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New steering instruments: Trends in public sector practice and scholarship

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Introduction

The chapters in this book have all in some way focused on new steering instruments in the public sector, or on how governments, often in collaboration with other actors, attempt to achieve integrated results and broad social outcomes. The trend away from the traditional and NPM-style prescriptions, the latter of which often resulted in a certain degree of fragmentation and a loss of steering capacity (Terry, 2005), is visible in a wide range of areas, both on the delivery level, and on the more strategic level. This has put the need to coordinate the public sector and to find new ways of steering firmly on the agenda (Bouckaert et al., 2010; Braun, 2008).

The chapters have highlighted the wide diversity in practices and terminology used in the field (see especially the contribution by Christensen and Lægreid). They have touched upon now familiar concepts and developments such as joined up government, integrated governance, network governance, public value and whole of government. The variety in practical and theoretical developments shows in the terminology - which is to a large extent nation-specific. Similar trends are labelled joined up governance and modernisation in the UK (Davies, 2009a; Newman, 2002), integrated governance in Australia, collaborative public management in the US, new public governance in Canada etc. (Halligan, 2007). Still other concepts emphasising outcomes or public value are used in other contexts. At the level of specific public sector innovations, we also see a wide range of mechanisms and tools that aim to integrate various policy fields in order to achieve better outcomes. The use of interdepartmental committees, task forces, cross-agency public service agreements, central strategic units, cross-departmental units for implementation, cross-departmental budgets, cross-cutting reviews, special purpose agencies and project ministries all demonstrate developments that are quite different from the NPM-style prescription of disaggregation. Often studied as distinct developments, this book has brought together a set of academic contributions exploring aspects of the evolution towards new forms of steering in public management.

Trends

New steering mechanisms are visible both at the centre of government, and on the level of service delivery. At the centre of government, NPM-style reforms have given rise to concerns about political agency (see, for example, van Thiel's chapter). Politicians became worried about their ability to make, coordinate and especially change policy in an administrative environment where policy and delivery were seen as distinct functions, and where the politicians' role was limited to signing long-term contracts with a wide range of autonomous (and often non-cooperating) public, semi-public and private sector bodies. This loss of political agency was countered by strengthening the centre, not only by reversing organisational autonomisation, but also by strengthening political leadership through the creation of cross-cutting bodies, through expanding the number and role of political advisors and through a strengthening of the core executive (Borrás and Peters, 2011).

The former is visible through examples such as 'departmentalisation' in Australia and Cameron's 'bonfire of the quangos' in the UK, and also through the establishment, or in many cases re-establishment, of shared service centres and shared back offices on the central level. There also appears to be a trend for central government to attempt to reduce local government autonomy in order to harmonise and coordinate the implementation of central state objectives at the local level (see the chapter by Wu et al.). The proliferation of distinct public sector organisational brands has also been reduced in many cases.

The strengthening political leadership is visible in the increase in the number of political advisors in many countries, the establishment of special bodies close to the prime minister or minister president tasked with strategy development or even coordinating delivery, or the politicisation of such bodies where they already existed. Within the political system itself, observers have emphasised the shifting power balance within political executives towards the core executive (Borrás and Peters, 2011). It is argued that such changes in the political organisation of steering will contribute to better coordinated policies because of a greater degree of value integration among those who are in charge.

At the level of policymaking and operational steering, post-NPM trends have emphasised the establishment of cross-cutting objectives and targets on the outcome level. Such outcome level target-setting had already been envisaged under traditional NPM-style reforms, but in many cases had become stranded on the output level. This failure to focus on outcomes was attributed to the extensive fragmentation in the public sector, making individual organisations and chief executives wary of committing to outcomes that required collaboration with other

bodies. Using outcome indicators made micro-management of public bodies very difficult, and outcome targets were for this reason often seen as ‘too soft’.

