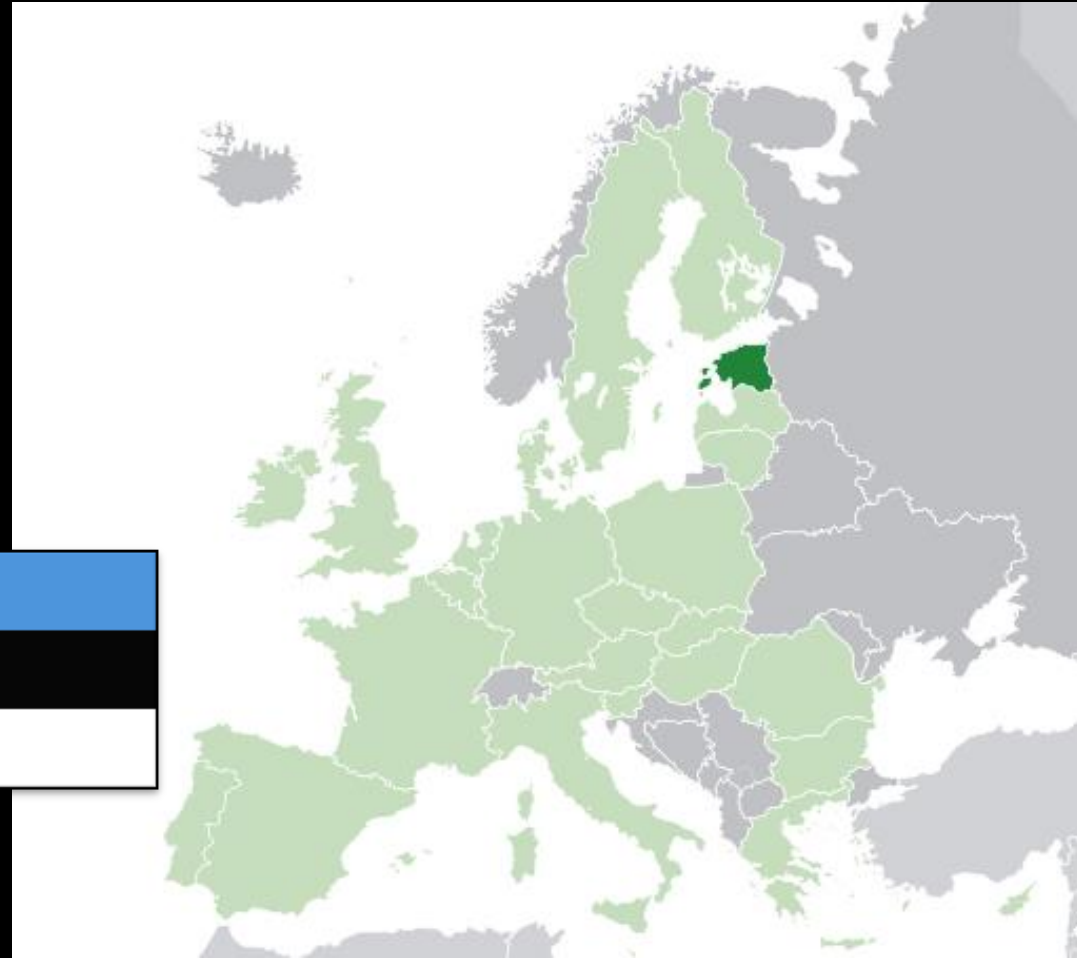


# **The Rise and Demise** and partial Resurrection **of the** **New Public Management**

Centre for Change and Delivery Management  
Dr.Marri Channa Reddy Human Resource Development  
Institute of Andhra Pradesh, Hyderabad, 30 October 2013

