Relève invited public servants to show 'a bias for action', and this was to be expressed through departmental planning and corporate support, accelerated executive development, compensation and recruitment (Bourgon 1996a).

The public service context was one of a 'quiet crisis' as a product of sustained downsizing, leading public servants to question the value of a public service career and to be concerned about the under-use of their skills. The issues were the critique of public service, loss of leadership in the short term, morale and motivation, and the failure of the public service to change (Bourgon 1996a).

As with Public Service 2000, La Relève relied heavily on the leadership of the Clerk of the Privy Council and the deputy minister, who presented action plans for implementation in their departments. The impact was muted by the

high turnover of deputy ministers and the 'lack of follow-up and reporting on progress, and an absence of effective accountability'. La Relève was seen to have 'died the same quiet death as PS 2000' (Auditor General of Canada 2001, pp. 17–18; Lindquist and Paquet 2000).

The Public Service Modernisation Act

The Speech from the Throne in 2001 promised to introduce public service reforms, and was followed by the report of the Task Force on Modernising Human Resources Management, which had been asked to recommend a modern framework for human resources management at the federal level. The Task Force examined situations in other countries with similar traditions and institutions to Canada (such as Australia, UK and New Zealand) where changes had taken place in response to varying social and political circumstances and challenges.

As a result of the Task Force's report, the president of the Treasury Board of Canada and minister-in-charge of the federal public service introduced legislation in 2003 to modernize the public service, claiming that it was the first wide-ranging legislative reform of human resources management in over 35 years because the system was 'cumbersome and outdated' and a new legislative framework would allow more effective operation (Treasury Board 2003).

The new legislation, the Public Service Modernisation Act (PSMA), provides for the new Public Service Employment Act, a new Public Service Labour Relations Act; and amends other Acts. The PSMA aims to provide (a) increased flexibility in staffing and managing people with safeguards to continue a merit-oriented, and politically neutral, public service; (b) a cooperative labour–management relation; (c) a coherent training and learning programme to meet the professional development and corporate needs of the government; and (d) a clear role and strengthened accountability for the government institutions and individuals responsible for managing the public service.

The current role of the public Service Commission (PSC) as an independent appointing agency of government will be maintained, although deputy ministers and other public service managers will have the authority to appoint people subject to audit by PSC. Another new feature is an independent staffing complaints tribunal to decide on possible abuses in appointments and promotions now to be handled by public service managers. A better cooperative relationship is to be forged, first by trying to resolve workplace disputes informally rather than by the current practice of formal negotiations on terms and conditions of employment between the Treasury Board, which acts as Employer for the Government of Canada, and the various collective bargaining agents.[3]

These changes were the culmination of initiatives mentioned earlier and

recent evaluations including (a) the Auditor General's report (2000), which found a clear lack of coordination in government appointment practices; (b) the House of Commons Standing Committee on Public Accounts (December 2001), which expressed its concern with the management of human resources in the public service; and (c) the annual report of the Public Service Commission (PSC 2002), which suggested the desirability of increased flexibility in managing human resources as well as in simplified system of authority control and accountability. Is the modernisation going to be a legacy of the regime led by the Prime Minister Jean Chrétien, who has been elected for four consecutive terms, in the same manner that the major changes brought about in 1967 by introducing the collective bargaining system and right to strike were the legacy of Mike Pearson?

Reform Model and Process

Three decades of management reform initiatives had failed to produce a managerialised public service by the 1990s. There were, however, a number of indications that reform was registering a greater impact and that this was through a more balanced Canadian approach. There continued to be difficulties with implementation despite the results of the programme review, but greater coherence was becoming apparent.

The Canadian reform style has been distinguished by the nature of the process followed. Canada has a long tradition of relying on extensive investigation of reform options, particularly through formal devices such as royal commissions. More recently, the task force has gained greater prominence in this process. A retiring Auditor General of Canada (2001, p. 18) reflected that the main reform initiatives of the 1990s had produced few results (despite the 'bias in favour of action', mentioned earlier): 'We see extensive study of the problems but too few real steps toward solving them.'

Take, for example, the area of human resource management. According to the Auditor General, decades of efforts 'to streamline and modernize human resource management have been stymied by the tangle of roles and responsibilities of the institutions that manage human resources and by the legislative framework that applies'. The weaknesses in human resource management were apparent in departments and in the overall system. They reflected both the fragmentation that was evident in the division of responsibilities between central agencies (the Public Service Commission and the Treasury Board) and a legislative and administrative framework that was complex and outdated. The reform of staffing had

> been largely nullified by almost three decades of legal decisions on appeals of staffing actions. The net result is a protracted process that impedes managers from

> getting on with the business of government, while many employees continue to question the fairness of staffing in their workplace. (Auditor General of Canada 2001, p. 19)

At the same time, was there a distinctively Canadian model, as argued by Bourgon? She argues that, 'While none of its elements are uniquely Canadian, taken together they amount to an approach that is sufficiently different from all the others to warrant attention' (Bourgon 1997). This comprised continuing respect for the role of government and a public service that was not overshadowed by a hard-line new public management approach that emphasised contracts and markets. At the same time, new features were being incorporated, which could claim to being a 'new public sector' that was centred on three new sets of relationships – within government, between governments and citizens, and new partnerships with external actors (Bourgon 1996b). The second Chrétien government has been recognised for the emergence of a public service that is functioning differently from the first (Perkins and Shepherd 2001, p. 96).

CONCLUSION: THE CANADIAN PARADOX

The changes of recent decades have moved Canadian public administration away from the traditional values of the Westminster system (such as permanence, objectivity and neutrality) to new public management values (flexibility, business orientation, results orientation, customer service and personal accountability). The focus of the senior executives on management at the expense of the policy function has also diminished capacity (Ingraham et al. 1999). As the Task Force on Public Service Values and Ethics (1997, pp. 10–11) reported, the question was one of finding a 'new synthesis between the public management approach, with its emphasis on users, customers and clients, and the more holistic direction represented by the public administration perspective'.

Canada has followed its own pathway in reshaping the public service that has sought to avoid the more extreme positions that entailed less government as an end in itself; reliance on competition and private sector models; and a heavy emphasis on individualisation, contractualisation and performance management. These elements exist but not as overriding approaches. The hard edge readjustment and realignment with programme review were not followed through in systemic reform.

Canada was the most reluctant of the Westminster systems to give up patronage earlier in the 20th century, yet towards the end of the century its politicians were not displaying the levels of intervention found elsewhere. The

administration is more politicised than before, but not excessively so. Canadian political leaders have had less reason to reform their public service because it was sufficiently responsive to their agenda, but without that intervention they failed to achieve a level of reform comparable to that in other Westminster systems

The two related paradoxes of the Canadian system mentioned earlier are that it was the first to explore management reform but slow to incorporate and institutionalise it, and in some respects the public service remained unmanagerialised; second, the public service has acquired management features, but has not fully embraced managerialism. The system has been insufficiently managerialised to gain the benefits but sufficiently managerialised to attract the problems. The advantages are that it has not suffered the more radical managerial applications or the need for strong swings in approach. There is a distinctive Canadian approach that with some refinement could offer a balanced model.

NOTES

1. Discussion on some of the issues has been drawn from Dwivedi and Gow's book, *From Bureaucracy to Public Management* (1999).
2. The largest disagreement came at managerial levels. A majority of men also thought that women's positive action programmes gave women an unfair advantage, with the proportions rising with rank until 66 per cent of senior managers thought this way. A majority of senior managers (59 per cent) thought that for the same reason women were promoted beyond the level of their competence, whereas 53 per cent of women did not think so.
3. Of the other changes, an amendment to the Financial Administration Act authorises public servants to manage funds relating to training and learning for their own employees. Also, a new Canada School of Public Service is being created from amalgamating the Canadian Centre for Management Development and the Training and Development Canada to provide a single agency to train all federal employees.

REFERENCES

Aucoin, P. (1995), *The New Public Management: Canada in Comparative Perspective*, Montreal: Institute for Research on Public Policy.

Aucoin, P. (2001), *Comparative Perspectives on Canadian Public Service Reform in the 1990s*, Ottawa: Office of the Auditor General of Canada.

Auditor General of Canada (2001), 'Reflections on a decade of serving Parliament', report of the Auditor General of Canada to the House of Commons, Ottawa: Minister of Public Works and Services Canada.

Bourgault, Jacques and Stephane Dion (1990), 'Canadian senior civil servants and transitions of government: the Whitehall model seen from Ottawa', *International Review of Administrative Sciences*, **56**(1), 149–69.

Bourgault, Jacques, Stephane Dion and Marc Lemay (1993), 'Creating a corporate culture: lessons from the Canadian federal government', *Public Administration Review*, **53**(1), 73–80.

Bourgon, Jocelyn (1996a), *Fourth Annual Report to the Prime Minister on the Public Service of Canada*, Ottawa: Canadian Privy Council Office.
Bourgon, Jocelyn (1996b), 'La Relève: our greatest challenge', notes for an address to Human Resources Development Canada Conference, Cornwall, Ontario, 6 November.
Bourgon, Jocelyn (1997), *Fifth Annual Report to the Prime Minister on the Public Service of Canada*, Ottawa: Canadian Privy Council Office, http://www.pco-bcp.gc.ca.
Campbell, Colin and George Szablowski (1979), *The Superbureaucrats: Structure and Behaviour in Central Agencies*, Toronto: Gage.
Carroll, B. (1991), 'The structure of the Canadian bureaucratic elite: some evidence of change', *Canadian Public Administration*, **34**(2), 359–72.
Commissioner of Official Languages (1998), *Annual Report 1997*, Ottawa: Public Works and Government Services.
CRIC (Centre for Research and Information on Canada) (2002), 'Border Poll', June, http://www/cric.ca/pdf/cric_poll/border_poll_june2002.pdf.
D'Avignon Committee (Special Committee on Personnel Management and the Merit Principle) (1979), *Report*, Ottawa: Supply and Services.
Dawson, R.M. (1929), *The Civil Service of Canada*, London: Oxford University Press.
Dwivedi, O.P and J.I. Gow (1999), *From Bureaucracy to Public Management: The Administrative Culture of the Government of Canada*, Toronto: Broadview Press.
Erin Research Inc. (1998), *Citizens First*, Ottawa: Citizen-Centred Network and Canadian Centre for Management Development.
Government of Canada (1990), *Public Service 2000: The Renewal of the Public Service of Canada*, Ottawa: Minister of Supply and Services Canada.
Government of Canada (2000), 'A public service learning organization: From coast to coast', policy discussion paper, Ottawa: Minister of Supply and Services Canada.
Gow, J.I. (1994), *Learning from Others: Administrative Innovation Among Canadian Governments*, Toronto: Institute of Public Administration of Canada and Canadian Centre for Management Development.
Hodgetts, J.E. (1973), *The Canadian Public Service: A Physiology of Government 1867–1970*, Toronto: University of Toronto Press.
Hodgetts, J.E. (1983), 'Implicit values in the administration of public affairs', in K. Kernaghan (ed.), *Canadian Public Administration: Administration and Profession*, Toronto: Butterworths.
Hodgetts, J.E., W. McClosky, R. Whitaker and V.S. Wilson (1972), *The Biography of an Institution: The Civil Service Commission of Canada*, Montreal and London: McGill-Queen's University Press.
Ingraham, Patricia W., Helen Murlis and B. Guy Peters (1999), *The State of the Higher Civil Service after Reform: Britain, Canada and the United States*, Paris: Organisation for Economic Co-operation and Development.
Lambert Commission (Royal Commission on Financial Management and Accountability) (1979), *Final Report*, Ottawa: Supply and Services.
Lindquist, Evert A. and Gilles Paquet (2000), 'Government restructuring and federal public service: the search for a new cosmology', in Evert A. Lindquist (ed.), *Government Restructuring and Career Public Services*, Toronto: The Institute of Public Administration of Canada, pp. 71-111.
Manion, J. (1991), 'Career public service in Canada: reflections and predictions, *International Review of Administrative Sciences*, **57**(3), 361–71.

Perkins, Anne and Robert P. Shepherd (2001), 'Managing in the new public service: some implications for how we are governed', in Leslier A. Pal (ed.), *How Ottawa Spends 2001–2002: Power in Transition*, Toronto: Oxford University Press, pp. 95–121.

Pollitt, C. (1990), *Managerialism and the Public Service: The Anglo-American Experience*, Cambridge, MA: Basil Blackwell.

Public Service Commission (2002), *2001–2002 Annual Report*, Ottawa: PSC.

Robertson, Gordon (1968), 'The Canadian Parliament and Cabinet in the face of modern demands', *Canadian Public Administration*, **11**(3), 272–9.

Royal Commission on Government Organization (Glassco Commission) (1962), *Report*, vol. 1, *Management of the Public Service*, Ottawa: Queen's Printer.

St-Martin, D. (1993), *Institutional Analysis of Recent Machinery-of-Government Reforms in Australia, Britain, France and New Zealand*, Ottawa: Consulting and Audit Canada.

Savoie, D.J. (1990), *The Politics of Public Spending in Canada*, Toronto: University of Toronto Press.

Savoie, Donald (1994), *Thatcher, Reagan and Mulroney: In Search of a New Bureaucracy*, Pittsburgh: University of Pittsburgh Press.

Savoie, Donald J. (1999), *Governing from the Center: The Concentration of Power in Canadian Politics*, Toronto: University of Toronto Press.

Sims, Harvey (2001), *Public Confidence in Government and Government Service Delivery*, Ottawa: Canadian Centre for Management Development.

Task Force on Public Service Values and Ethics (1997), *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics*, Ottawa: Privy Council Office.

Tellier, Paul M. (1992), *First Annual Report to the Prime Minister on the Public Service of Canada*, Ottawa: Minister of Supply and Services Canada.

Treasury Board of Canada Secretariat (2001a), *Annual Report on Official Languages 2000–01*, Ottawa: Treasury Board.

Treasury Board of Canada Secretariat (2001b), *Employment Equity in the Federal Public Service 2000–2001*, Ottawa: Treasury Board, http://www.tbs-sct.gc.ca/report/empequi/2001/ee-01_e.html.

Treasury Board of Canada Secretariat (2003), *President of the Treasury Board Introduces Legislation to Modernise the Public Service of Canada*, http://www.tbs-sct.gc.ca/media/nr-cp/2003/0206e.asp.

Wilson, V. Seymour and O.P. Dwivedi (1998), 'Plus ca change, plus c'est la meme chose: public administration in Canada: state of the discipline and profession', in Morton R. Davies, John Greenwood, Lynton Robins and Nick Walkley, *Serving the State: Global Public Administration Education and Training*, Aldershot: Ashgate, pp. 81–105.

Zussman, David (2001), 'Confidence in public institutions: restoring pride to politics', Senate Occasional Lecture Series, Canberra, 9 February.

Zussman, David and Jak Jabes (1989), *The Vertical Solitude*, Halifax: Institute for Public Policy.

7. Civil service and administrative reform in the United States

Patricia W. Ingraham and Donald P. Moynihan

INTRODUCTION

The United States has been called an 'uninteresting laggard' in its efforts at civil service and other administrative reform (Aucoin 1995). While this might strike some – particularly those associated with governmental reform – as unduly harsh, there is no question that US reforms have followed a pattern that is incremental and, in most respects, well behind the curve of administrative reform in many other western democracies. In the 20-plus years since the passage of the Civil Service Reform Act of 1978, the complex foundation of civil service law in the United States has remained essentially untouched (Ingraham 1995).

Much of the context for reform efforts in the US was similar to that in other western democracies and in 'benchmark' NPM (new public management) countries – Canada, New Zealand, the United Kingdom and Australia. Diminished resources, budget deficits, political commitment to more entrepreneurial public organisations, downsizing and devolution were all factors. Leaving aside the Civil Service Reform Act of 1978, which most observers now describe as a series of modest incremental changes, proposals for serious change did not occur in the US until after 1992, by which time other major nations had seen substantial public sector reform (Pfiffner and Brooks 2000). If, as we argue, the description 'laggard' is merited, why did the US not follow the pattern of these other democracies in terms of the rapidity and comprehensiveness of public sector reform?