We have consequently seen an increasing reliance on broad outcome indicators as strategic steering instruments, often accompanied by cross-departmental budgets and temporary special purpose bodies (James, 2004). Targets are set at a relatively high level of abstraction, often with a high degree of subjectivity. Examples of such objectives include strengthening innovative capacity, building a knowledge society, making transport more sustainable and reducing feelings of insecurity in neighbourhoods. Achieving such objectives requires collaboration between several public and non-public bodies, and forces these organisations to align their work based on a shared responsibility. Such broad target-setting on the outcome level has transformed performance indicators from control and command into strategic management tools, more valued for their mobilising capacity than for their ability to provide a detailed picture of organisational and societal reality. Some examples can be seen in the new generation of public service agreements in many public sectors, such as in the introduction of Local Area Agreements in England, and in the use of quite generic and broad indicators on the European level (e.g. Europe 2020). In theory, these outcomes are supposed to replace the use of micro-level output indicators. However, the establishment of an additional layer of outcome targets above the existing sets of output and process indicators is perhaps closer to the truth.

Organisational structures and realities have also changed (see the chapter by Kickert). We have already emphasised the partial reversal of the agencification agenda in some settings. The main trend, however, is towards increasing horizontal collaboration, cross-boundary working, boundary spanning and partnership-based working (see the chapters by Ysa and Esteve, by Voets and Van Dooren and by Klijn et al.). The nature of such horizontal collaboration is also changing. Whereas, under the NPM orthodoxy, collaboration was guided by detailed contracts and a high level of formalisation, the new forms of collaboration tend to be more fluid and based on trust relationships. Partnerships and collaborative arrangements have become prominent in public sector scholarship, perhaps not so much because of dramatically changed societal and public sector realities but because such little attention was paid to them in the 1990s. People, not structures, became a key focus of attention. Trust-based relationships came to be seen as essential for effective collaboration, and all kinds of boundary spanners, or cross-border workers, were suddenly discovered or rediscovered.

The need for collaboration, or for working across traditional departmental lines, is further visible in the increasing reliance on temporary, special purpose, bodies or task forces to

formalise the somewhat informal collaboration (and, in a way, transform collaborative arrangements into traditional organisations). Further, the downsides of classical contracting have become increasingly visible, not only within traditional procurement, but also in public-private partnerships (Greve, 2008). Rather than relying on an extensive set of distinct and short-term procurement contracts and public-private partnerships, governments are increasingly experimenting with new forms of relational contracting and trust-based partnerships. Through such new forms of contracting and collaboration, they hope to achieve a better integration of public and private objectives, especially in an environment where such objectives change rapidly. Even in the terminology, commissioning appears to have replaced contracting (see the chapter by Bovaird and Davies).

While most current evolutions tend to emphasise greater roles for central steering, collaboration and integration, there is also an apparently contradictory trend. Devolving decision-making to citizens, through granting them choice, builds on the NPM legacy, but is also intended to facilitate the coordination of various public service delivery bodies. Coordination here is achieved through admitting that service delivery bodies may not be best placed to achieve coordination, and by delegating coordination of service delivery to the individual. This can happen through various types of personal budgets or through facilitating access to the information citizens need to make their own decisions (see the chapters by Murdock and by Karré et al.)

The trends as described in this concluding chapter and throughout this book may appear to be widely divergent but they do have a number of common characteristics. In the remainder of this chapter, we attempt to summarise and assess the main characteristics of these changes in governance and service delivery, both as experienced in public sector practice and as studied by Public Administration scholars. We end this chapter by formulating building blocks for a research agenda.

Diagnosis: Common factors in public sector practice

Despite the seemingly wide array of emerging and established steering practices in the public sector, and a bewildering cacophony of terminologies, a number of common factors can be distinguished.

First, these practices all emphasise integration - integration of objectives, of services, of policy fields, of policy actors, of geographical areas and of population groups. To achieve desirable outcomes that benefit all, it is thought that all have to collaborate. Such

collaboration does not just apply to the public sector, but to all actors in society and especially private partners, non-profit organisations and various citizen groups. This integration rhetoric is motivated by a somewhat naïve belief in the ability to finally get rid of silos, compartmentalisation and polarisation, and so achieve perfect coordination.

Second, these practices share a focus on broad social outcomes and ‘public value’. Moving beyond NPM’s focus on outputs, post-NPM approaches raise objectives to a higher level, and concentrate on the characteristics that a well-functioning society should have. Such outcomes, often labelled ‘public value’, are subsequently used as strategic targets to mobilise resources and foster collaboration. The strong focus on outcomes that characterises many of the new steering mechanisms means that we are told relatively little about the actual processes through which decisions are made and public goods and public value delivered. Given the strong focus on results, issues of democracy and power seem to have disappeared from the public agenda. Solving problems – defined as achieving outcomes and ‘value’ – is viewed as an unproblematic process that mainly requires inter-service collaboration and a strong policy evidence base. Little attention goes to who makes the decisions, and how, and why.