**Prof. Dr. H.C. Wolfgang Drechsler**  
Ragnar Nurkse School, TUT Tallinn

# ESTONIA

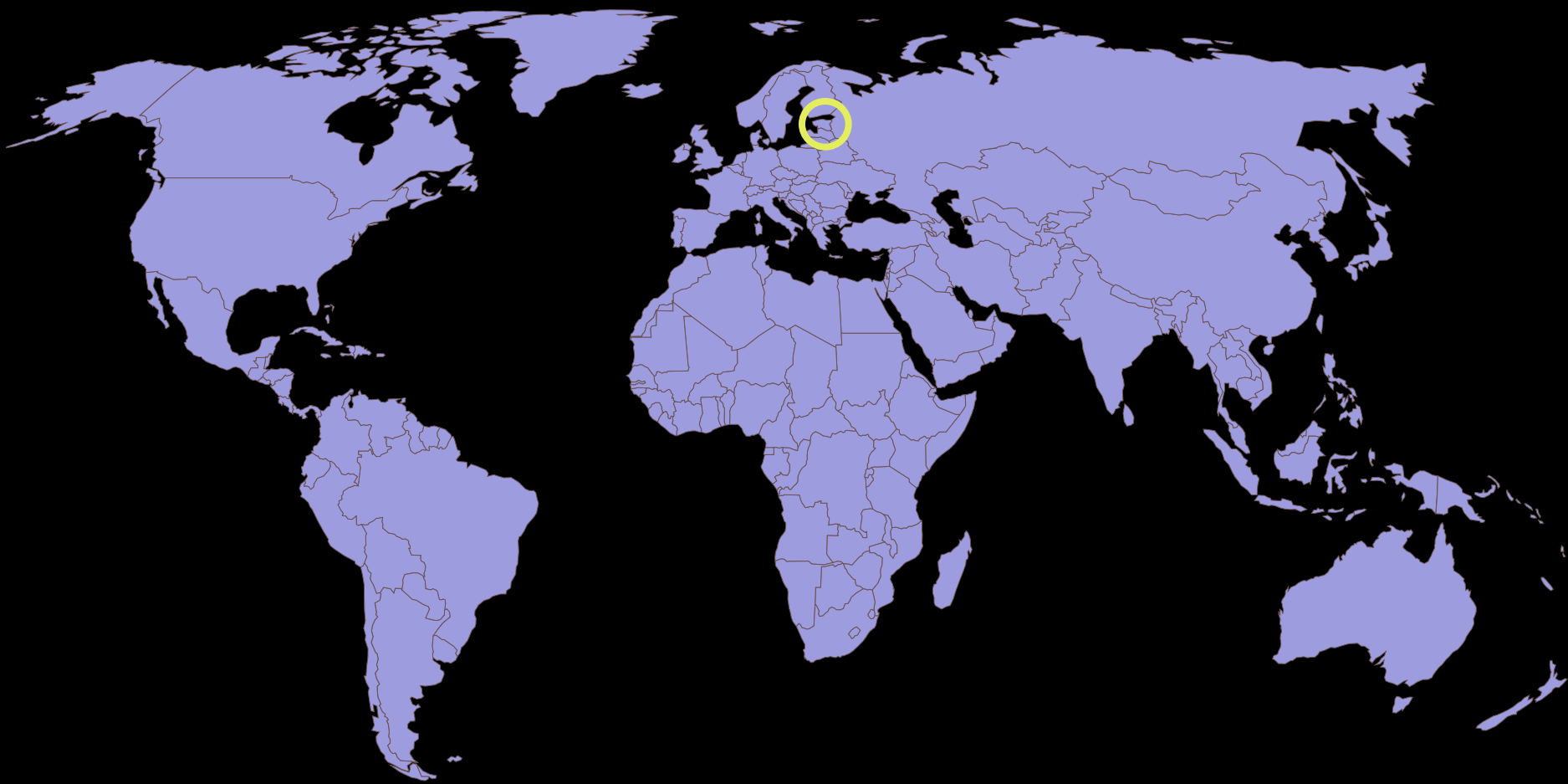


Population: 1,32 Million

Size: 45.227 km<sup>2</sup>

Density: 30 inhabitants / km<sup>2</sup>

Pop. growth: - 0,02%













2004

1991





# Modern & Traditional





E-stonia

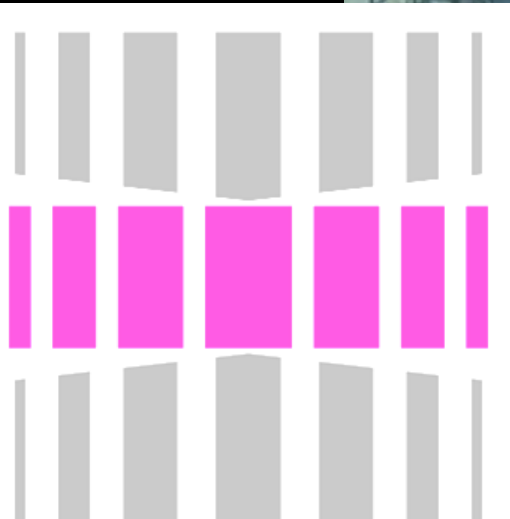




# Tallinn University of Technology



**OPEN**  
ENTREPRENEURIAL  
INNOVATIVE







RAGNAR M  
INNOVATS  
JA VALITS  
INSTITUUT

RAGNAR M  
SCHOOL O  
AND GOVE





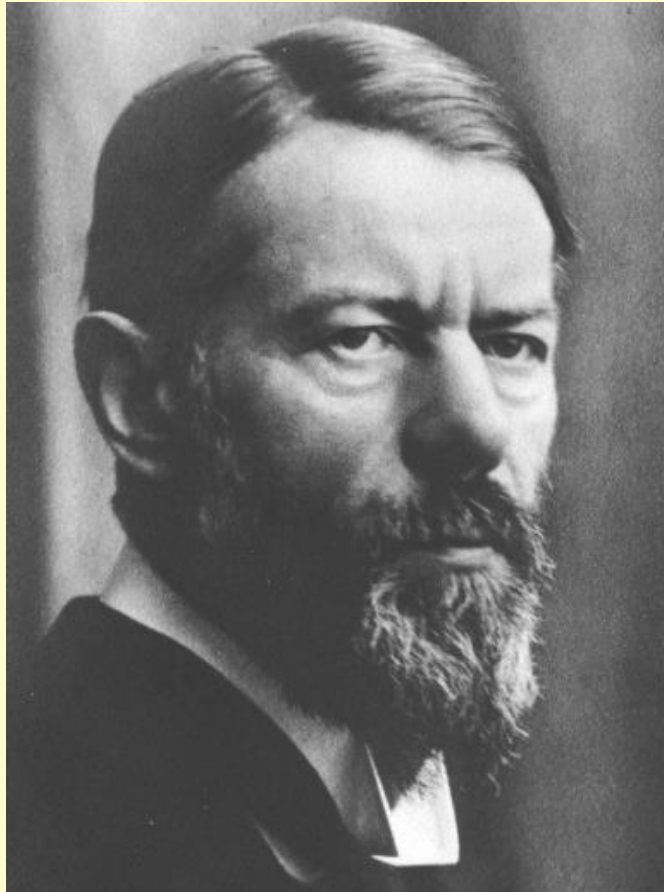


# “Weberian” Administration



# \*Max Weber

1864-1920



the written form, and  
legality. This increase  
of rationality was his key  
term. It would increase  
speed, scope, and  
predictability, and cost-  
effectiveness, as  
needed for an  
advanced economy,  
named as he was its  
most important  
analyst (Wirtschaft und  
Gesellschaft, 1922, re-  
issued 1947, 1958, 1968, 1978, 1984, 1988, 1992, 1998, 2002, 2008, 2012, 2018, 2022, 2024, 2030)



# New Public Management

- transfer of business and management from private into public sector
- neo-liberal concept of State and economy (genuine ideology)
- standardized, quantifying ('hard data')
- goal: minimal State - outsourcing
- key principle of efficiency



principles  
techniques  
public

# NPM catchphrases



- project management
- flat hierarchies
- customer orientation
- abolition of career civil service
- depolitization
- total quality management
- contracting-out
- performance pay