When efforts at reform did occur – primarily under the auspices of the Clinton–Gore administration – promises of government that 'works better but costs less' created new and heightened expectations (National Performance Review 1993). Policy reform in areas such as welfare created new demands for intergovernmental partnerships and other collaborative service delivery mechanisms. These networked arrangements assumed more flexible management systems but did not provide a legislative foundation for them (Kettl 1998).

RECURRING THEMES AND CONSISTENT TENSIONS

Politics and Administration

The US civil service system originated in the 1880s, from a mixture of home-grown reform ideas championed by progressive reformers, civil service models from Western Europe, and a recognition of the US traditions of separation of powers and political control of the bureaucracy (Skowronek 1982; Ingraham 1995). A 'political spoils' system gradually evolved into a merit-based civil service with emphasis on professionalism and neutrality among permanent members of the bureaucracy. The new system was built on an assumption of compatibility with the political appointee class, which grew to number about 7000 by the end of the 20th century. But relationships between the two groups – the permanent members of the bureaucracy and the political appointees – lacked the long-term stability and role agreement common in Westminster systems (Hood 2000) and were frequently marked by tension and distrust (Ingraham et al. 1995). One of the implications of this for reformers is that it is both impractical and impossible to structure senior positions in government on a performance-contract basis if the holders of those positions are not politically compatible with the sitting president, with whom the constitution places primary control of political appointees. This is one of the reasons why proposals for performance contracts have met with very limited success (Roberts 1997).

In addition, the central role of Congress means that the federal bureaucracy is subject to often conflicting direction and influence from different branches of power. One widely accepted view is that the role of president has been strengthened at the expense of Congress in the 20th century (Cooper 2001). Public administrative reformers have played a part in this: since Franklin Roosevelt's Brownlow Commission, many reforms have had an executive-oriented bias. Other commentators have, however, argued that the legislature has skilfully negotiated a nest of effective controls over the bureaucracy (Rosenbloom 2000; Thompson 2001). Given the legislature's budget-making power, and its oversight of and legislative control over the structure and management of the bureaucracy, it is difficult to underestimate the importance of Congress from a comparative perspective. This division of powers has proved to be anything but neat for managers, who are required to balance political responsiveness between competing – but equally legitimate – claimants. For this reason, clear hierarchical lines of responsibility and accountability are extremely difficult to identify in the US system, thus preventing the application of clear contract principles, such as principal–agent theory, to senior-level administrative–political relationships, for example (Moe 1984). As a consequence, reformers of the US bureaucracy face an

institutional setting that differs from that of its counterparts in other western systems.

Fragmentation

Another notable feature of the US system is the way in which elected officials – most particularly, but certainly not only, members of the Republican Party – have characterised themselves as ideologically opposed to the administrative state. Inevitably, this has shaped the nature of reform. In the 1980s the Reagan presidency produced a tattered public service, diminished in both size and morale. The problem of compensation for members of the senior service came front and centre during this period; by the end of the decade, public sector pay scales lagged badly behind those of comparable executives in the private sector (National Commission on the Public Service 1989). At the same time, broad budget cuts and hiring freezes created capacity problems for many federal agencies. Only a few, such as the Department of Defense and the Internal Revenue Service, were consistently able to hire during this period. Recruiting capability decreased in most other federal agencies; even for the Department of Defense, recruiting (and retaining) scientific and technical personnel was troublesome.

A 'survival of the fittest' mentality developed, in which organisations with budget flexibility, special hiring needs, or special legislative access argued that they ought not to be held back by the shortcomings and limited resources of others. This 'let the best perform and the rest learn from their example' view of reform contrasted sharply with the standardised model so traditionally prized by the American federal government. Fragmentation of the merit system – always a 'below the surface' feature of this incrementally built system – was hastened.

The move toward specialised, rather than standardised, civil service systems continued into the 1990s. In addition to the demonstration projects created under the authority of Title VII of the Civil Service Reform Act of 1978, there are, for example, separate systems for the Postal Service, the Federal Aviation Administration, and federal intelligence agencies. The Internal Revenue Service was given special hiring and pay provisions for its executive cadre. The Foreign Service has, of course, always operated with a separate system, as have congressional agencies.

Even as whole agencies exempted themselves from central civil service procedures and standards, the core system itself became more diffuse and fragmented during this period. By the mid-1990s, less than half of federal government employees were under competitive service rules, and less than one-third of new employees entered through recruiting and hiring practices that even remotely resembled the traditional civil service model of merit ensured

through standardised, centralised recruiting, testing and hiring (Office of Personnel Management 1999, pp. 38, 71). Despite its consistent characterisation as a centralised system, therefore, the federal personnel system was increasingly a series of disparate parts.

The coverage of civil service rules for federal employees has varied considerably since the inception of the civil service system, reaching its height in the early 1950s, when it covered over 86 per cent of full-time federal employees. This proportion was to stay largely similar until the early 1970s, when new employees were increasingly hired using excepted means. By the mid-1990s just over half of federal employees were covered by civil service rules (Ingraham 1995). The pattern of disaggregation was accomplished through the provision of 'personnel demonstration authority', 'reinvention' initiatives, and the creation of separate personnel systems for specific agencies.

Personnel demonstration authority, provided by the Civil Service Reform Act, enabled agencies to engage in innovative employment practices that might serve as a model for the rest of government. Under President Clinton, use of the authority increased, but largely for the purposes of allowing parts of government to avoid civil service rules (Thompson 2001). Also under Clinton, reinvention labs followed a logic similar to that of the demonstration authority, allowing waivers of federal rules in the interests of better performance. Another reinvention initiative, performance-based organisations, also changed the personnel rules governing employees. And yet another source of disaggregation was the creation of alternative personnel systems through legislation, the two most notable examples being the Federal Aviation Administration and the Internal Revenue Service.

Performance

Other issues that were significant in the 1980s and early 1990s continue to be relevant today. Not surprisingly, the twin themes of fewer resources and increased productivity created an important emphasis on individual and organisational performance. Dismissing poor performers – the 'dead wood' of Jimmy Carter's campaign for reform – and rewarding those who performed well was a constant topic, although the emphasis was much more frequently on the former than the latter. The performance appraisal and merit pay programmes created by the Civil Service Reform Act were, and are, serious sources of discontent, and inevitably targets of reform. The Act linked individual pay to individual performance as evaluated by supervisors, but the merit pay system created by the Act was abolished in 1983. Merit pay for mid-level managers was abolished during the Bush presidency, at the end of the 1980s. Clinton administration proposals would have linked pay to organisational, rather than individual, performance but failed to gain legislative support (Ingraham and Moynihan 2000).

The overall system for managing and rewarding the senior executive service – the leadership cadre of the federal service – fell into substantial disrepair during the Reagan presidency and recovered only slightly during the Bush presidency (Ingraham et al. 1995). The SES was also created by the Civil Service Reform Act, although the Act's goal of creating a new band of management generalists ultimately gave way to a continuation of promotion practices based on technical expertise (Aberbach and Rockman 2000; Huddleston 1992). The Clinton administration's message about the role of the SES and its members was decidedly mixed and failed to deal with the relative pay differences with the private sector (Pfiffner 1996). Even as the SES climbed on board the reinvention bandwagon, its members worried about the future of the group and about the level of political support they would receive for the innovative, risk-taking efforts that reinvention demanded (Ingraham et al. 1998).

At the same time, the Clinton administration's second-term *Blair House Papers* – described by the White House as the 'reinvention blueprint' for the future – explicitly addressed the need for career leadership (National Performance Review 1997). This document recognised the significant contribution that senior members of the career service can make but also attempted to find concrete initiatives for dealing with leadership in the career civil service. As was the case with many reinvention efforts in the United States, however, there was little substantive follow-up.

More Politics, Less Administration

Finally, in this summary of recurrent themes it is important to explore the political context of reform in the US. A key difference between the US and the NPM benchmark countries lies in how political institutions are organised. Many other factors influence policy making, but at a basic level the concentrated power of a parliamentary system offers greater capacity for turning policy choices into policy outcomes (Weaver and Rockman 1993). The fragmented nature of a presidential system produces largely incremental change, and the particular power of public sector unions has also limited reform efforts. Supporters of the Civil Service Reform Act of 1978 recognised this fact and crafted a law that was essentially incremental, even with strong presidential support and interest. From 1978 to 2000, the norm was that neither Republicans nor Democrats were able to gain control of Congress and the White House simultaneously, reducing the capacity for public sector reform and decreasing the likelihood of administrative and management reforms ever reaching the action agenda. The Clinton administration essentially recognised this when – after the Omnibus Civil Service Reform Bill proposed in 1996 died on arrival at Capitol Hill – it announced that legislation was not really necessary for the reforms it wished to achieve.

The significance of the themes addressed thus far is not only that they were historically important, or even that they were of central importance over the past decade. Their real significance lies in the fact that they frame the reform agenda for the future. Reinventing government, entrepreneurial government, high-performance government, managing human capital, managing for results – now stock phrases in the reform lexicon – all relate in a very fundamental way to the thorny issues of the past. The foundation of the civil service system remains and the basic rules controlling personnel recruitment, reward and promotion have remained stable. Add-ons to the system, such as the Classification Acts of 1923 and 1949 and the Civil Service Reform Act of 1978, did not fundamentally alter the underlying system. Contemporary debates about how to ensure merit while still increasing flexibility and discretion are very much related to previous questions about rewarding and disciplining in appropriate ways. The debates about how to do more with less – and about whether that is possible – are debates about creating a workforce that is matched to demand in terms of skills, capacity and leadership. Recruiting and hiring have assumed a new centrality as both elected officials and government managers wonder if government can hire the people it needs for critical jobs.

The civil service system and its constraints, as well as its promise, underlie each of these debates. The frequent inconsistency of the solutions for civil service problems offered by Congress and the White House is one of the enduring dilemmas of reform. Tragically, the events of 11 September 2001 may have created unusual consensus in this regard: since that time the Bush administration and key members of Congress have been in fundamental agreement that management reform deserves a central place on the policy agenda if government is to assume broad new discretionary powers.

The remainder of this chapter examines how the US has confronted contemporary demands: is the nation an 'uninteresting laggard', as Aucoin suggests, or is the US model of reform a necessary product of a political system in which power balancing and sharing has become so difficult that garnering support for 'mundane' policies (such as management reform) is difficult, if not impossible, in 'normal' times?

REINVENTING GOVERNMENT IN THE UNITED STATES

The National Performance Review – later retitled the National Partnership for Reinventing Government – spawned a broad set of reforms that have been extensively analysed elsewhere (Carroll 1996; Ingraham et al. 1998; Ingraham and Moynihan 2001; Kettl 1994, 1998; Kettl and DiIulio 1995; Thompson 2000; Thompson and Ingraham 1996). For the purposes of this analysis, it is

important to focus, however, on both the stated intent and the record of the National Performance Review and reinventing government one more time.

The rhetoric and symbols of reinvention are straightforward and simple, and the simplicity at least partially explains the compelling quality of reinvention reforms. Smaller government that applies 'common sense', 'works better, costs less', and 'does more with less' was, in the view of reinvention advocates and many citizens, the inescapable model of government for the future. As with previous reform efforts in the US, reinvention relied on a mixture of private sector models, best practice research and, more rarely, examples from other countries and levels of government.[1]

A critical problem with the way in which reform is typically organised is the lack of an explicit underlying theory. Reform commissions tend to produce a series of recommendations with little reference to the theories underpinning the proposals – save perhaps an emphasis on the importance of political control of the bureaucracy (Moe 1994; Peters 1996). The reports of the reinvention movement (National Performance Review 1993, 1997) were particularly guilty in this regard, generating hundreds of recommendations but avoiding questions that demanded theoretical exploration, such as: how do public organisations behave and perform under different resource constraints and with unpredictable demands? What is the appropriate role for public organisations in a democracy? Are citizens 'customers' and should they be treated as a business model would treat them? Without answers to these questions – or even consideration of them – it was difficult to separate theory from jargon and political ideology. As a result, the postulates for reform were ill-defined, empirical evidence supporting change was anecdotal at best, and the potential weaknesses of recommendations were glossed over or ignored. Again, views of the purpose of reform in the Executive Office and in Congress were different. And those differences were significant.

A major example is provided by the downsizing efforts that accompanied early reinvention activities in the federal government. The combination of public sector reform and the downsizing of the civil service is not unique to the US situation: other nations did the same. Some, such as New Zealand, made the combination central to reform design. What is unusual, however, is the lack of shape of the reforms that reinvention proposed. While New Zealand proceeded with a clear concept of the 'market state' (Boston 1995) and the United Kingdom spelled out 'Next Steps' (Trosa 1994), exactly what reinvention was to do and how it was to do it was much less clear. One of Vice-President Gore's staff members referred to reinvention as 'guerrilla warfare' (Thompson and Ingraham 1996). Others referred to the exercise as 'gardening' – growing small sets of reforms slowly – as opposed to a more strategic 'engineering' model of change (Thompson and Sanders 1997). Part of the reason for the lack of an overarching vision is reinvention's strong reliance on private

models and anecdotal best-practice research. Osborne and Gaebler (1993) and the National Performance Review (1993) painted a picture of entrepreneurial managers who would be as comfortable in the private sector as in the public, for example. The generic approach has a long tradition in the history of public administration in the US (Waldo 1948) and has often led to an uncritical transfer of ideas and models, not only in the United States but in other nations as well. The problem is, of course, that the unexamined premise shapes expectations for performance and change.

Downsizing

Downsizing government was a significant component of US reinvention efforts. Although specific numbers to be cut were added nearly as an afterthought in the 1993 National Performance Review report, the 12 per cent figure contained therein quickly became an important symbol. Both President Clinton and Vice-President Gore used movement toward the 12 per cent reduction as the most potent measure of reinvention's progress. The Vice-President used achieving the cut as a measure of his administrative effectiveness in the 2000 presidential campaign.

Between 1993 and 2000, 324 595 federal government jobs were cut (a 10.7 per cent reduction), almost 40 000 of them in the executive branch (an 18.2 per cent reduction) (Office of Personnel Management 2000). In absolute terms, this meant the executive branch had about the same number of employees as when the Kennedy administration came to power in 1960. (Such facts were the only part of the National Performance Review to become part of Vice-President Gore's presidential campaign because the political benefits of other aspects of the review failed to materialise. President Bush echoed Reagan in using as a campaign theme an attack on 'big government', setting the tone for exchanges about the federal government.[2])

To assist in the downsizing effort, the Federal Workforce Restructuring Act was passed in 1994. That legislation, based on the Department of Defense model for downsizing, provided authority to 'buy out' targeted groups of federal employees and aligned with President Clinton's preference to avoid involuntary separations. Most federal agencies were allowed to use this authority for limited periods, during which they could offer early retirement bonuses to selected groups of employees.

As is the case with several other nations, there is now evidence that federal downsizing in the US did not work exactly as planned. It targeted middle-level managers and supervisors, on the basis that such personnel were not needed in an empowered workplace. Many federal agencies remain top-heavy, however, and none have met the National Performance Review objective of paring supervisory levels by 50 per cent. Some agencies have achieved 25 per cent

reductions, but in other cases the number of people at higher management levels has actually increased (*Washington Post*, 3 March 1998, p. A15). In addition, it is unclear that supervisory cuts produced the intended effects. A study of the Social Security Administration found, for example, that team-driven operations involving lower level employees did not emerge; instead, many supervisors were simply moved to positions classified as non-supervisory while continuing with their previous duties (Thompson 2000).

Simplification

The two other main themes of reinvention – simplification and flexibility – are related and have direct implications for civil service structures and procedures. They have meant deregulation of personnel, of federal agency structures, and of the processes that operate within those structures. With the exception of procurement and downsizing, however, legislative action has not formally supported these objectives. Procurement reform is notable and a major accomplishment of the Clinton administration's effort to achieve simpler, more understandable processes in government. Although the legislation did not directly address personnel,[3] it contained important principles of management proposed by the National Performance Review and aimed to require agencies to make the way they work as efficient as possible, to automate the more efficient processes, and then to measure the improvement (Office of Management and Budget 1997).