A third common factor in these trends is that the role of government is clearly changing, but without it being clear in what direction. On the one hand, trends tend to suggest a more normative role for government or for the public sector, where government is not a neutral ‘manager’ or provider of services, but a normative actor that tries to achieve certain social objectives (and thus, not others). Such outcomes do not only include relatively general and generally accepted broad outcomes such as health or safety, but also more specific operational results that impact on individual self-determination, and that tend to emphasise not just results but also the processes by which these are to be achieved (see the chapter by Kelly). This means that governments, through employing seemingly neutral steering instruments, advance a quite specific vision of how society should look. On the other hand, governments increasingly present themselves as being just one of many partners in a large collaborative effort, or as a mere process facilitator. This is especially visible in the research on collaborative government, and in official government rhetoric. These two roles appear to be in direct contradiction.

Diagnosis: Researching new steering instruments

Since the coining of the term New Public Management, authors have predicted its demise, and proclaimed its successors. The more extreme proposals for a ‘post-’ NPM world have rejected the NPM legacy. More nuanced approaches, also based on observable trends in Western

public sectors, have mainly highlighted various ways of coordinating the public sector, and of stitching the public sector back together. The range of proposals and the absence of a clear hegemony have led to terminological confusion, with new concepts seemingly being launched in every other book. There are also considerable differences in the terminology used that depend on the territorial provenance of the authors (Halligan, 2007 provides a comparison). In the introduction to this volume, we have already identified concepts such as integrated governance, outcome steering, joined up governance, holistic governance, new public governance and whole of government as parts of a similar but yet wider trend. This terminological confusion, and the emphasis on case descriptions of new steering instruments, has resulted in a lack of theoretical integration.

We also see public management research approaches that seem to be unaware of developments in other fields. The debates in European Studies on the Open Method of Coordination or developments in strategic management are just two examples (Smismans, 2011). Furthermore, historical memory appears to be limited, with key authors on coordination such as Henry Mintzberg and the traditional scholarship on general organisational studies conspicuously absent. The constant labelling of post-NPM trends in Western public sectors as 'new' has also resulted in a failure to look at older attempts to integrate policy fields and focus on broad social outcomes. Methodologically, the field appears to be dominated by case descriptions, not by explanations and research into the determinants of steering and the implications of the 'new' models. Detailed studies exist in only a few areas, and there is a dearth of comparative studies, cross-cutting reviews and integrative studies.

Despite the conceptual confusions, the approaches do share a number of assumptions. Through their focus on broad outcomes, they tend to share strong teleological beliefs. Outcomes and public values tend to be taken for granted; allowing the analyst to avoid the difficult question of how shared outcomes and public value are defined and come into existence, and move directly to questions of how these outcomes can be achieved. Technocratic and modernistic approaches to policymaking and to society form a strong undercurrent in these studies. This, somewhat ironically, reflects how similar these new governance approaches are to their predecessors. The debate on outcomes, and the need for new steering instruments, appears to be informed by enlightened managerialism and a belief in the benevolence of the guardian state. Social and policy entrepreneurs, boundary spanners and various policy and implementation Tsars tend to be seen as undisputed heroes. This technocratic belief in a perfect society has resulted in a voluntaristic emphasis on improving processes, rather than on resolving value conflicts, or debates about the role of the state in

tackling social vices. This is also to a large extent reflected in the chapters of this book. Most focus on managerial issues, and devote relatively limited attention to the wider implications of these public management trends, to values, to the role of government, or to the implications for the relationship between government and citizens.

These observations show that there remains much research still to be undertaken in the field of new steering instruments. In the remainder of the conclusions of this book, we will propose four main building blocks for a research agenda.

Towards a research agenda: Determinants, characteristics and effects of integration

An initial observation when looking at current studies on the new approaches to steering is that many are of a highly descriptive nature. They describe trends in individual countries, often without linking these specific developments to wider developments in related fields. We now know quite a lot about changes in some countries, but relatively little about changes elsewhere. This may create an ill-founded impression of there being countries that lead and others that lag behind. New steering instruments may also turn out to be less 'new' than they appear. There is thus a need for more comparative studies, and greater attention to developments in under researched countries. It is crucial to be able to distinguish between new steering realities and the myths and rhetoric used in talking about such developments (Lodge and Gill, 2011).