# Change in European PA Theory since 1995

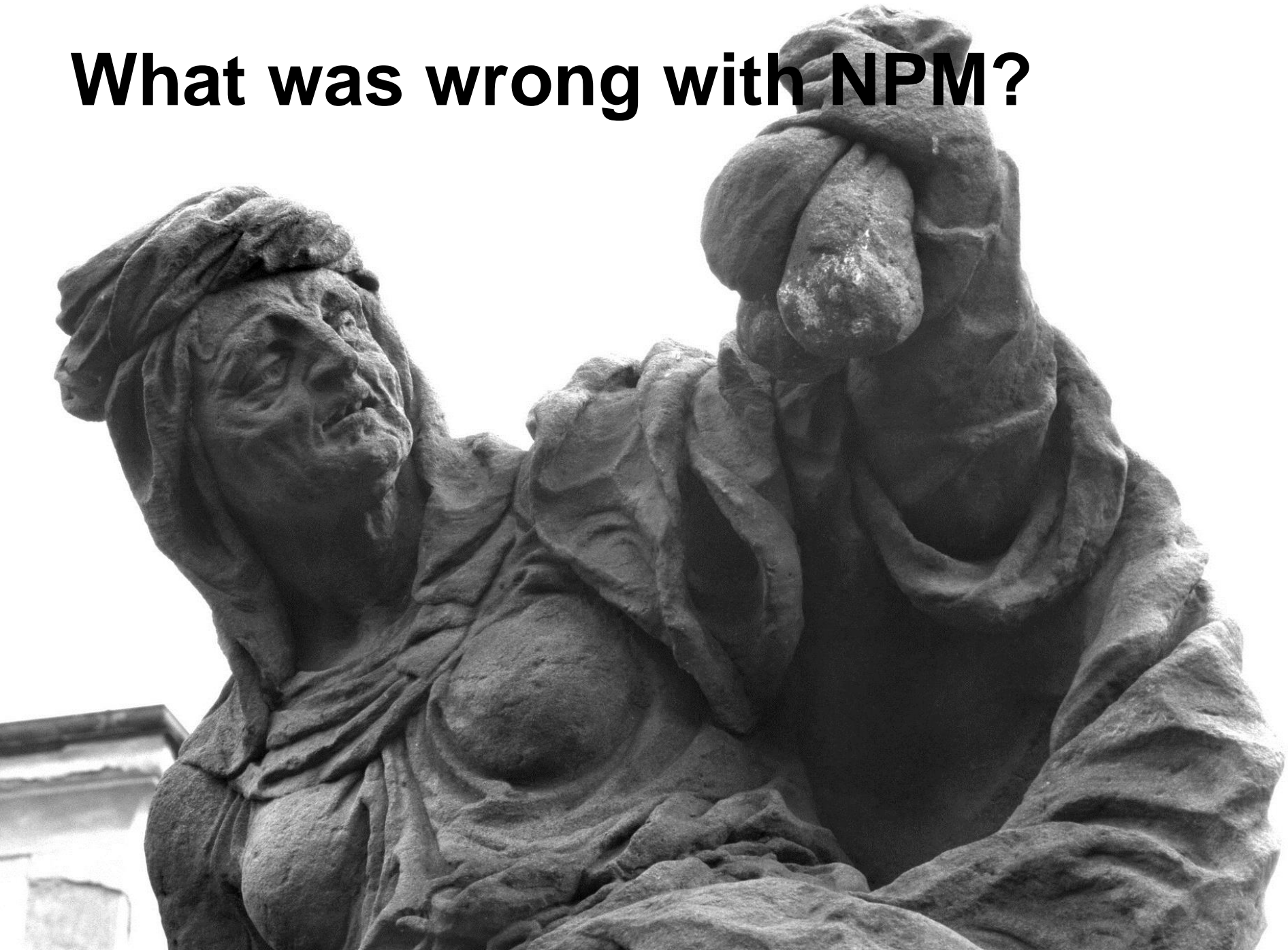
- In 1995, it was still possible to believe in NPM, although there were first strong and substantial critiques
- In 2000, NPM was on the defensive, empirical findings spoke clearly against it
- In 2005, NPM was not a viable concept anymore
- Since then, debate about post-NPM
- Network Governance, Neo-Weberian State, New Public Governance...