The simplification reform most symbolic of reinvention, however, was procedural and did not necessitate legislation. The *Federal Personnel Manual* – the mother lode for 'personnelists' – was based largely on a single authority (US Code, Title 5) but had evolved into thousands of pages of rules and regulations. The Clinton administration abolished the manual in one swoop, in a well-publicised ceremony on the White House lawn. This dramatic step demonstrated both the strong and the weak points of reinvention. The strong point was that the action demonstrated the enormous extent to which many federal civil service practices were not the result of some controlling external law or authority. Federal agencies were their own worst enemy; the Civil Service Commission and the Office of Personnel Management – but also the agencies themselves – had created pages and pages of rules, whose elimination or repeal was always in their power.

The weak point that the abolition of the manual demonstrated was equally simple: federal agencies had become accustomed to the rules. When the manual was abolished, nothing replaced it. There were no directions to follow, so the natural inclination – and the actual practice – was to proceed along the tried-and-true path of either re-adopting the manual at agency level or acting as if it had not been abolished in the first place. In the Brookings Institution's

analysis of the early years of reinvention, it was noted that this failure to specify what ought to 'spring up' in place of the rules was a significant shortcoming (Kettl and DiIulio 1995). Reinvention's failure to provide either a clear long-term vision or a safety net for those agencies that created their own worked against the ability to take full advantage of the simplified processes. The movement's failure to really take root is further confirmed by employee surveys: just over a third of employees reported that they believed the National Performance Review and the principles of reinvention to be a priority in their organisations in the late 1990s (National Partnership for Reinventing Government 1998).

Flexibility

The most notable example of the flexibilities advocated by reinvention and the National Performance Review is provided by the reinvention laboratories. In its first report, the review urged each federal department and agency to create 'laboratories of reform' – small-scale change efforts tailored specifically to the mission and needs of each organisation. By 1998, 340 labs had been established, the majority of them in agencies connected with the Department of Defense. The labs were not closely monitored; indeed, some of them chose to operate below the sight line of their parent departments to provide cover for the changes they were pursuing (Maxwell School of Citizenship and Public Affairs 1996). While the experiences and lessons of the laboratories are still emerging, it is clear that some of the greatest successes of reinvention have been at laboratory level (Thompson 2000; Thompson and Ingraham 1996).

It is also important to note that most of the flexibilities adopted by the labs reflected the broader move toward simplification. Simplified classification and compensation procedures ranked among the most frequent lab innovations (Thompson and Ingraham 1996). An emphasis on teamwork and rewards and incentives for teams was another common feature, as was partnership between organisations and clients and between organisations. Some of the partnerships were quite dramatic. A Public Health Service hospital in Alaska designed and constructed a new hospital based on close collaboration with the Native Americans who are the facility's customers. The structure reflects traditional symbols and authority, rather than standard government issue; and, at the same time, the facility was technologically and medically 'state of the art' (Ingraham et al. 1997).

But the reinvention laboratories also demonstrate the serious constraints of informal reforms. Civil service laws and regulations in the US have always had a split personality: it is their responsibility to protect the permanent career workforce from undue political influence while still providing political leaders with a responsive set of career employees. Previous reforms such as the

creation of the Senior Executive Service strengthened political responsiveness ties for top-level managers and executives. Reinvention moved the other way: it encouraged (at least rhetorically) individual discretion and, to a considerable extent, risk taking. The support of top organisational leaders and political appointees is critical if reinvention changes are to take hold; if this support is lacking, members of the career staff who pursue reinvention essentially do so at their own peril. Again, the Clinton administration recognised this somewhat belatedly, issuing in 1998 an executive order that made it easier to obtain rule waivers and thereby gain some protection from hierarchical retribution.

Labour–Management Relations

Improved labour–management relations were to have been another key component of reinvention's changes. The first National Performance Review report (1993) found that the complex and multi-levelled appeals process for employees who had been disciplined or dismissed was a major obstacle to effective performance in federal agencies. Appeal procedures were strongly influenced by the federal labour unions, whose stance toward management was traditionally confrontational.

The Clinton administration's goal of creating a new 'partnership' with labour was entrusted to the vice-president, who presided over the National Partnership Council, which comprised representatives of the major unions and top political appointees from the executive departments with the largest numbers of unionised employees – the Internal Revenue Service and the Department of Defense being the leading examples. The council was asked to report to the president on specific ways of improving coordination and communication between labour and management groups; finding alternative solutions to dispute resolution was also an important part of its task. It is generally agreed that the council's report contained recommendations that were heavily pro-labour: the role of collective bargaining in performance appraisal and awards processes would have been substantially increased, for example. Although this is not surprising in an administration heavily dependent on labour support for election, it did guarantee that many of the recommendations came blessed with automatic opposition.

The tenuous nature of the new partnership was demonstrated by the unions' initial support for but then rapid disavowal of the Clinton administration's personnel legislation. Unions judged the legislation as placing too much discretion in the hands of managers. The National Performance Review continued to emphasise the partnership, and labour–management relations improved somewhat, according to a 1997 survey of labour and management representatives (National Partnership Council 1997). However, neither the review nor the partnership created a policy on employee pay that satisfied the

public service unions, who argued that the pay gap between the public and private sectors remained critical. The unions' demands for better pay and for more control over performance and productivity assessment created a prickly situation. The tenuous nature of the partnership was demonstrated by an employee union at the Patent and Trademark Office, one of two performance-based organisations created during the Clinton years. Despite substantial difficulties in recruiting and retaining patent examiners, in 2000 that union rejected a 14 per cent pay increase because it would also have established new productivity marks and timetables and provided new flexibilities for managers.

The pay problem, addressed through the provisions of the Federal Employee Pay and Compensation Act of 1990, is still very much on the agenda throughout the federal government. The Act was intended to redress problems of federal salaries meeting the challenge of high costs of living and competitive labour market circumstances. Blue-collar workers had had local market pay scales for some time, but the Act introduced the first such provisions for the very large white-collar federal workforce. At a time of rapid income gain for white-collar private sector workers, the provisions recommended double-digit pay increases for their public sector counterparts. However, the Clinton administration consistently chose not to implement the recommended pay rises, citing the 'flawed methodology' of the formula used to calculate the pay disparity and suggesting the rises would lead to overpayment of public employees. Every Clinton budget invoked a provision of the Federal Employee Pay and Compensation Act that allows smaller pay increases. At various times, the White House offered a number of macroeconomic rationales for not making major pay increases – the need for fiscal stability, the importance of a balanced budget, not upsetting a tight labour market, and so on. But federal employees perceived that the disparity in pay between the public and private sectors increased in the 1990s and that the Clinton administration's rhetoric on the value of public service was not matched by monetary rewards (*Washington Post*, 30 November 2000, p. B02).

PROPOSALS FOR LEGISLATIVE CHANGE

Clinton Proposals

Formal legislative initiatives resulting from reinvention were very limited in the Clinton years. In addition to procurement reform and workforce restructuring, however, three efforts had noteworthy implications for the federal civil service and its management. The first two are laws that were not passed – the Federal Personnel Systems Reinvention Act of 1996 and the Omnibus Civil

Service Reform Act of 1996 – and the third law, creating performance-based organisations, has clearly been problematic. The two pieces of proposed legislation would have changed the structure of and several key provisions in the civil service system; the last law proposes that performance and performance management guide the personnel processes of a limited set of federal agencies.

The Federal Personnel Systems Reinvention Act was intended to create a flexible civil service in which most core human resource management functions resided with the individual agencies. Agencies would have had the authority to design their own personnel systems, including in such previously untouchable areas as health insurance coverage and options. Although some vestiges of the old centralised service would have remained – government-wide provisions for Veterans' Preference, for example – the role of the central system, and of the Office of Personnel Management, would have been significantly redefined.

The Reinvention Act would have created for the Office of Personnel Management a role that was essentially 'fee for service'; to the extent that it did continue classification and related activities, it would have been at an agency's request and for compensation. In fact, much of this transformation occurred without the legislation. Most of the broad-based coordination of federal management policy and practices was transferred to the Office of Management and Budget and the President's Management Council. The training and development functions were privatised. The Office of Personnel Management was at the frontline of downsizing and smaller budgets, reducing its total full-time equivalents by 45.2 per cent between 1993 and 2000 (Office of Personnel Management 2000). Because most recruiting was decentralised and delegated, the office's role in that regard was much more limited; indeed, until the revitalisation of the prestigious Presidential Management Intern Programme in 1996, even that limited effort had been diminished. While the fee-for-service component now operating is more ephemeral than the legislation would have envisaged, many of the other proposed changes are essentially in place.

Although the Reinvention Bill originally went to Capitol Hill with labour support, it is a measure of the Bill's general lack of popularity – and of both presidential and congressional lack of interest – that it did not make it out of committee in either House. Convinced by this experience that comprehensive reform was not likely, and having been swept into 1996 campaign politics, the Clinton administration turned to a different kind of reform strategy. It proposed limited demonstration personnel reinvention, initially for 15 demonstration projects. Five of these were not to be limited by the total number of employees covered, which opened the possibility of the entire Department of Defense, for example, qualifying for demonstration status. The Omnibus Civil Service Reform Act was the subject of hearings; one matter often raised in the

hearings (by both federal management groups and long-term defenders of traditional civil service procedures) was the extent to which core merit principles could equitably be maintained in such a tiered system. This legislation also died in Congress.

The performance-based organisation legislation, first introduced in 1996, is explicitly modelled on the experience of the Next Steps programme and agencies in the UK. It also mirrored the inclination in the US to allow some agencies to proceed full speed ahead while keeping slower-to-adapt organisations bound to traditional civil service laws and procedures. The candidates put forward thus far must satisfy the following requirements:

- a clear mission, measurable services, and a performance-measurement system;
- a general focus on external customers;
- a clear line of accountability to an agency head, who has policy accountability for the functions of the organisation;
- top-level support for the transfer of the organisation to performance-based status;
- predictable sources of funding (National Performance Review 1997, p. 42).

A subset of the leading Government Performance and Results Act pilots created natural choices for candidates for performance-based organisation status. The legislation failed, however, to gain congressional support to move any of the nine proposed federal agencies or programmes to that status. Ironically, when a performance-based organisation was finally created – the Office of Student Financial Assistance in the Department of Education – it was not one of the original candidates and its changed status was a congressional initiative. The Patent and Trademark Office soon followed, mirroring the British Next Steps experience, in which in 1990 the Patent Office became one of the first Next Steps agencies. But the Patent and Trademark Office is a performance-based organisation with its hands tied: at least partly because of labour lobbying, Congress chose not to include any personnel flexibilities when it granted performance-based status and transferred the office's 'profits' – revenue from patent activity – to the General Fund, rather than allowing the office to use it for internal modernisation (Patent and Trademark Office 2000).

Congressional Initiatives: The Government Performance and Results Act

The foregoing discussion suggests that very little progress has been made in gaining legislative support for improved management systems. In one sense

this is true, but in another it is not completely fair. Important legislation has been passed and is having an effect on how federal agencies manage their personnel and other resources. Although that legislation was not a Clinton initiative, it was supported by the president at its passage. The Government Performance and Results Act of 1993 provides for the establishment of strategic planning and performance measurement in federal agencies. In design, the Act drew on and tried to improve reform efforts of the past – management by objective; the planning, programming and budgeting system; and zero-based budgeting – by incorporating a high level of congressional and stakeholder involvement (General Accounting Office 1997). The legislation, which was couched in the benign rhetoric of good government, found bipartisan support and was viewed as consistent with the goals of the reinvention initiative. It did not directly reform personnel, thereby avoiding the level of union opposition the Clinton proposals for civil service reform aroused. The legislation also served other impulses that made it attractive to legislators. It enhanced congressional oversight and control of agency planning without requiring that Congress change how it made budgeting decisions. And it reflected the desire to hold government agencies accountable to outcome results, providing ample opportunity for Congress to be critical of any agency failure.

After an extensive piloting process, the Government Performance and Results Act was extended to the rest of the executive branch in 1997. At that point all agencies created five-year strategic plans that mapped out medium-term goals. By 1999 agencies were obliged to produce annual performance plans that identified short-term performance targets for the coming year, and by 2000 agencies published the first round of annual performance reports that describe actual performance against performance targets.

The Act's impact on personnel processes, while not spelt out in the legislation, is quite clear. The requirement to define the necessary resources, to have the flexibility to direct them to strategic priorities, to measure progress towards objectives, and to link rewards to specified performance measures suggests both system capacity and personnel flexibility that the current civil service system does not have. Indeed, many of the initial pilots under the Act were also reinvention labs, creating as much flexibility in the current system as possible. For many agencies, however, the Act's demands do not fit the agencies' structural, functional or political realities (Radin 2000). The lack of personnel flexibility demonstrates a significant gap between the promise of the Act and the ability to give federal agencies the management system that managing for results requires. It reflects the longstanding pattern Foreman summarises when he concludes that 'efficiency is rarely a legislative passion' and that Congress 'is slow to grapple effectively with even the most manifest administrative problems' (1995, p. 154).

A definitive account of the impact of the Government Performance and

Results Act in the federal system is yet to emerge, but early analyses suggest that many agencies view the requirement to produce strategic goals and performance measurements as a compliance burden, and that there is little evidence that the resulting information is used to contribute to more efficient and effective government.[4] While evaluations of progress within the agencies have been mixed (see National Academy of Public Administration 1994; General Accounting Office 1997; Shuler 1999; Radin 2000), defining performance targets and creating and implementing meaningful measures is a long-term process. The potential, however, to provide a better lens for understanding the internal management processes of public agencies and their relationship to performance is very important.

The Clinton administration used the provisions of the Government Performance and Results Act to the fullest possible extent in advancing the objectives of reinvention. Many more pilots than the legislation required were created; as noted earlier, the pilots under the Act also served as the pool from which the first candidates for performance-based organisation status were drawn. Reinvention exploited the requirements of the Act by identifying a series of 'high impact agencies' – agencies that had high interaction with the public – and requiring that they set performance targets for the future, an activity these agencies were already obliged to do under the Act. The intent was to produce tangible evidence of government performance, linked to the explicit National Performance Review goal of raising public trust in government.[5] The implicit goal was to generate political credit for Vice-President Gore and his reform efforts. But the political benefits of 'good government' are difficult to realise and proved so for the vice-president, partly due, of course, to his wariness of linking himself too closely with the Clinton administration and its associated scandals.

So What? And What Next?

Does this discussion of grand objectives but limited legislative reform of fundamental management systems confirm Aucoin's 'laggard' label? If the operative model of management reform is the sweeping 'blow them out of the water' model of New Zealand, or even the initially strategic models of the UK and Australia, the answer is 'yes'. Reforms in the US are clearly borrowed. By most accounts, the US is about ten years behind other major nations in fundamentally reforming its public management systems; formal changes have been small, and broad earlier reforms (such as the creation of the Senior Executive Service) have not been well tended in the recent past. The type of reform that emerged has been marked by an unwillingness to fundamentally change the basis of public service or the relationships between political branches and between bureaucrats and political branches. Instead, the National Performance

Review envisaged reform at organisational and unit levels, similar to that occurring in the reinvention labs. It suggested a series of themes and principles – decentralisation, empowerment, cultural change – that framed such reform. However, because of the lack of strong central agency oversight and supporting legislation, change was dependent on organisational factors such as leadership (Thompson 2000) and function (Wilson 1989).

On the other hand, the history of American civil service reform is precisely what we are witnessing today. The Pendleton Act, even under the dramatic conditions of its passage, was incremental and intensely political in its development. The classification system has grown gradually and has been seriously reformed only once in the Act's 75-year history (Ingraham 1995). The Civil Service Reform Act of 1978 was billed as comprehensive reform but left fundamental systems untouched. There is no question that the Clinton administration's reinvention reformers both began and ended their efforts operating from the fundamental assumption that the changes they pursued could be attained within the current system and with most existing laws.

The question, therefore, is not really 'Is the US a laggard?' It is a laggard. The better question is whether the set of smaller, informal reforms that have been adopted in the past 25 years is the best the US can do, considering its political circumstances and the apparent lack of interest in making comprehensive management reform a priority. It is notable, for example, that after eight years of championing reinvention and the National Performance Review, Vice-President Gore rarely mentioned better management and better public service in his presidential campaign, referring instead to the administration's success in downsizing. President Bush gave little indication in his campaign that management reform would be of interest to his administration. In the aftermath of the Bush victory, there was a sense that government reform would no longer enjoy a relatively prominent place on the political agenda. Yet the Bush Presidential Management Agenda was announced early in his presidency.