Future research will also have to move beyond descriptions, and repetitive statements about the emergence of new steering models, and strengthen the explanatory power of the models. Such explanatory research requires better theoretical integration through applying existing theories to new practices, rather than through inventing ad hoc explanations and theories. Three areas need to be developed further. The first needs to concentrate on the determinants of new steering mechanisms: why are they adopted and under what circumstances? The second area should focus more intensively on the black box inside the new structures, and especially the behaviour of the actors involved in steering. The third needs to look at the effects of the new steering mechanisms: do they work? Do these new approaches really help to achieve better integrated policies and delivery, or does the realignment of services and actors mainly create differently aligned silos? (Davies, 2009a). The claim that such integration will lead to greater effectiveness, better outcomes and less waste needs to be put to the test.

Towards a research agenda: Determining outcomes and values

A second major building block in a research agenda on new steering instruments is the analysis of outcomes, what they are, why they are what they are, and who decides this. The post-NPM literature uses generic and teleological concepts, such as ‘better outcomes’ or ‘public value’, without ever specifying what these are. This terminology, as well as the concepts used in practice such as ‘total place’ (Dunleavy, 2010) or ‘total care’ (Le Grand, 2007: 134), suggests perfectly integrated, benevolent and value-free desirable end-states. The strong emphasis in the policy and management rhetoric on ‘solving (social) problems’ tends to obscure discussions about competing values. An even smaller element of the current debate considers whether government should really want to solve them, and whether government is best placed to solve them. Little in the academic discussion concentrates on what ‘good’ outcomes or ‘public value’ actually are, and especially who decides what they are and how conceptions of outcomes and public values come about. Below a veneer of policy and delivery pragmatism, and the ‘solving problems’ rhetoric, lie latent and far-from-neutral values. Policymakers themselves are often unaware of the value preferences implicit in their policy decisions. Although collaborative arrangements and joined up working are generally based on at least some common understanding of problems and solutions, the consensus over values and outcomes has in some cases been shown to be remarkably shallow (Davies, 2009a). Future research could therefore usefully focus on how a collective understanding of desirable end-states comes about. This would require a research focus that moves beyond the internal functioning of public organisations and draws on neighbouring disciplines such as political science, sociology and even political philosophy, and would create a stronger role for policy science within public management research.

Towards a research agenda: Democracy and power

The third building block of a research agenda for new steering instruments in public management focuses on issues of democracy and power resulting from these changes. These new steering mechanisms are generally characterised by informal collaboration. The often informal nature of steering means that steering does not depend on formal powers or legal competence, but on political capability (Pierre and Peters, 2000: 194). This creates considerable space for agents to expand their role in governance processes, and this may undermine pre-existing checks and balances. Influence is exercised through power relationships and trusted alliances between consensus-oriented elites, and decision-making becomes characterised by the emerging logic. Public servants become political actors, and the new steering mechanisms offer unprecedented opportunities for policy entrepreneurs.

Controlling such a process is very difficult because it is unclear where power is located. The use of new steering instruments, as opposed to traditional legal instruments, makes traditional legal remedies less useful in controlling government. Who is involved in decision-making, and who is not, therefore becomes important. Research on new steering instruments needs to focus on citizens' abilities to control government through analysing issues of inclusion and exclusion in decision-making and service delivery (something which is already done in some of the work on democratic network governance, see e.g., Sørensen and Torfing, 2007). Furthermore, it requires a shift in the focus of research away from the structures of decision-making and service delivery to the people who operate within these structures, their values and their motivations.

Towards a research agenda: The role of government

Finally, a comprehensive future research agenda on the new steering mechanisms and instruments in public management will have to take a closer look at the changing role of government as a steering actor in society. This role has two different aspects. On the one hand, government is increasingly taking on a role as process and network facilitator. On the other hand, government seems to be retreating from its previously largely managerial role, and is again taking substantive and normative positions by deciding which outcomes and values are desirable and which are not. This re-establishes government as a normative actor. Public administration research should therefore focus on how government adapts to this new role, both as a process facilitator and as a normative actor. In the latter role, the adoption of new steering instruments may generate a need for new research into how societies and actors in society negotiate about the areas where government should act, and where it should not.

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