# What was wrong with NPM?



# What was wrong with NPM?

- difference of state and private sector not understood
- thus, most basic requirements and advantages of the State mistaken for a liability
- mis-definition of efficiency
- even business-efficiency failure
- not based on genuine economics
- unspecific view of the human person









United Nations High Commissioner for Refugees

UNHCR









**Already F.W. Taylor, the father of the concept of Scientific Management, one of the bases of NPM thinking, explicitly excluded the senior managerial level, where it would not work**



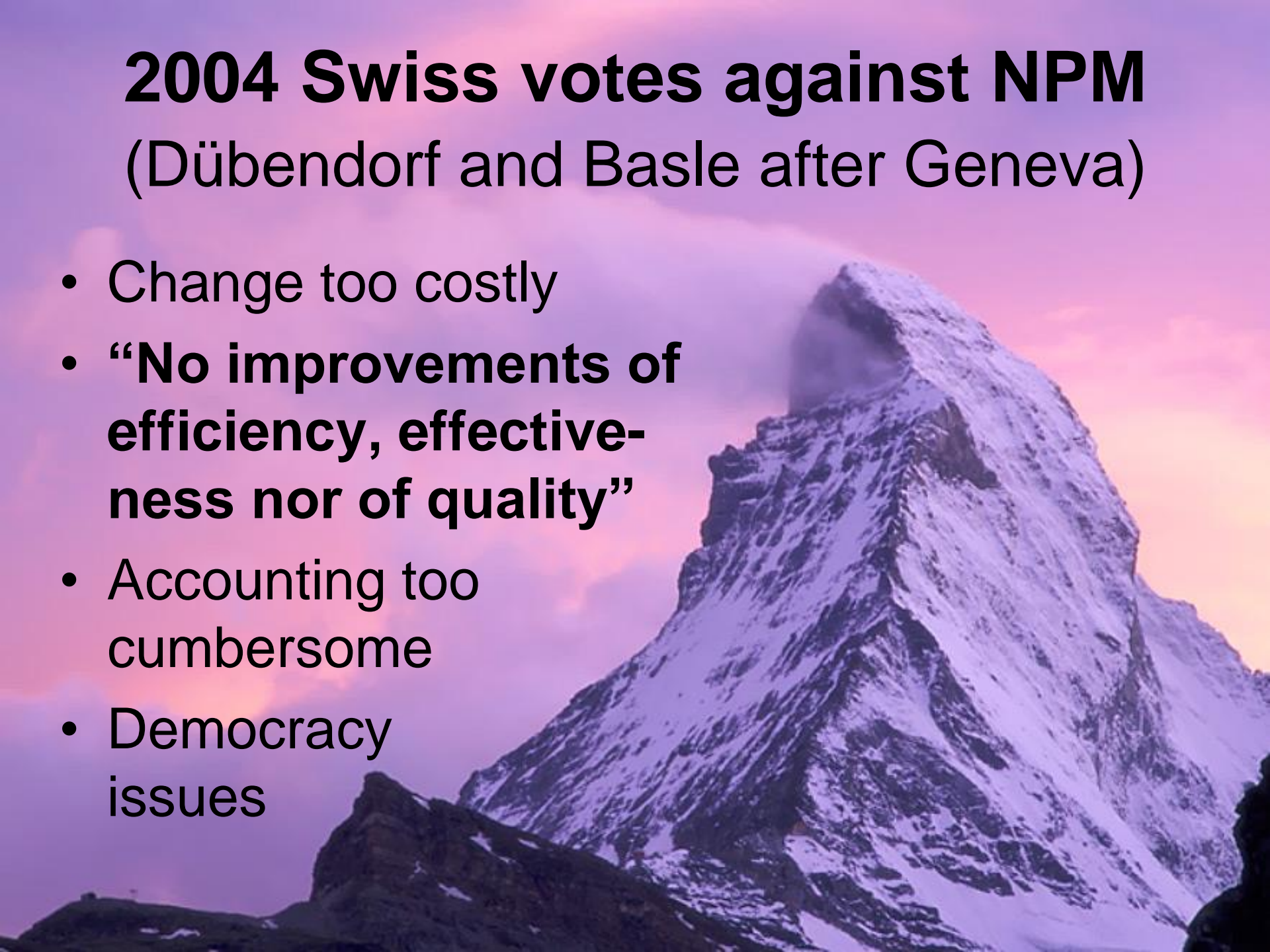




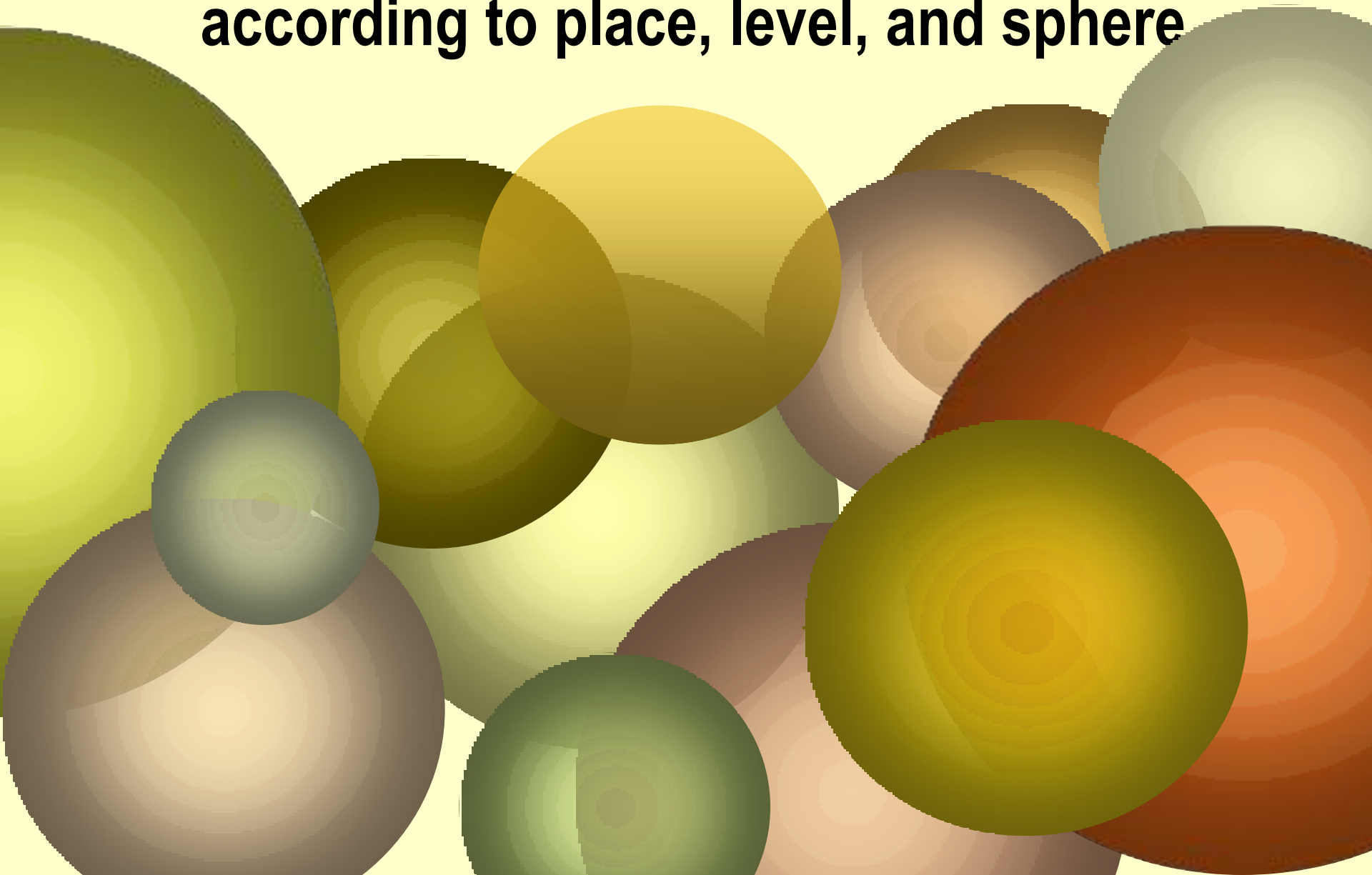
# **2004 Swiss votes against NPM**

(Dübendorf and Basle after Geneva)

- Change too costly
- **“No improvements of efficiency, effectiveness nor of quality”**
- Accounting too cumbersome
- Democracy issues



**Of course, this awareness was different  
according to place, level, and sphere**





# The key NPM countries



- **If anywhere successful, then here**
- **Prominent but not successful**