AFTER 11 SEPTEMBER: BIGGER GOVERNMENT IS NOT BAD GOVERNMENT

Once elected, President Bush indicated that management reform of the federal government was a priority. Even before 11 September, the President's staff, at his request, were framing a 'Freedom to Manage' proposal. When the Office of Management and Budget released the President's Management Agenda, the President was there. The release was at Constitution Hall, accompanied by the presentation of the 2001 Distinguished Service Awards to members of the senior executive service. The Marine Band played. In the aftermath of the 11 September attacks on the US, even as other policy commitments were

shelved, the emphasis on management change remained and emphasis on the importance of government reform seemed to solidify, drawing legislative proposals from the White House and both Houses of Congress. All these proposals emphasise new flexibilities for federal agencies and their managers, most notably in the areas of recruiting and hiring employees.

The terrorist attacks also widened the scope of public service evaluation, with the new prominence of public safety reshaped how many administrative matters were considered. Of immediate relevance was the need to focus on the single, but broad and ambiguous, goal of homeland security, and President Bush swiftly created a Homeland Security Office to coordinate the efforts of different agencies. Legislation proposed new flexibilities.

But basic issues remain very problematic. One concerns the limits of privatisation. Widely cited problems associated with private airport security contractors led to calls for the federalising of this function, or at least closer regulation. Future privatisation proponents will now be forced to consider whether there is potential for catastrophic failure as a result of cost-cutting behaviour engendered by competitive pressures. This is certainly relevant to one of the five cross-government reforms proposed in the president's Management Agenda before the terrorist attacks: competitive outsourcing.

As with the National Performance Review, the president's plan is driven by the idea that management reform should seek to improve performance in government by increasing management flexibility while ensuring a results-oriented public sector. These basic concepts – increasing managers' authority while holding them accountable for clearly specified results – have been a staple of NPM ideas but, although widely cited in the US, have not always been recognised as closely linked. While few are likely to disagree that improved performance is desirable, how it must look and how government organisations need to be structured to get there is still not so clear.

The new alarm about human capital in government – getting good people into government service and keeping them there long enough to make a difference – complicates the situation. What President Bush's Management Agenda and legislative proposals do make clear, however, is that, no matter whether the US is a laggard or not, management reform continues to be relevant to the federal policy agenda and probably will be for years to come.

NOTES

1. Previous reforms include the Brownlow Commission (1937), the Hoover Commission (1949 and 1952), the Ash Council report (1971), the President's Management Project (1978), the Grace Commission (1985) and the National Commission on the Public Service (1989).
2. A quote from the first presidential campaign debate sums up the Bush rhetoric in this area. In contrasting his 'trust the people' mantra with Vice-President Gore's alleged preference for

government, Bush stated, 'It is a huge difference. It's the difference between big, exploding federal government that wants to think on your behalf and a plan that meets priorities and liberates working people to be able to make decisions on your own.' This perspective changed after 11 September 2001.

3. The Federal Acquisition Streamlining Act of 1994, the Federal Acquisition Reform Act of 1996 and the Information Technology Act of 1996 have substantially eased the process by which federal employees procure goods and services, and use of government-issued credit cards is now common.
4. At this stage, it may be too soon to produce a definitive account of the Act's implementation. The most obvious starting point is to look to legislators making resource-allocation decisions and, according to Radin (2000), information on the Act has not influenced such decisions. Other elements of managing for results require deeper organisational analyses of the uses of strategic goals and performance measures. Shuler (1999) suggests that the Act shaped how federal organisations designed performance-management systems but that use of the information that emerged varied across agencies.
5. The goal of using managing for results reform to increase trust in government was also apparent in the rhetoric of legislators and President Clinton when passing the Government Performance and Results Act (Radin 2000). However, research into public opinion on government suggests that the antecedents of distrust in government relate to factors other than the actual performance of government (Ingraham and Moynihan 2001).

REFERENCES

Aberbach, J.D. and B. Rockman (2000), 'Senior executives in a changing political environment', in J.P. Pfiffner and D.A. Brook (eds), *The Future of Merit: Twenty Years After the Civil Service Reform Act*, Washington, DC: Johns Hopkins University Press, pp. 81–99.

Aucoin, P. (1995), *The New Public Management: Canada in Comparative Perspective*, Montreal: Institute for Research on Public Policy.

Boston, J. (ed.) (1995), *The State Under Contract*, Wellington, New Zealand: Bridget Williams Books.

Carroll, J. (ed.) (1996), 'Symposium on reinvention', *Public Administration Review*, **56**(3), 245–6.

Cooper, J. (2001), 'The twentieth-century Congress', in L.C. Dodd and B.I. Oppenheimer (eds), *Congress Reconsidered*, 7th edn, Washington, DC: Congressional Quarterly Press, pp. 335–67.

Foreman, C. (1995), 'Reinventing politics: the NPR meets Congress', in D. Kettl and J. DiIulio (eds), *Inside the Reinvention Machine: Appraising Governmental Reform*, Washington, DC: Brookings Institution, pp. 152–68.

General Accounting Office (1997), *Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation*, GAO/AIMD-97-46, Washington, DC: General Accounting Office.

Hood, C. (2000), 'Relationships between ministers/politicians and public servants: public service bargains old and new', in B.G. Peters and D.J. Savoie (eds), *Governance in the Twenty-first Century: Revitalizing the Public Service*, Montreal: McGill-Queens University Press, pp. 178–208.

Huddleston, M. (1992), 'To the threshold of reform: the senior executive service and America's search for a higher civil service', in P.W. Ingraham and D. Rosenbloom (eds), *The Promise and Paradox of Civil Service Reform,* Pittsburgh: University of Pittsburgh Press, pp. 180–91.

Ingraham, P. (1995), *The Foundation of Merit: Public Service in American Democracy*, Baltimore: Johns Hopkins University Press.

Ingraham, P.W. and D.P. Moynihan (2000), 'Evolving dimensions of performance from the CSRA to the present', in J.P. Pfiffner and D.A. Brook (eds), *The Future of Merit: Twenty Years After the Civil Service Reform Act*, Baltimore: Johns Hopkins University Press, pp. 103–26.

Ingraham, P.W. and D.P. Moynihan (2001), 'Looking back, looking forward: what did reinvention do?', in T. Liou (ed.), *The Handbook of Public Management Practice and Reform*, New York: Marcel Dekker, pp. 447–72.

Ingraham, P., B.G. Peters and H. Murlis (1998), *The Higher Civil Service After Reform: Canada, Great Britain and the United States*, Paris: Organisation for Economic Co-operation and Development.

Ingraham, P., R. Sanders and J. Thompson (eds) (1997), *Transforming Management: Lessons from the Reinvention Laboratories*, San Francisco: Jossey-Bass.

Ingraham, P.W., J. Thompson and R. Sanders (1997), *Transforming Government: Lessons from the Federal Reinvention Laboratories*, San Francisco: Jossey Bass.

Ingraham, P., J. Thompson and E. Eisenberg (1995), 'Political management strategies and political/career relationships: where are we now in the federal government?', *Public Administration Review*, **55**(3), 263–72.

Kettl, D. (1994), *Reinventing Government: Appraising the National Performance Review*, Washington, DC: Brookings Institution.

Kettl, D. (1998), *Reinventing Government: A Fifth-year Report Card*, Washington, DC: Brookings Institution.

Kettl, D. and J. DiIulio (eds) (1995), *Inside the Reinvention Machine: Appraising Governmental Reform*, Washington, DC: Brookings Institution.

Maxwell School of Citizenship and Public Affairs (1996), 'Greenberg House Symposium on Reinvention Laboratories', unpublished proceedings.

Moe, R. (1994), 'The "reinventing government" exercise: misinterpreting the problem, misjudging the consequences', *Public Administration Review*, **55**(2), 135–46.

Moe, T. (1984), 'The new economics of organization', *American Journal of Political Science*, 28, 739–77.

National Academy of Public Administration (1994), *Toward Useful Performance Measurement*, Washington, DC: NAPA.

National Commission on the Public Service (1989), *Leadership for America: Rebuilding the Public Service*, Lexington: Lexington Press.

National Partnership Council (1997), *A Report to the President on Progress in Labor–Management Partnerships*, Washington, DC: Government Printing Office.

National Partnership for Reinventing Government (1998), *Employee Survey Results*, http://www.npr.gov/library/misc/survey-full.html.

National Performance Review (1993), *Creating a Government that Works Better and Costs Less*, Washington, DC: Government Printing Office.

National Performance Review (1997), *Blair House Papers*, Washington, DC: Government Printing Office.

Office of Management and Budget (1997), *Budget of the United States Government Fiscal Year 1998: Section IV Improving Performance in a Balanced Budget World*, Washington, DC: Government Printing Office.

Office of Personnel Management (1999), *Monthly Report of Federal Civilian Employment*, (SF 113-A) 02/18/99, Washington, DC: Office of Personnel Management.

Office of Personnel Management (2000), *Monthly Report of Federal Civilian Employment*, (SF 113-A) 10/11/00, Washington, DC: Office of Personnel Management.

Osborne, D. and T. Gaebler (1993), *Reinventing Government: How the Entrepreneurial Government is Transforming the Public Sector*, New York: Plume.

Patent and Trademark Office (2000), *Annual Report*, Washington, DC: Patent and Trademark Office.

Peters, B.G. (1996), 'The United States: learning from experience about administrative reform', in J.P. Olsen and B.G. Peters (eds), *Lessons from Experience: Experiential Learning in Administrative Reforms in Eight Democracies*, Oslo: Scandinavian University Press.

Pfiffner, J.P. (1996), *The Clinton Presidency*, Fairfax, VA: George Mason University Institute of Public Policy.

Pfiffner, J. and D. Brooks (2000), *The Future of Merit: Twenty Years After the Civil Service Reform Act*, Baltimore: Johns Hopkins University Press.

Radin, B. (2000), 'The Government Performance and Results Act and the tradition of federal management reform: square pegs in round holes', *Journal of Public Administration and Research Theory*, **10**(1), 111–35.

Roberts, A. (1997), 'Performance based organizations: assessing the Gore plan', *Public Administration Review*, **57**(6), 465–78.

Rosenbloom, D.H. (2000), *Building a Legislative-centered Public Administration: Congress and the Administrative State 1946–1999*, Tuscaloosa: University of Alabama Press.

Shuler, J.M. (1999), 'Using performance information to facilitate decision making in transportation logistics', dissertation, University of Southern California.

Skowronek, S. (1982), *Building a New American State: The Expansion of National Administrative Capacities 1877–1920*, New York: Cambridge University Press.

Thompson, J.R. (2000), 'Reinventing as reform: assessing the National Performance Review', *Public Administration Review*, **60**(6), 508–21.

Thompson, J.R. (2001), 'The Clinton reforms and the administrative ascendancy of Congress', *American Review of Public Administration*, **31**(3), 249–72.

Thompson, J.R. and P. Ingraham (1996), 'The reinvention game', *Public Administration Review*, **56**(3), 291–8.

Thompson, J.R. and R. Sanders (1997), 'Organization change: gardening or engineering?', in P. Ingraham, R. Sanders and J. Thompson (eds), *Transforming Management: Lessons from the Reinvention Laboratories*, San Francisco: Jossey-Bass.

Trosa, S. (1994), *Next Steps: Moving On*, London: HMSO.

Waldo, D. (1948), *The Administrative State: A Study of the Political Theory of American Public Administration*, New York: Holmes & Meier.

Weaver, R.K. and B. Rockman (eds) (1993), *Do Institutions Matter?: Government Capabilities in the United States and Abroad*, Washington, DC: Brookings Institution.

Wilson, J. (2000), *Bureacracy: What Government Agencies Do and Why They Do It*, 2nd edn, New York: Basic Books.

8. Anglo-American civil service systems: comparative perspectives

John Halligan

This final chapter uses the framework of the Civil Service Research Consortium as the basis for reviewing the five Anglo-American systems. The framework covers three dimensions that allow exploration of external relations with society and the political executive, internal features of the civil service, and patterns of change. An overriding question that emerges is of boundaries – as the civil service moves from being an institutionalised, bounded system based on a closed career service to an institution that operates within less distinct boundaries and is more open and subject to external influences.

The first dimension, patterns of change, is discussed in terms of the historical development of civil service systems, recent reform and diffusion. Particular emphasis is given to reform because during the last two decades this has been the dominant theme of all the countries we examine and each has been recognised internationally as a reform model. The second dimension deals with the nature of the labour market, and here the focus is the civil service. The elements covered, however, are about changes that reduce internal differentiation from the external environment. Two types of external relationships provide the basis for the third dimension. The first centres on relationships with society through the extent to which the civil service is representative of the population and through public perceptions of the civil service; the second deals with relations between the civil service and the political executive and, in particular, the levels of politicisation.

From the outside, the Anglo-American countries demonstrate considerable homogeneity in the development of their civil service systems and in comparison with other administrative traditions, but there is nevertheless considerable variation between them.

HISTORICAL DEVELOPMENT OF THE CIVIL SERVICE SYSTEMS

The five systems exhibit patterns of development that are generally similar. At least five broad phases can be distinguished: colonial administration;

clarification of the roles of elected representatives and representative institutions; development of civil services as systems (personnel and business efficiency); the administrative state; and contemporary reform. These correspond in a number of respects with the two historical phases of the civil service systems – a protected service and a professional service – envisaged by Raadschelders and Rutgers (1996)[1] and, in the case of these countries, are best regarded as two dimensions that were evolving in the 20th century, partly concurrently (Bekke and van der Meer 2000).

The parallels are fairly striking in terms of the developmental phases that the countries have passed through, although the timing and length of the phases vary. The time lag between the emergence of a concept and its full implementation in its country of origin and in other countries can be decades (for 19th-century reforms) or years (for late 20th-century reforms).

The post-colonial period was distinguished by the domination of elected representatives and the prevalence of different forms of patronage.[2] The developmental roles in the New World and the Antipodes created opportunities for the pork barrel to become prominent. At the same time, there was clarification of the roles of elected representatives and the control of representative institutions. This included universal acceptance of ministerial responsibility, which occurred only after implementation of the Northcote–Trevelyan reforms (Fry 2000). The Northcote–Trevelyan report of 1854 was pivotal for the development of civil services in all the Anglo-American countries, although its long-term significance was probably greater for Australia, Britain and New Zealand. Development and implementation of the principles expressed in the report continued for the next half-century.

The move to establish a professional service in the 19th century was largely a reaction against the excesses of patronage and eventually had two major outcomes. First, a central personnel agency was created to produce a standard approach across the service; led by Britain, civil service commissions emerged in the second half of the 19th century, and the process was completed in the second decade of the 20th century by Canada. The second outcome was the career civil service based on merit. Table 8.1 shows the timing of the emergence of these outcomes in each of the five countries.

At this point some differences began to appear. For the US, a turning point was the Pendleton Act of 1883, which was influenced by the British reforms following the Northcote–Trevelyan report but produced results that were American in character, combining competitive examinations and political neutrality with indigenous features, in particular the open service and practical examinations. The US rejection of base-grade entry was in contrast with systems that developed the closed career service. Finally, political appointments were to be maintained for senior positions (Mosher 1968, pp. 65–7).

In these respects the paths of the US and the other four countries diverged.

Table 8.1 Civil service development: emergence of central personnel agencies and the merit-based system

Outcome	Australia	Canada	New Zealand	United Kingdom	United States
Civil service agency	1902	1908	1912	1855	1883
Merit	1902	1918	1912	1870	1883

Note: The agency was either a civil or public service commission. Australia initially had a Public Service Commissioner (1902–23) when a Board was appointed (and several of the colonies had civil service agencies and a service based on merit before federation in 1901). Canada had a Board of Civil Service Examiners 1881–1908. The implementation of new systems occurred over time (for US see Van Riper 1958).

At the same time, none of the former colonies accepted the British concept of an administrative class based on the generalist who had undergone distinctive education and recruitment, and each was to acquire features that were shaped by individual experiences and the circulation of ideas between them. Thus it was observed that the somewhat hybrid Australian system and the American service are 'based on a similar classification concept, give wide scope to the specialist, and are founded on a strong and valuable egalitarian tradition' (Scarrow 1957, pp. 139–40).

After the turn of the century all systems further developed their civil services. Actions ranged from country-centred initiatives (for example, a new federal service in Australia) to those with broader implications, including a renewal of activity led by the two largest systems, which had moved early towards new civil service arrangements. The year 1906 has been identified as the start of 'Whitehall in Ferment' for Britain (Greenaway 1998) and 'Government by the Efficient' for the United States (Mosher 1968), and in several countries there followed a period of focus on efficiency (spurred in part by scientific management), review, reorganisation and rationalisation that was to last until the 1920s.

A dominant phase of the 20th century saw institutionalisation of the new civil service systems. This has been termed the 'administrative state' by Americans, reflecting the growth of the public sector and the more pervasive influence of decisions by civil servants on policies and programmes affecting public life (Dwivedi and Gow 1999, p. 89). This coincided with the expansion of civil servants' entitlements and continuing debates about equity or efficiency and swings in practice in favour of one or the other.

Dating the reform era in terms of the last two decades, the contemporary reform period is most clearly initiated in Thatcher's Britain, although the US Civil Service Reform Act of 1978 played a role and other important

antecedents in several countries laid the foundation for much of what followed.[3] A reform agenda was picked up and extended in various ways by Australia and New Zealand with their programmes in the 1980s and by the US with its National Performance Review in the 1990s.

As a result of incremental change over time and the impetus of recent reform, many historical differences between the systems became less important while new ones emerged. The relatively closed systems became more open; the concept of the generalist was picked up by the US; political appointees were exercising influence over Westminster systems (although not necessarily from within the civil service); and systems' differing capacities to effect change were producing new divergences. These developments are discussed in later sections.

INTERNAL LABOUR MARKETS

The features of the internal labour markets are reflected through integral components of job definition and classification systems, deployment, job security, and membership and reward structure and rules (Wise 1996, p. 110). The basis of the traditional internal labour markets was reliance on a closed recruitment system. The reform era has seen many conventional principles overturned: the public servant's job has been redefined; classification systems have been dismantled or radically restructured; the scope for deployment has expanded; and job security has become more tenuous as the professional identity of being a civil servant has come under question. The career service, a primary element of the internal system, no longer exists in the traditional sense. There may still be life-long careers, but they are less the norm as movement between sectors has become common and the use of redundancy processes has become widespread.

The five countries have come from a fairly common base – with some notable variations, such as those mentioned earlier – and have been moving at different rates away from traditional features. There are also in their reform agendas a number of common elements that serve to reinforce their identity, among them the emphasis on performance management, the development of a senior corps, and the focus on leadership.

The concept of an internal labour market suggests boundaries, and the traditional system of several of the countries was distinguished by a high degree of differentiation from the broader environment through the closed career system. The reform era has produced a shift from the closed service and an erosion of the characteristics associated with internal markets. There has been a move towards greater use of external markets in the form of contractual staff. Civil services may now be relatively open systems, with jobs regularly advertised

externally and lateral entry commonplace (even if in executive agencies rather than in departments). The more closed systems, such as those in Australia, New Zealand and the UK, have opened up somewhat.

Mobility between sectors has increased considerably. Civil services now confront labour market fluidity: 'a range of competing labour markets for many public servants, and high mobility internationally for some groups. There is more of a free flow between public and private sectors' (Ministerial Advisory Group 2001).

An alternative trend has been the move towards greater internal differentiation of the single internal market, with its standardised provisions across the civil service. The largest service, that of the US (see Chapter 7), has become increasingly specialised through separate systems for different sectors and agencies.

A long-term move towards centralising political direction has been apparent, the US setting the precedent with its Civil Service Act of 1978 (see the following section, 'Politicisation'). Some fluctuation in the roles of central agencies is apparent, but management decentralisation has dominated. The roles of central agencies were paired through delegation of responsibilities, followed by a significant empowering of line agencies through expanded roles. The high levels of 'devolution', as it is termed by officials, occurred first in New Zealand and then in Australia, with heads of departments acquiring fairly comprehensive responsibility for employing staff and for conditions of service. The pattern remains mixed, however; there are continuing stronger roles for central agencies in, for example, Canada, where it is salutary to learn that central control dominated until the late 1980s (Aucoin 1995), and there has been a reconsideration of whether the centre–agency balance is right (in New Zealand, for example) (see Table 8.2).

The evolving performance-management systems place greater reliance on fixed-term contracts, performance agreements (often individualised), and reward systems that include provision for performance pay.

Table 8.2 Human capital decentralisation and incentives

		Westminster		North American	
Criterion	Australia	New Zealand	United Kingdom	Canada	United States
Public servants	118 600	30 400	489 800	155 000	2 644 800
Devolution	High	High	Medium	Low	Low
Performance pay commitment	Medium	Low	High	High	Low

Source: Based mainly on information from General Accounting Office (2002).

A senior executive corps has been another means of freeing-up these systems and facilitating reform. With a few exceptions, such a system operates in Anglo-American countries: it can be termed the 'senior executive service' (SES) or it can have another name. The SES originated in the US as a scheme for developing executive management, accountability and competencies, reflecting private sector incentives and practices and including the standard concepts that have become identified with an SES – recruitment, development, emphasis on performance, capacity for redeployment, appraisal and merit pay. The first senior executive services were created in Australia, New Zealand and the US in the late 1970s and the 1980s. (Although somewhat differently conceived, Canada's 'management category' also qualifies.) The second-generation experiments with the concept of a senior corps included the UK (the 'senior civil service'), which moved in this direction in the mid-1990s and emphasised mobility and interdepartmental cooperation as well as other standard SES considerations (such as expanding management skills).

Contrasting experiences can be reported. For a variety of reasons, some to do with the country's context, the scheme in the US did not achieve its objectives, although it was successful politically in that it aided responsiveness to politicians (Pfiffner and Brook 2000; OECD 1999). The long-term results of the Australian SES have been reasonably good, with some mobility, infusion of outsiders, a degree of corporate identity, and regular use of performance appraisal and (if problematically) performance pay. The New Zealand SES never developed an ethos in its highly decentralised system, the problem deriving from the salary ceiling, which meant that to attract qualified staff it was necessary to employ them outside the SES. The SES withered during the 1990s and was eventually terminated.

All systems have experienced contractions, often severe, in the size of the civil service as responsibilities, particularly for delivery, are moved outside the core, devolved, outsourced or privatised. In this regard, the North American systems seem to be most prone to crisis and acute morale problems as judged by the language employed (e.g. Bourgon 1996; Dwivedi and Gow 1999; Light 2002; Volcker 2002).

POLITICISATION

Of the international models of political–bureaucratic relations, the United States and the United Kingdom represent distinctive examples and have been depicted at opposite ends of the spectrum, which ranges from high political influence through overt appointments to separation of the two spheres. The mainstream model, shared by four of the five countries, derives from traditional Westminster; the exception is of course the US.

Table 8.3 Politicisation

Dimension	United States	Australia	Canada	New Zealand	United Kingdom
Politicisation	Very high	Medium to high	Low to medium	Low to medium	Low to medium
Basis	Appointees to senior positions	Ministerial offices	Mixture of features	Mixture of features	Mixture of features

This has been an era in which politicians' influence has been growing internationally (Peters and Pierre 2001). In theory, this group of countries is characterised by systems that are less subject to political executives' demands to be more responsive, but what is striking about recent experience is that the influence of the political executive has grown. We might have expected this from the US in the second half of the 20th century, but it is also apparent to varying extents in the other systems – it is clearly the case in Australia and Canada, while, under its public management model, New Zealand remained somewhat immune in the 1990s.

'Politicisation' refers to the use of measures designed to gain greater influence over civil servants. Table 8.3 places the five systems on a scale from the most politicised to the least. The direction of movement has been towards greater influence, but the levels and the devices used vary considerably. The US has depended on political appointees and the monopolising of senior policy positions. Australia has relied heavily on the use of ministerial offices and political advisers, plus advice from competing sources and relegation or bypassing of the public service. The increasing use of fixed-term contracts, performance agreements and performance pay provides a managerial means of handling the relationship but also offers scope for political manipulation.

Two approaches, the managerial route and the political pathway, offered different solutions in the 1990s. Australia and New Zealand share an administrative tradition and practice, yet a major difference emerged in the handling of political–bureaucratic relationships – the political attrition of the senior public servant's role in Australia and the operation of the New Zealand system under its radical model of public management. Australian departments declined in importance with the expansion of ministerial offices and political authority. Chief executives in New Zealand became more important relative to ministers; managerial accountability was enhanced, while political responsibility remained unclear. In terms of the redistribution of power within the executive, Australia became more 'politicised', while New Zealand experienced the managerialisation of politics (Halligan 2001).

The UK has been something of an exception (at least in terms of the level of change), remaining more consistent with its origins. Early pressure on the civil service under Thatcher was deemed to be 'personalisation', but the influence of advisers and 'irregulars' has grown. The Blair government has brought one tension to a head – the need for greater civil service action in delivering the services required by government versus the greater reliance on political appointees in strategic positions for achieving this objective. This will test the resilience of the civil service and traditional values.

REPRESENTATIVENESS

The question of representativeness centres on committing to programmes that seek to expand the representative nature of the civil service and on the way of doing this (van der Meer and Roborgh 1996). The Anglo-American civil services have supported increased representation of selected groups within the civil service, and the evidence suggests they are working, albeit slowly, towards a level of representation that reflects these groups' proportion in the population. The Canadian Public Service Commission even cites representativeness as one of its three values.

The main focus has been on women and indigenous and minority groups, with special cases arising in particular countries (for example, people with disabilities). In some cases, the countries are starting from a low base.[4] All civil services have maintained programmes (for equal employment opportunity and, more recently, diversity) designed to improve the representation of sections of their population. Another case is Canada, which has a civil service that operates in two official languages and a successful policy of extending language skills within the civil service and in senior positions.

In general, the representation of women in the civil service has increased; in most cases they now constitute over half the service (see Table 8.4). They also account for around one quarter of the top civil service positions, although differing definitions of the 'senior service' make comparison problematic. All countries, however, report substantial increases in representation over time.

Programmes for indigenous and minority groups have been less successful. Some increases in representation are reported (Canada), but there has been a decrease in Australia, where cutbacks may have limited the representation of Aboriginal and Torres Strait Islander peoples. The Maori have a special relationship with the New Zealand Crown under the 1840 Treaty of Waitangi, with legislation and policies to ensure representation in the public service; despite this, the Maori population continues to be under-represented. In all Anglo-American countries this area continues to provide challenges for governments.

As Mascarenhas argues in Chapter 5, implementation must be viewed in

Table 8.4 Representation of women in the civil service (per cent)

Country	Proportion of total civil service	Proportion of senior civil service positions[a]
Australia	51.4	27.4 (SES)
Canada	52.1	30.0 (executive)
New Zealand	56.0	32.5 (top 3 levels)
United Kingdom	50.5	21.1 (SCS)
United States	45.0	25.3 (SES)

Note: [a]Definitions of 'senior civil service' vary between countries.

Sources: Australian Public Service Commission (2001); State Services Commission (2002); Treasury Board of Canada Secretariat (2002); Cabinet Office (2002); Office of Personnel Management (2001).

the context of existing dominant values, with minority groups perceiving the public service as dominated by pakeha (people of European descent in New Zealand). Civil servants may be more responsive to the preferences of that segment of society to which they belong (van der Meer and Roborgh 1996).

PUBLIC OPINION

The significance of society relative to state institutions in Anglo-American systems is discussed in Chapter 1. Although the state often took the lead in the development of colonial systems – because society was still emerging and circumstances required this role – the imported tradition continued to be important in terms of concepts and the operations of government. This has had implications for public attitudes towards the civil service.

The status of research into public opinion about the civil service is well captured by Rainey (1996). Historic opinion is mixed or ambivalent, the links between performance and opinions are problematic, negative views about the service's legitimacy and efficacy have increased, and explanations for the determinants of attitudes are inconclusive.

There has been a consistent fall in confidence in the civil service in the five countries, but it is usually matched by similar declines in confidence in governments and politicians and in other institutions. For example, in 1998 in New Zealand 29 per cent of the population had confidence in the civil service (compared with 16 per cent for the government and 6 per cent for political parties), whereas in 1985 levels of confidence in the civil service and the government were approaching 50 per cent (Perry and Webster 1999).

It might be expected that Anglo-American attitudes towards government institutions would not be as positive as attitudes in European countries, where state traditions are stronger. But North American trust in government institutions is higher than that in Europe (Kernaghan 2000) and the US consistently attracts higher percentages compared with the other four countries.

There continues to be conformity in conventional wisdom regarding attitudes about levels of government and about specific services and professions. Sub-national government is somewhat more strongly supported than national government; similarly, the figures for specific services and public professionals may be substantially higher than those for the civil service as a whole.

The search to explain trends and connections has been quite intensive since the 'trust in government syndrome' received attention in the mid-1990s. The results have, however, been inconclusive (Sims 2001; Barnes and Gill 2000), with situational and transience factors being just one element that can be influential.

One might argue that, in countries where society is regarded as being more prominent than state institutions, it could be expected that public opinion about the civil service will be less positive. Yet, as Rainey (1996, p. 183) pointed out, the UK and the US rated higher than Germany in one of the rare comparative surveys that have been conducted.

Another argument has to do with the importance of 'reform neurosis'. Sustained reform of the civil service over time – which is often accompanied by critique of the service by the political executive as part of the reform imperative – implies that the institution is deficient, and hence engenders negative public perceptions.

The Anglo-American group includes countries traumatised by major public sector reform, which has affected various sectors of the community. Here we find some support for a relationship between the nature of reform and public attitudes. For New Zealand, the country most affected, people's expectations have favoured greater public responsibility than was recognised by the then government – 'a remarkable reversal of the hands-off, free-market economics' it had advocated. The ravages of change in New Zealand are evident in the results for levels of confidence in 1985 and 1998; the comparison 'tells a very blunt story of what the transformation of New Zealand has done to the faith of the public in the political system' (Perry and Webster 1999, pp. 45, 47).

The idea of a distinctive Anglo-American political culture may require further investigation since, according to one analysis, there is insufficient correspondence between Australian, American and British attitudes to government (the dimensions ranging over welfare and economic intervention) to constitute a block. The Australian–US similarities are stronger, suggesting (in comparison with European countries) a settler society legacy that is more sympathetic to individualism and the private sector than it is to government (Bean 1991).

It may well be, as Plowden (1981, p. 183) has argued, that 'in a mature democracy it is appropriate for public administrators to enjoy moderate, not excessive respect'.

REFORM

The five countries under discussion are distinguished from other OECD countries by having pursued comprehensive programmes of civil service reform, and several of them have been highly successful in effecting major change.

In the OECD the spectrum ranges from countries that have engaged in extensive reform to those that have sought to reform with less evident success and those that have not bothered with extensive reform. The extremes are readily recognised and generally agreed on (see, for example, Hood 1996; OECD 1997). Among the countries that have reformed comprehensively, the UK, Australia and New Zealand are the main cases (see Campbell and Halligan 1992; Campbell and Wilson 1995; Boston et al. 1996). The middle ground covers a mixture of experiences, including active reformers and partially reformed systems; Canada and the US fit in here. The Canadian experience has been one of dabbling in managerial reform for over 30 years without producing either comprehensive reform or the degree of managerial change accomplished elsewhere. The US has sought to weld together major changes based on a comprehensive programme of reform in the 1990s, with 'reinvention' becoming possibly the most celebrated label of the time. The National Performance Review (later the National Partnership for Reinventing Government) dominated the period but failed to produce a workable and durable framework, although recent reports indicate that some changes are being implemented (Ingraham and Moynihan, Chapter 7; Kettl 2000).

Australia, New Zealand and the UK advocated some form of framework as the basis of their reform programme, which normally consisted of introducing initiatives over time and then arguing that these constituted the framework. The New Zealand framework, widely acknowledged to be the most coherent and sophisticated in the OECD, was distinguished by 'conceptual rigour and coherence'. The key reforms emanated from a rigid application of public choice and related theory, first articulated by the Treasury (Boston et al. 1996, pp. 3–4). Other countries adopted a more pragmatic mix of principles and practice. In the Australian case, the reformers initiated a set of management changes through a process that involved several strategic interventions interspersed with more incremental, less public changes that supported and extended the strategic interventions. It was officially argued that this framework had a consistent, integrated structure. According to one official version, the UK framework was based on separating purchaser and provider, the executive agencies, market

testing-based competition, the Citizen's Charter, and privatisation. The extent to which these added up to a framework has been contested by observers, who point to the process by which it was developed and inconsistencies between the Thatcher and Major components (see, for example, Campbell and Wilson 1995).

Strong commitment does not necessarily convert into actual reform: the implementation capacity of each country varied substantially. This applied less to Australia, New Zealand and the UK; indeed, the relative ease of implementation attracted the contrary claim. Implementation was, however, problematic in North America because of either insufficient political commitment or excessive political conflict. In Canada the implementation process was somewhat tentative, in that a number of initiatives petered out after a relatively short time, leaving only traces rather than the significant achievements that had been predicted at the time of the initiative's introduction. Canada has been subject to a major 'implementation gap': with the major exception of the Programme Review of the mid-1990s, many initiatives fell short of objectives (Pollitt and Bouckaert 2000, pp. 213–14; Auditor General of Canada 2001).

The US underwent a sustained programme of reinvention under the National Performance Review in the 1990s but experienced rather modest results, the implementation record being described as 'patchy' (Pollitt and Bouckaert 1990, p. 283). As Ingraham and Moynihan explain in Chapter 7, the US has been a 'laggard' in reform. Divided government is the main explanation: it is difficult for a president to implement civil service reform because Congress can intervene in organisational restructurings. As a consequence of political conflict, the 1990s reforms focused on 'changing bureaucrats' behaviour rather than transforming the fundamental fibre of government's structure and process' (Kettl 2000, p. 15). Political appointees, not career civil servants, were responsible for implementing a number of major reforms (for example, the 'reinvention' teams) and may have provided impetus, or discontinuities, as political distractions intervened; their turnover was higher than that for professionals (Pollitt and Bouckaert 1990, p. 283).

The systems that accomplished change on the largest scale also experienced implementation shortcomings. The political executive in Australia – including political appointees, usually in the minister's office – accounted for several reform failures under the Howard government. Proponents of the New Zealand model would argue that it was never fully implemented and therefore not properly tested (see Scott 2001); opponents would argue that the model was unsustainable because of the neglect of political factors (Gregory 1998). In any case, the failure to refine the public management model eventually led to its demise, at least in its original form.

Several types of reform have been selected according to their significance in terms of reform across the systems (Table 8.5). Privatisation has been one

Table 8.5 Dimensions of public management reforms, by type of reform

	Westminster			North American	
Reform type	Australia	New Zealand	United Kingdom	Canada[a]	United States
Privatisation	High	High	High	Low–medium	Low[b]
Use of market-type mechanisms	High	High	High	Low	Low
Output orientation	High	High	High	Medium	Low
Performance management	High	High	Medium–high	Medium	Low–medium
Decentralisation	Medium	Medium	Low–high[c]	High	High
Intensity of implementation process	Medium–high	High	Medium–high	Low–medium	Medium

Notes:
[a]Canada is also Westminster.
[b]Levels of contracting out are high.
[c]Reflects the swing from Thatcher's centralising to Blair's constitutional changes.

Sources: Partly adapted from Kettl (2000); also Peters (Chapter 2); Halligan (Chapter 4); Dwivedi and Halligan (Chapter 6).

of the more widespread reforms and was used extensively in the UK and in some other countries, particularly Australia and New Zealand: as a proportion of GDP, these two countries had by far the highest privatisation figures in the OECD for 1990 to 1997 (Reserve Bank of Australia 1997).

The use of market mechanisms became an increasingly important element of new public management (NPM) internationally in the 1990s, although the extensive application of market principles was still confined to a relatively small number of OECD countries. The main exceptions are in the group of five countries discussed here: contracts and competition, contracting out and outsourcing, and experiments with internal markets have all been emphasised.

'Decentralisation' refers to intergovernmental devolution. It has been most prominent in two of the federal systems, with the UK making important moves through devolving responsibility to Scotland and Wales.

The term 'managerialisation' covers a range of financial, human resource and other management processes that are designed to transform the operations of central bureaucracies. Our five countries have a strong focus on results and performance, but there are still variations in the commitment to and application of such principles. Performance management is one clear indicator of variation.

Downsizing has become a fairly universal component. A noteworthy contribution of new approaches was the impressive array of devices used to achieve the decrement; Australia adopted several distinctive approaches, including ministerial-level expenditure reviews, annual efficiency dividends, the use of a formula for judging the retention of functions, and the use of the '*Yellow Pages* test'[5] to define the scope of the public sector (Campbell and Halligan 1992; Halligan forthcoming). Some form of 'programme review' was a method commonly adopted internationally by governments for containing or contracting their public sector, a prominent case in the 1990s being Canada. One indicator of downsizing of the public sector is the trend in public sector outlays relative to GDP (OECD 1997). The highest point in the reform era (since 1985) can be compared with the figures for the end of the 1990s (see Table 8.6). The larger public sectors have been subjected to the greatest contraction.

Because of the radicalism and extent of reforms in several of the countries in question, the role of NPM and the influence of the so-called Anglo-Saxon axis have become one basis for judging reform efforts. The Anglo-American countries have been regularly grouped as distinctive expressions of NPM, yet such categorisation disguises clear differences in their pathways and systems.

These differences derive in large part from the character of the countries' early reform programmes: Australia's was based on a political management agenda (Campbell and Halligan 1992); New Zealand's reflected the dominance of economic theory. The pathways also differed: New Zealand began with the outer public sector and moved to the core; the reverse was the case in Australia. Australia concentrated on management change and increasingly

Table 8.6 General government public sector outlays as a proportion of GDP[a] (per cent)

Country	1985	1990	1995	1997	1999[a]	2000[a]	Change[b]
Australia	36.5	34.8	36.2	35.0	33.6	33.3	–3.2
Canada	46.0	46.7	46.5	42.6	41.8	41.2	–5.5
New Zealand	n.a.	48.8	38.8	38.5	41.4	40.4	–8.4
United Kingdom	44.4	41.8	44.4	41.0	40.3	40.6	–3.8
United States	32.9	32.8	32.8	31.6	31.2	31.1	–1.8

Notes:
n.a. Not available.
[a]Estimates and projections.
[b]Changes are based on comparisons of the highest per cent for period with the most recent figure. The OECD category 'General government' excludes public enterprises.

Sources: OECD (1998); OECD Analytical Databank.

'trickled in' market elements, whereas New Zealand combined the two from an early stage. By the end of the 1980s it was possible to depict distinctive models (Hood 1990), but a decade later the common features were more salient as the differences appeared to recede.

In several areas in which Australia was trailing New Zealand it was now following a similar route. In part, this reflects the limitations of Australia's pragmatic approach, which had largely ignored some dimensions of change that were significant in the UK and New Zealand. In the area of workplace relations, for example, the Australian government followed New Zealand practice for both the public and the private sectors. Australia did not marketise at the same time as New Zealand and the UK; instead, it marketised when the other two countries showed signs of relaxing their commitment to that type of reform. While Australia extended its commitment to competition and contestability, New Zealand was reassessing the value of management (Halligan forthcoming).

Peters explores the strength of administrative tradition in Chapter 2. The alternative explanation is path dependency – that change is substantially shaped by existing institutions – which is favoured by Richards (see Chapter 3) as ultimately dominating in the case of Britain.

The evidence for the emergence of distinctive alternatives continues to be mixed. Canada has neither heavily managerialised nor marketised, although it has substantially downsized. If this type of system were to be viable in the long run, it might have broader implications. What is the possibility of one or more distinctive alternatives and to what extent can they recognise and reflect a state tradition?

The Anglo-American experience suggests several interesting potential directions for reformed systems. In addition to the market-focused solution, there are now possible 'alternative' and 'third' ways in Canada and the UK. Public sector reform has not been characterised by a single model, but it is also unclear whether the hybrid systems will be viable for the next century and are sufficiently adaptable to achieve longevity through 'modernisation'.

The longer-term perspective looks to the impacts and meanings of reform. Are they best interpreted in terms of the results of constant change or in terms of systems' durable and fundamental features? The Anglo-American systems have achieved more change in their public sectors than most international reformers, but success in major reform did not bring resolution of the need to change. Twenty or so years of reform have laid the foundation for more: the Anglo-American systems continue to evolve rapidly and beyond their initial forms.

The UK passed through several phases of reform (Pollitt and Bouckaert 2000; Hood 1998). The package of proposals in the 1999 White Paper signals another phase, with some different emphases. Similarly, the US experienced at least four phases of reform in the 1990s (Kettl 2000). A decade after the new

approach to Australian public management took shape in the 1980s, it was succeeded by a system that had several fundamental differences. Australia concentrated on management reform during the 1980s but increasingly accepted the need for market-oriented reform in the 1990s. New Zealand continued to expand and refine, even though a framework was laid down at an early stage; it then began to refer to 'second-generation' reforms such as strategic management. It is also clear that the conflicts between the two approaches – of the type identified by Aucoin (1990) and Campbell and Wilson (1995) for the UK – have provided for New Zealand reformers some interesting challenges, many of which remain unresolved (Halligan, forthcoming).

DIFFUSION

There is a long history of the transfer of ideas and reforms between the five countries, starting in each case with the transplanting of British institutions into its four colonies during the 18th and 19th centuries. The subsequent dominant pattern reflects standard explanations that centre on hierarchical diffusion: the larger or more developed countries adopt new policies at an earlier stage. A basic principle in communication networks, one that is well established in the diffusion literature, concerns the development of relationships between units with similar characteristics, and decisions about whether to adopt a particular innovation are largely dependent on the experience of comparable systems that have already adopted it (Halligan 1996).

The historical links have been based on bilateral relations between countries with similar cultural and linguistic traditions and with communication networks centred on the British Commonwealth. It has been standard practice to scan the activities of other countries: new British and US reforms received particular attention, but Australia and Canada (federal countries of similar size) have monitored each other.

Another way of approaching the question of diffusion patterns is to examine countries' propensity to look externally and their preparedness to borrow the innovations of others. Some countries – notably Britain and the US – have traditionally operated as a repository of a distinctive form of government that exports institutions and is relatively impervious to external influences. Small nations such as Australia and New Zealand have been more externally oriented, perhaps because of colonially induced reactions and an automatic inclination to scan the experience of larger kindred systems and the broader international environment (Halligan 1996). Over 50 years ago the American observer Lipson (1948, p. 10) pointed out that, while inherited traditions permeated New Zealand society and government, it was not just an imitation of the British model because it had had to adjust to a new environment:

> Where New Zealand has struck out on its own, it has arrived at results more analogous to those of other English-speaking democracies than of Britain. The United States, Canada, Australia – these are the countries in which some parallel features can be observed. In certain cases New Zealand has deliberately followed an American or an Australian rather than a British precedent. In others, she has independently arrived at results similar to those of America and Australia by adopting much the same solutions under parallel circumstances.

A reinforcing factor has been the ideology of the government party, with Reagan, Thatcher and Mulroney lining up (Savoie 1994) and conservative initiatives receiving delayed recognition in Australia after a like-minded coalition came to power; similar links are apparent between labour parties in Australia, New Zealand and the UK.

The age of reform has been something of a leveller in this regard: all the countries in the Anglo-American group studied and borrowed from each other's reforms. The processes of institutional isomorphism can be seen to be operating within the group (DiMaggio and Powell 1991). At various stages of their reform programmes, all the countries in question have examined the experiences of the others – even the UK and the US paid attention to Australia and New Zealand when they were perceived to be exemplars of reform in the 1990s. Three examples can be noted here. The influence of reinvention (United States) and Next Steps (United Kingdom) and the New Zealand public management model were extensive in (and beyond) this group. The British Cabinet Office recently picked up the US reinvention labs to produce the Learning Labs initiative to improve service delivery. There was in the 1990s a trend towards 'agencification', centred on separating policy formulation from implementation; the best-known and most influential example is the British executive agencies. The comparative inquiries conducted by government agencies in each country confirm this pattern of comparison.[6]

COMPARISONS AND CONFIGURATIONS

The Civil Service Research Consortium's objective was to further the comparative analysis of national civil service systems. Two frameworks were advanced as a basis for clarifying the dimensions and so developing configurations of features that might assist in this endeavour.

Heady (1996) distinguishes five dimensions as a basis for comparing civil service systems: relations to the political regime; the socio-economic context; the focus on personnel management; qualification requirements; and a sense of mission. From the interaction between the variables, configurations of systems of civil services can be derived. Of the four configurations derived, three – 'ruler trustworthy', 'party controlled' and 'military responsive' – emphasise a

dominant feature that is not salient in the countries at issue in this book. The fourth, 'policy receptive', is the location for these countries and the category incidentally nominated by Heady as the one for the majority of countries internationally.

The need for sub-classifications is recognised as a basis for comparison among sub-groups. One scheme is to differentiate three groups: the classic Continental European countries; 'non-Continental' parliamentary cases (covering four of the systems here – Australia, Canada, New Zealand and the UK); and presidential systems that have merit-based civil services (principally the US).

It is clear from Heady's five dimensions that the Anglo-American countries reflect four features of civil service systems: majority-party responsiveness; a pluralist competitive context; professional performance; and policy or constitutional responsiveness. In the case of the fifth dimension (the focus of personnel-management functions in the civil service), the systems have experienced varying mixtures of arrangements over two or so decades; that is, of the options along the continuum from chief executive to ministry-centred, there has been movement from the independent agency to divided arrangements. Moreover, in countries such as Australia and New Zealand this movement has continued towards the ministry-by-ministry end.

Morgan's (1996) configurations are derived from the overlaying of two sets of dimensions: state–society relations based on the level of institutionalisation and the extent to which public attitudes towards the state are positive or negative; and characteristics of the civil service system in terms of the relative emphasis on process or outcomes and professionalism and political responsiveness. The dynamic properties underlying the framework are revealed by the ease with which movements and pathways of systems can be traced as they swing one way or another during the reform era. The Morgan framework is concerned with the full range of countries internationally, but particularly with developing countries. It can be adapted for the group covered in this book, albeit in ways perhaps not entertained by Morgan.

The frameworks raise questions about the sweep of the comparisons where direct insights are sought for specific types of country. The OECD focus of Hood (1996, 1998), Pollitt and Bouckaert (2000), and Christensen and Lægreid (2001) offers insights of greater relevance to the Anglo-American systems.

WHAT OF THE FUTURE?

Civil service systems continue to evolve but at a much more rapid rate. The Anglo-American group is less subject to strong state traditions and has therefore

been among the more malleable and adaptable. But if the state tradition allows reform, what does reform mean for the administrative tradition? The evidence suggests considerable movement away from traditionally accepted principles and values, but this is partly countered by the strength of path-dependency pressures.

A distinguishing feature of the Anglo-American countries is the strong and continuing commitment to the management agenda. Despite the addition of governance approaches – including new public–private agendas – there is a strong emphasis on performance management, leadership development and outcomes. These features will continue to mark these countries out from other OECD countries.

Two factors are salient here. Major boundaries questions have been confronted during the reform era, with extensive modifications to traditional political, private and governance boundaries. But questions remain about the implications of new frontiers and how far to modify the public–private divide – whether boundaries should be blurred or leapt over, as argued by the British prime minister, and the potential impact of private financing of public services.

The standing of the civil service has declined, but so has that of other public and private institutions. One concern has been the lack of institutional leadership that seeks to infuse the system with broader meaning and value and to champion the higher civil service. There has been a renewal of political interest in strengthening the identity and capacity of the civil service, but this must be offset against what may be contrary pressures to reinforce the political agenda and improve performance. The future directions of the Anglo-American systems will depend on their continuing ability to adapt to changing circumstances.

NOTES

1. The first three phases do not apply across the five countries (see Raadschelders and Rutgers 1996), and picking up the development of the civil service in the mid-19th century is sufficient for our purposes here.
2. Earlier phases have been recognised in the older US system.
3. The Glassco Commission in Canada (1962), the Fulton report in Britain (1968), and the Coombs Royal Commission in Australia (1976). They could as Richards argues (Chapter 3) be an element of the reform process, yet they were essentially part of the pre-reform debate that usually had little immediate impact.
4. For example, this is given the existence of a marriage bar and the denial of citizenship to indigenous people until relatively recently in Australia.
5. If a supplier is listed in the telephone book supplement, the public sector role should be questioned. There was also an emphasis on choice and contestability.
6. For example, the US General Accounting Office published a study of results-oriented cultures based on the other four countries covered in this book (General Accounting Office 2002) and Canada's Public Service Commission compared public service reforms in the other four systems (Public Service Commission of Canada 2000).

REFERENCES

Aucoin, P. (1990), 'Administrative reform in public management: paradigms, principles, paradoxes and pendulums', *Governance*, **3**(2), 115–37.

Aucoin, P. (1995), *The New Public Management: Canada in Comparative Perspective*, Montreal: Institute for Research on Public Policy.

Auditor General of Canada (2001), 'Reflections on a decade of serving Parliament', report to the House of Commons, Ottawa: Minister of Public Works and Services.

Australian Public Service Commission (2001), *State of the Service: Workplace Diversity Report 2000–01*, Canberra: APSC.

Barnes, C. and D. Gill (2000), 'Declining government performance? Why citizens don't trust government', working paper no. 9, Wellington: State Services Commission.

Bean, C. (1991), 'Are Australian attitudes to government different? A comparison with five other countries', in F.G. Castles (ed.), *Australia Compared: People, Policies and Politics*, Sydney: Allen & Unwin.

Bekke, H.A.G.M. and F.M. van der Meer (2000), 'Western European civil service systems: variations and similarities', in H.A.G.M. Bekke and F.M. van der Meer (eds) (2000), *Civil Service Systems in Western Europe*, Cheltenham, UK, and Northampton, US: Edward Elgar.

Boston, J., J. Martin, J. Pallot and P. Walsh (1996), *Public Management: The New Zealand Model*, Auckland: Oxford University Press.

Bourgon, Jocelyn (1996), *Fourth Annual Report to the Prime Minister on the Public Service of Canada*, Ottawa: Canadian Privy Council Office.

Cabinet Office (UK) (2002), various documents, http://www.civilservice.gov.uk/statistics/css.htm.

Campbell, C. and J. Halligan (1992), *Political Leadership in an Age of Constraint: Bureaucratic Politics under Hawke and Keatin*g, Pittsburgh: University of Pittsburgh Press.

Campbell, C. and G. Wilson (1995), *The End of Whitehall: Death of a Paradigm?* Oxford: Blackwell.

Christensen, T. and P. Lægreid (eds) (2001), *New Public Management: The Transformation of Ideas and Practice*, Aldershot: Ashgate.

DiMaggio, P.J. and W.W. Powell (1991), 'The iron cage revisited: institutional isomorphism and collective rationality in organizational fields', in W.W. Powell and P.J. DiMaggio (eds), *The New Institutionalism in Organizational Analysis*, Chicago and London: University of Chicago Press.

Dwivedi, O.P. and J.I. Gow (1999), *From Bureaucracy to Public Management: the Administrative Culture of the Government of Canada*, Toronto: Broadview Press.

Fry, G. (2000), 'Britain', in H.A.G.M. Bekke and F.M. van der Meer (eds) (2000), *Civil Service Systems in Western Europe*, Cheltenham, UK, and Northampton, US: Edward Elgar.

General Accounting Office (2002), *Results-oriented Cultures: Insights for U.S. Agencies from Other Countries' Performance Management Initiatives*, Washington, DC: GAO.

Greenaway, J. (1998), 'Who benefits from administrative reform', in M. Hunt and B. J. O'Toole (eds), *Reform, Ethics and Leadership in the Public Service: A Festschrift in Honour of Richard A. Chapman*, Aldershot: Ashgate.

Gregory, R. (1998), 'New Zealand as the "New Atlantis": a case study in technocracy', *Canberra Bulletin of Public Administration*, 90, December, 107–12.

Halligan, J. (1996), 'The diffusion of civil service reform', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press, pp. 288–317.
Halligan, J. (2001), 'Politicians, bureaucrats and public sector reform in Australia and New Zealand', in B.G. Peters and J. Pierre (eds), *Politicians, Bureaucrats and Administrative Reform*, London: Routledge.
Halligan, J. (forthcoming), 'Paradoxes in reform in Australia and New Zealand', in J.J. Hesse, C. Hood and B.G. Peters (eds), *Paradoxes in Public Sector Reform*, Berlin: Duncker and Humbolt.
Heady, F. (1996), 'Configurations of civil service systems', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.
Hood, C. (1990), 'De-Sir Humphreyfying the Westminster model of bureaucracy: a new style of governance?' *Governance*, **3**(2), 205–14.
Hood, C. (1996), 'Exploring variations in public management reform in the 1980s', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.
Hood, C. (1998), *The Art of the State: Culture, Rhetoric, and Public Management*, Oxford: Clarendon Press.
Kernaghan, K. (2000), *Rediscovering Public Service: Recognizing the Value of an Essential Institution*, Toronto: The Institute of Public Administration of Canada.
Kettl, D.F. (2000), *The Global Public Management Revolution: A Report on the Transformation of Governance*, Washington, DC: Brookings Institution Press.
Light, P. (2002), *The Troubled State of the Federal Public Service*, Washington, DC: Brookings Institution.
Lipson, L. (1948), *The Politics of Equality: New Zealand's Adventures in Democracy*, Chicago: University of Chicago Press.
Ministerial Advisory Group (2001), *Report of the Advisory Group of the Review of the Centre*, Wellington: State Services Commission.
Morgan, E.P. (1996), 'Analysing fields of change: civil service systems in developing countries', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.
Mosher, F.C. (1968), *Democracy and the Public Service*, New York: Oxford University Press.
OECD (1997), *Issues and Developments in Public Management: Survey 1996–1997*, Paris: Organisation for Economic Co-operation and Development.
OECD (1998), *Economic Outlook*, no. 64, Paris: Organisation for Economic Co-operation and Development.
OECD (1999), *The State of the Higher Civil Service after Reform: Britain, Canada and the United States*, Paris: Organisation for Economic Co-operation and Development.
Office of Personnel Management (2001), *The Fact Book 2001 Edition: Federal Civilian Workforce Statistics*, Washington, DC: OPM.
Perry, P. and A. Webster (1999), *New Zealand Politics at the Turn of the Millennium: Attitudes and Values About Politics and Government*, Auckland: Alpha Publications.
Peters, B.G. and J. Pierre (eds) (2001), *Politicians, Bureaucrats and Administrative Reform*, London: Routledge.
Pfiffner, J.P. and D.A. Brook (eds) (2000), *The Future of Merit: Twenty Years After the Civil Service Reform Act*, Washington, DC: Woodrow Wilson Centre Press.

Plowden, W. (1981), 'The image of the public administrator: an international perspective', *Australian Journal of Public Administration*, **XL**(3), 171–200.
Pollitt, C. and G. Bouckaert (2000), *Public Management Reform: A Comparative Analysis*, Oxford: Oxford University Press.
Public Service Commission of Canada (2000), *Overview of Recent Public Service Reforms in Canada, Great Britain, Australia, New Zealand and the United States*, http://www.psc-cfp.gc.ca/world_ps/canada_e.htm#53.
Raadschelders, J.C.N. and M.R. Rutgers (1996), 'The evolution of civil service systems', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press, pp. 67–99.
Rainey, H. (1996), 'Public opinion toward the civil service', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds) *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press, pp. 180–203.
Reserve Bank of Australia (1997), 'Privatisation in Australia', *Reserve Bank of Australia Bulletin*, December.
Savoie, D.J. (1994), *Thatcher, Reagan, Mulroney: In Search of a New Bureaucracy*, Pittsburgh and London: University of Pittsburgh Press.
Scarrow, H.A. (1957), *The Higher Public Service of the Commonwealth of Australia*, Durham, NC: Duke University Press.
Scott, G. (2001), *Public Management in New Zealand: Lessons and Challenges*, Wellington: New Zealand Business Roundtable.
Sims, H. (2001), *Public Confidence in Government, and Government Service Delivery*, Ottawa: Canadian Centre for Management Development.
State Services Commission (2002), *EEO Progress in the Public Service as at 30 June 2001*, Wellington: SSC.
Treasury Board of Canada Secretariat (2002), *Employment Equity in the Federal Public Service 2000–2001*, Ottawa: TBCS.
van der Meer, F.M. and R.L.J. Roborgh (1996), 'Civil servants and representativeness', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.
Van Riper, P.P. (1958), *History of the United States Civil Service*, Evanston, IL and White Plains, NY: Row, Peterson and Co.
Volcker, P.A. (2002), Excellence in Government Conference, Washington, DC, 17 July.
Wise, L.R. (1996), 'Internal labor markets', in H.A.G.M. Bekke, J.L. Perry and T.A.J. Toonen (eds), *Civil Services in Comparative Perspective*, Bloomington: Indiana University Press.

Index

Aberbach, J. 56, 83
ad hoc policy reviews 59–62
administrative class 44–7, 120–22, 197
administrative state 73–4, 149–51, 197
administrative traditions 3–4, 6, 10–26
  management and law 15–16
  politicians and bureaucrats 16–18
  state and society 14–15
  uniformity 18–20
  why reform was possible 20–22
Adonis, A. 48
agencies 211
  Australia 91, 92, 101
  Canada 156
  Britain 41, 49–50, 55, 156, 187
  US 186, 187, 188, 189
Alexander, M. 4
analytical framework 11
Anglo-American civil service systems 1–9, 195–216
  commonalities and identity 4–5
  configurations 211–12
  diffusion 210–11
  future 212–13
  group distinctiveness 5–6
  historical development 195–8
  internal labour markets 198–200
  politicisation 200–202
  public opinion 203–205
  reform 5–6, 205–210
  representativeness 202–203
  specificity 2–3
  variations 3–4
Anglo-American tradition 13–14
Anglo-Saxon system 2, 3
  see also Westminster system
appointments
  Australia 83, 87–8, 98
  Britain 44–7
  Canada 156–7
Arnold, P. 22
asset sales 92–3
Aucoin, P. 7, 70, 71, 82, 105, 148, 155, 156, 158, 167, 174, 210
Australia 1–6 *passim*, 70–112
  boundaries 82, 103–104
  Charter of Budget Honesty 80
  colonial administration 72
  Committee of Inquiry into Public Service Recruitment 96
  comparative perspectives 104–105, 195–212 *passim*
  development 72–4
  Financial Management Improvement Programme 80, 100
  internal reconstitution of public service 94–101
  level and direction of change 101–103
  models 105–106
  National Commission of Audit 78
  personnel and business efficiency 73
  political-bureacratic relations 18, 82–9, 101–103, 105
  popular control of representative institutions 72
  public opinion 80–82
  public–private relations 89–94, 102, 103, 105
  Public Service Act 1922 85, 97
  Public Service Act 1999 88, 100–101, 105
  Public Service Board 87
  Public Service Commissioner's annual report 101
  reform 74–80
  reform diffusion 79–80, 163
  Royal Commission on Australian Government Administration (RCAGA) 77, 96
  Workplace Relations Act 1996 100
Australian National Audit Office (ANAO) 92–3
Ayers, T. 86

balance-of-payments crisis 78
Bank of England 52
Barberis, P. 44
Barrett, P. 91
Bean, C. 81, 204
Beattie, A. 32
Bekke, H. 2, 114, 128, 196
Bell, S. 78
benchmarking 91
Bichard, M. 58
bilateral relations 4, 210
Bird Commission on the Status of Women 160
Blair government 28, 52–63
Bland, F.A. 73
Boix, C. 138
boards 31, 32
Boston, J. 127, 180, 205
Bouckaert, G. 206
boundaries 82, 103–104, 195, 213
Bourgault, J. 155, 156, 158
Bourgon, J. 158, 168–9, 170
Boxall, P. 92
Britain 1–6 *passim*, 27–69, 180
  administrative traditions 13, 14–15, 16, 18, 19, 21
  ancien régime 31
  Cabinet Office 57, 58
  Centre for Management and Policy Studies 58
  changes under Conservative governments 1979–1997 34–52
  Citizen's Charter 49
  Civil Service Code 50
  comparative perspectives 104–105, 195–212 *passim*
  constitutional conservatism and path dependency 64–5
  development of civil service 29–34
  diffusion 80, 113, 162, 163
  executive agencies 41, 49–50, 55, 156, 187
  Home Office 41
  incremental reforms 35, 36–41
  Learning Labs 211
  Lord Chancellor 58
  Management Board for the Civil Service 58
  Minister for the Cabinet 58
  nineteenth century 29–30
  parliamentary state 31–4
  Performance and Innovation Unit 58, 60–61
  power-dependency perspective 35, 41–52
  Prime Minister's Office 57, 59
  reform under New Labour 52–63
  Senior Management Review 1995 48
  Social Exclusion Unit 57–8
  Strategic Communications Unit 57
  Third Way 52–4
  Treasury 57
Brooks, D. 174
budget deficit 94
Bulpitt, J. 42
Bush, G.W. 181, 190–91
business units 91
Butler, D. 19, 70
Butler, R. 61

cabinet committees 61
cabinet system of government 33
Caiden, G.E. 72
Campbell, C. 37, 42, 65, 71, 83, 105, 157, 210
Campbell, K. 167
Canada 1–6 *passim*, 7, 148–73
  administrative state 149–51
  administrative traditions 16, 18–19, 20, 21, 23
  Advisory Council on the Status of Women 160
  Canadian paradox 170–71
  Civil Service Acts 149
  comparative perspectives 195–212 *passim*
  development of civil service 149–56
  diffusion 162–3
  Glassco Commission 151–2, 155, 159
  Employment Equity Act 1995 160
  Increased Ministerial Authority and Accountability (IMAA) 155
  management reform 151–6
  Official Languages Act 159
  patronage 149
  politicisation 18, 156–8
  public management reform 163–70
  public opinion 161–2
  Public Service Employment Act 155

Public Service Modernisation Act (PSMA) 167–8
Public Service Reform Act 1992 164, 165–6
Public Service 2000 164–6
La Relève 168–9
reform model and process 169–70
representativeness 158–61
restructuring and programme review 166–7
Royal Commission on Bilingualism and Biculturalism 159
senior officials and management 153–5
Task Force on Modernising Human Resources Management 167
Treasury Board 151, 152, 153
Canadian Centre for Management Development 155
Canberra model 70
capacity 104, 105, 206
career distinctiveness 99
career service 198
Australia 95–9, 102, 103
Britain 44–7
Castles, F. 4, 10
Cave Creek tragedy 133, 137
central personnel agencies 118, 196, 197
see also under individual names
centralisation 57–9, 164
Chapman, J. 133
chief of staff 59, 157
Chrétien, J. 157, 167, 168, 170
Citizen's Charter 49
Civil Service Commission (Canada) 149, 151, 152
Civil Service Research Consortium 2, 7, 211
Clark, Prime Minister 157
Clifford, C. 17
Clinton administration 177, 178, 181, 182, 184, 185–7, 189, 190
colonial autocracy 72
Commonwealth 4, 73–4
configurations 211–12
constitution 16
constitutional conservatism 27–8, 64–5
constitutional crisis 139–40
contractual model 136–7
Cooper, J. 175
coordination 57–62
Cornes, R. 52
corporate governance 101
corruption 133–4, 138
cost reduction 165, 166
Council of Australian Governments 76
Coventry, H. 97
Cronin, J.E. 33
culture
changes in Canada 153–6, 164–5
convergence in Australia 90–91
value conflicts in New Zealand 129–30

Damaska, M.R. 22
Daniel, C. 59
Dargie, C. 20
D'Avignon report 153–4, 166
Davis, G. 91
Dawson, R.M. 162
decentralisation 19, 62, 100–101, 155–6, 190, 207
democracy 143
liberal 114–15
social 115
departmental secretaries (Australia) 87–8
departments, ministerial 32–4, 72
dependency 41–52, 62
deregulation 100–101
devaluation 139–40
development of civil service
Australia 72–4
Britain 29–34
Canada 149–56
New Zealand 115–19
patterns of 195–8
US 175
devolution 19, 62, 100–101, 155–6, 207
diffusion 4–5, 79–80, 162–3, 210–11
DiIulio, J. 183
DiMaggio, P.J. 211
Dion, S. 156, 158
Diploma in Public Administration 123–4
Dowding, K. 34
downsizing 208
Australia 94
New Zealand 116
US 180, 181–2

Dunleavy, P. 34
Dwivedi, O.P. 148, 149, 151, 197
Dyson, K. 2, 14

economic policy 38
efficiency 47, 73, 96, 197
efficiency-scrutiny model 80
elections, transition after 129, 139–40
electoral system 133
elite accommodation 158
employment contracts 85–6, 87, 124
Encel, S. 80–81
Enfield, J.D. 98
equal opportunities policies
  Australia 97
  Canada 160–61
  New Zealand 126–7
equality 19–20, 96, 113, 143
executive agencies 41, 49–50, 55, 156, 187
executive division 126

federalism 20
Finn, P. 72
First World War 73
fiscal problems 78, 94
fixed-term contracts 85–6, 87
flexibility 124–5, 183–4
Foreman, C. 188
Foster, C. 42
fragmentation 117, 169, 176–7, 178
France 12, 156
Freeden, M. 53
Freedman, J.O. 12
French-speaking Canadians 158–9
Fry, G. 44–5
Fulton report 37, 38

Gaebler, T. 181
Galligan, B. 4
Galvin, B. 139–40
Gamble, A. 104
Garcia, T.V. 44
Germanic tradition 21
Giddens, A. 52–3, 53–4
Glassco report 151–2, 155, 159
Glide Time 132
Goot, M. 81–2
Gore, A. 181, 189, 190
governance 134–5
government expenditure 208
  Australia 81, 208
  Britain 30, 36, 208
Gow, J.I. 148, 149, 159, 163, 197
Gray, J. 64
Greenaway, J. 44, 197
Gregory, R.J. 119, 124, 131, 134, 137–8, 206

Haldane report 33
Hall, P. 75
Hall, R. 132
Halligan, J. 4, 5, 40, 72, 77, 79, 80, 82, 83, 93, 95, 99, 105, 201, 210
Hames, T. 48
Harris, J. 44
Hawke governments 83–4, 89
Hay, C. 53
Hazell, R. 52, 61, 62
Heady, F. 12, 51, 56, 139, 211–12
Heath government 36, 38
Henderson, A. 116, 118, 121, 123, 126, 129, 129–30, 142
Hennessy, P. 29–30, 61
high impact agencies 189
Hilmer report 76
Hobbes, T. 14
Hodgetts, J.E. 149, 150, 160
Hofstede, G. 13
Hogwood, B. 19, 40
Holland, G. 47
Hood, C. 138, 175, 209
Howard, M. 91
Howard government 87, 88, 89
human resource management *see* personnel practices
Humphry review 93
Hunt Commission 126

identity 4–5, 88
  New Zealand 114, 120–25
ideology 22, 211
Immergut, E. 12
implementation capacity 206
in-service training 123
incremental reforms 35, 36–41
individualism 53, 114
inequality, degree of 19–20
information technology (IT) 59, 92–3

Ingraham, P.W. 42, 43, 170, 174, 175, 177, 178, 180, 183
institutional isomorphism 211
interest groups 158
internal labour markets *see* personnel practices
international organisations 163
Ireland 2, 13, 14–15, 19, 21

Jabes, J. 160
Johnson, N. 14
joined-up government 57–62
Judge, D. 27, 31, 32
Junor, A. 97

Kaufman, H. 105
Kavanagh, D. 59, 61
Keating government 87, 88, 89
Kelly, P. 78
Kelsall, R.K. 44
Kemp, P.D. 71, 86–7, 89, 90, 91, 94, 100, 101
Kemp, P. 46–7
Kernaghan, K. 204
Kettl, D. 174, 183, 206

labour-management relations 184–5
Lambert Commission 153, 153–4, 155
lateral appointments 98
law 22
  management and 15–16
  see also under individual countries
liberal democracy 114–15
Light, P.C. 17
Lijphart, A. 2
Lipson, L. 113, 114, 116, 117–18, 120, 121–2, 133, 139, 210
Locke, J. 14
Locke, R. 20

MacDermott, K. 97
Major government 45, 46–7, 48, 49
Maley, M. 86
management, and law 15–16
Management Category (Canada) 154
management deficiencies 78–9
management philosophy 153–5
managerialism *see* new public management (NPM)
Manion, J. 164
Maori 127–8, 202
Maori Women's League 126
market/marketisation 53–4, 76, 207
Marsh, D. 28, 33
Martin, J. 122, 129
Mascarenhas, R.C. 115, 120, 130, 132, 133, 136, 137, 140, 144
Masse, M. 157, 167
McCarthy Commission 118, 142
McLay, J. 140
memoranda of understanding (MOUs) 155
merit system 117, 196, 197
Metcalfe, L. 50
ministerial departments 32–4, 72
minority groups 55–6, 97, 127–8, 158–9, 202
mobility 124–5, 199
Moe, T. 175
Moore, B. 31
Moore-Wilton, M. 106
Morgan, E.P. 12, 139, 143, 212
Morris, B. 61, 62
Mosher, F. 73, 125, 196, 197
Moynihan, D.P. 177
Mulgan, R.G. 89, 92, 115, 132, 133, 141
Mulroney government 157, 164, 166
Murray, G. 162

Napoleon 12
neo-liberalism
  Australia 78
  Britain 37–8
  New Zealand 113, 115, 119
Nethercote, J.R. 87
networks 4, 53–4
new public management (NPM) 1, 5–6, 15, 207–8
  and administrative traditions 20–22
  Australia 76, 79, 100
  Britain 35, 38–41, 53
  Canada 151–6, 163–70, 170–71
  New Zealand 134–9, 140, 144
  US 174, 179–85
New Zealand 1–6 *passim*, 6–7, 75, 180, 113–47
  administrative traditions 16, 18, 19
  Civil Service Act 1886 116
  Committee to Review the Centre 119

New Zealand (*cont.*):
comparative traditions 104–105, 195–212 *passim*
development of public service 115–19
emergence of identity 114, 120–25
Employment Contracts Act 1990 124
Fiscal Responsibility Act 1994 80
foundations of public service 117–18
Government Service Equal Pay Act 1960 126
Higher Salaries Commission 142
independent personnel agency 118, 141–2
National Development Act 1980 132
Official Information Act 1982 132
Operational Performance Measurement System (OPMS) 153
Parliamentary Commissioner (Ombudsman) Act 1962 132
patronage 116–17
personnel management focus 141–2
political-bureaucratic relations 114, 128–31, 134–9, 139–40
Political Disabilities Removal Act 1936 129
politicisation 128–31
Public Finance Act 1989 136–7, 144
public opinion 131–4
public servants' mission 143
Public Service Act 1912 117, 128, 139, 141
qualifications 121, 122–3, 142–3
reform 119, 134–9
representativeness 125–8
Royal Commission on the Civil Service 116
socio-economic context 140–41
State Sector Act 1988 123, 124, 125, 135, 141, 142, 144
State Services Commission 118, 119, 123, 127, 129, 134, 137, 140, 142
Treasury 130, 131, 143
New Zealand Institute of Public Administration 118, 122
Next Steps agencies 41, 49–50, 55, 156, 187
nightwatchman state 29–30
Northcote-Trevelyan model 29–30, 32–3, 120–21, 196
Northern Ireland 62

O'Brien, J. 101
O'Donnell, M. 101
OECD 1, 5, 80, 205
O'Leary, R. 62
ombudsman 132
Osbaldeston, G. 157
Osborne, D. 181
outsourcing 90, 91, 92–3
owner and purchaser 136

Page, E.C. 11
Palmerston, Lord 31
pantouflage 158
Papadakis, E. 81
parliamentary state 31–4
Parker, R.S. 87
partnerships 53–4, 184–5
path dependency 12, 28, 64–5
patronage 31, 72, 116–17, 149
pay/income 43, 176, 185
Pearson government 159, 168
Peel, R. 31
Peele, G. 29
pendulum movements 71, 105–106
people's panel 54–5
performance-based organisations 187–9
performance management 118, 137, 177–8, 199, 207
Perkins, A. 170
permanent secretaries (Britain) 44–7
Perry, P. 203, 204
personnel demonstration authority 177
personnel practices 198–200
Australia 73, 84–6, 87–8, 94–101
Britain 43–8, 54–7
Canada 153–5, 158–61, 169–70
New Zealand 118, 120–28, 141–3
US 176, 177, 184–5, 186, 188
Peters, B.G. 10, 11, 16, 21, 22, 65, 130–31, 201
Pfiffner, J. 174, 178
Pierre, J. 12, 16, 70, 82, 201
Pitfield, M. 156–7
planning, programming and budgeting system (PPBS) 152–3
Platt, S. 59
Plowden, F. 42
Plowden, W. 205
policy communities 158
policy implementation 56, 206

policy receptive configuration 212
policy role 33, 86–7, 104, 130, 141
policy styles 11, 12
political appointees 18
  Australia 84
  Britain 56, 59
  US 175
political-bureaucratic relations 3, 16–18
  Australia 18, 82–9, 101–103, 105
  Britain 41–52
  Canada 156–8
  New Zealand 114, 128–31, 134–9, 139–40
  US 175–6
  see also politicisation
political control 79
political patronage 31, 72, 116–17, 149
politicisation 17–18, 200–202
  Australia 88–9
  Britain 43–8
  Canada 18, 156–8
  New Zealand 128–31
  United States 175
Pollitt, C. 165, 206
power-dependency perspective 35, 41–52
presidential systems 178
Posner, D.N. 138
Powell, W.W. 211
Prezworski, A. 10
principal–agent model 130–31, 136–7
private–public relations *see* public–private relations
privatisation 89–90, 92–3, 191, 206–207
programme budgets 152–3
programme review 166–7, 208
public administration 39–40
public choice theory 36
Power, J. 80
public corporation 73
public finance 19
public opinion 203–205
  Australia 80–82
  Britain 53–4
  Canada 161–2
  New Zealand 131–4
  United States 204
public–private relations 105
  Australia 89–94, 102, 103, 105
  New Zealand 140–41
Public Service Association (PSA) (New Zealand) 116, 125, 126
Public Service Commission (Canada) 152, 155, 165, 168
Public Service Commission (New Zealand) 117–18, 141–2
Public Service 2000 164–6
purchaser and owner 136
Pusey, M. 78, 81

qualifications 121, 122–3, 142–3

Raadschelders, J. 29, 30, 34, 196
Radin, B. 188
Rainey, H. 203, 204
Reagan administration 176
recruitment 198–9
  Australia 96, 99
  Britain 44–7, 55–6
  Canada 165–6
  New Zealand 116, 120–21, 122
  US 176–7
reform 5–6
  administrative traditions and 20–22
  comparative perspectives 197–8, 205–210
  diffusion *see* diffusion
  neurosis 204
  see also under individual countries
regional assemblies 62
reinvention 177, 179–85, 188–9, 211
reinvention laboratories 183–4
Reith, P. 85, 100
Relève, La 168–9
representativeness 202–203
  Australia 97
  Britain 44–7, 55–6
  Canada 158–61
  New Zealand 125–8
  United States 203
research design
  most-different system 10
  most-similar system 11
Richards, D. 33, 44, 45, 47, 50, 51, 52, 55
Richardson, J.J. 11, 12
Richardson, R. 131
Ridley, F.F. 99
rights 16
Roberts, A. 175

Robertson, G. 157
Robertson, J.F. 138
Roborgh, R.L.J. 55, 202
Rockman, B. 178
Rohr, J. 140
Rose, R. 128
Rubinstein, W.D. 44
Russell, S. 139–40
Rutgers, M. 29, 30, 34, 196

Sanders, R. 180
Savoie, D.J. 4, 15, 18, 21, 130–31, 155, 211
Scarrow, H.A. 96, 197
Schaffer, B. 21
Schick, A. 124, 136, 137, 142
scientific management 123
Scotland 62
Scott, G. 206
Sedgwick, S.T. 100
Seldon, A. 59, 61
Self, P. 70
senior executive service (SES) 200
  Australia 80, 85, 98, 200
  Britain 44–7
  Canada 154
  New Zealand 119, 123–4, 200
  US 80, 178, 200
separate personnel systems 176, 177
Service First 54–5
Shepherd, R.P. 170
Sims, H. 161, 162
size of civil service
  Australia 74, 94
  Britain 29, 41
  Canada 150, 167
  New Zealand 127
  see also downsizing
Skelcher, C. 18
Smith, M.J. 50, 51, 52, 62
social democracy 115
social embeddedness 114
society, and state 14–15
Spann, R.N. 72, 73, 95, 105
special operating agencies (SOAs) 156
St-Martin, D. 156
stakeholder society 53, 57
state 2–3
  administrative 73–4, 149–51, 197
  nightwatchman 29
  parliamentary 31–4
  role in Australia 93–4
  role in Britain 29, 31–4, 52–3
  role in New Zealand 117, 132, 140–41
  role in United States 3
  and society 14–15
State Services Commission (New Zealand) 118, 119, 123, 127, 129, 134, 137, 140, 142
Steinmo, S. 12
Stewart, J. 20
structural reforms
  Australia 89–94, 102
  Britain 48–51, 57–62
  Canada 151–3, 156, 166–7
  New Zealand 119, 134–9
  US 179–85, 187
Subramaniam, V. 96
Sutch, W.B. 126, 129
Sweden 163
Szablowski, G. 157

task forces 59–62
Tellier, P.M. 154, 157, 164
tenure 85–6, 87–8, 124
Teune, H. 10
Thatcher governments 28, 36–48, 48–9, 51
Theakston, K. 44–5, 55, 64
Thelen, K. 12
thickening of government 17
Third Way 52–4
Thompson, J.R. 177, 180, 182, 183, 190
traditional approaches, failure of 77
traditions, administrative *see* administrative traditions
Treaty of Waitangi 1840 127, 202
Trosa, S. 180
Trudeau, P. 156–7
trust 53–4, 81–2, 161–2
turnover 87–8

uniformity 18–20
unions 184–5
United Kingdom (UK) *see* Britain
United States (US) 1–6 *passim*, 7, 114, 174–94
  Administrative Procedures Act 1946 16

administrative traditions 13, 14, 16, 18–19, 20, 21, 22, 23
after September 11, 2001 179, 190–91
American Declaration of Independence 14
Civil Service Reform Act 1978 174, 177, 178, 179, 190, 197
civil service rules 177
Classification Acts 179
comparative perspectives 195–212 *passim*
confidence in government 161–2
Congress 175
downsizing 181–2
Federal Employee Pay and Compensation Act 1990 185
Federal Personnel Manual 182
Federal Personnel Systems Reinvention Act 185–6
Federal Workforce Restructuring Act 1994 181
flexibility 183–4
fragmentation 176–7
Government Performance and Results Act 1993 187–9
Homeland Security Office 191
influence on Canada 162–3
labour-management relations 184–5
National Partnership Council 184
National Performance Review 179–80, 181, 183, 184, 189–90, 198, 205, 206
Office of Personnel Management 186
Omnibus Civil Service Reform Act 185–7
Patent and Trademark Office 187
Pendleton Act 1883 190, 196
performance 177–8
political-bureaucratic relations 175–6
political context of reform 178–9
President's Management Agenda 190–91
proposals for legislative change 185–90
reinvention 179–85
SES 80, 178, 200
simplification 182–3
terrorism 190–91
University of New Zealand 121, 122

value conflicts 129–30
van der Meer, F.M. 55, 196, 202

Waldo, D. 74, 181
Wales 62
Walsh, K. 20
Weaver, R.K. 178
Webster, A. 203, 204
Weller, P. 87, 89
Westminster system 2, 3, 4, 13, 16–17
Australia 105–106
Britain's Westminster-Whitehall model 28, 39–40, 51, 63
Canada 149, 150
New Zealand 120, 143
see also Whitehall paradigm
Wettenhall, R. 73, 77, 92
whistle blowing 129
Whitehall paradigm 51, 64–5
see also Westminster system
Whitlam government 83, 87, 98
Whitmore, C. 47
Wilenski, P. 79, 84
Wilson, G. 4, 37, 42, 65, 71, 105, 210
Wilson, J. 190
Wilson, R. 52, 58, 60
Wilson, V.S. 151
Wise, C.R. 144
Wise, L.R. 198
Withers, G. 81
women 202, 203
Australia 97
Britain 55–6
Canada 159–61
New Zealand 126–7
Wright, V. 17
Wünder, B. 12

Young, L. 89

Zifcak, S. 104
Zussman, D. 160