- **Successful in looking like NPM**



**Good  
Governance**







# Why did NPM lose ground so relatively quickly?



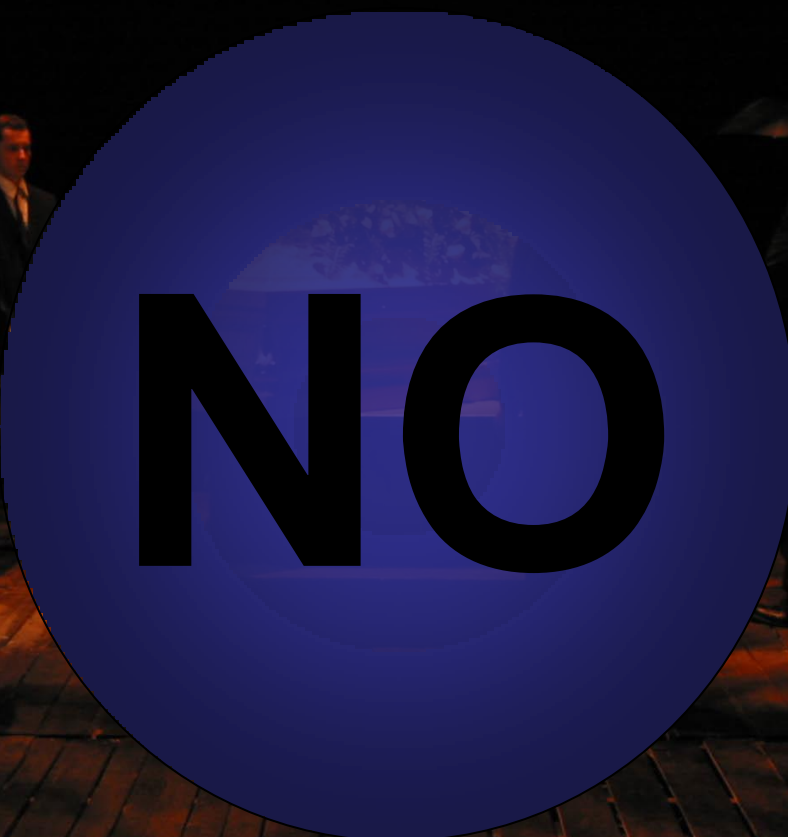
Heterogeneous field of scholarship

Small field, small pyramid; top matters

Pre-NPM leftover resistance

Reality connex

# The Death of Managerialism?



**NO**





# The State is neither dead nor incapacitated

- Globalization as challenge to State structures (widely understood) – does not make them obsolete
- resilience of the State since 1989
- EU as State









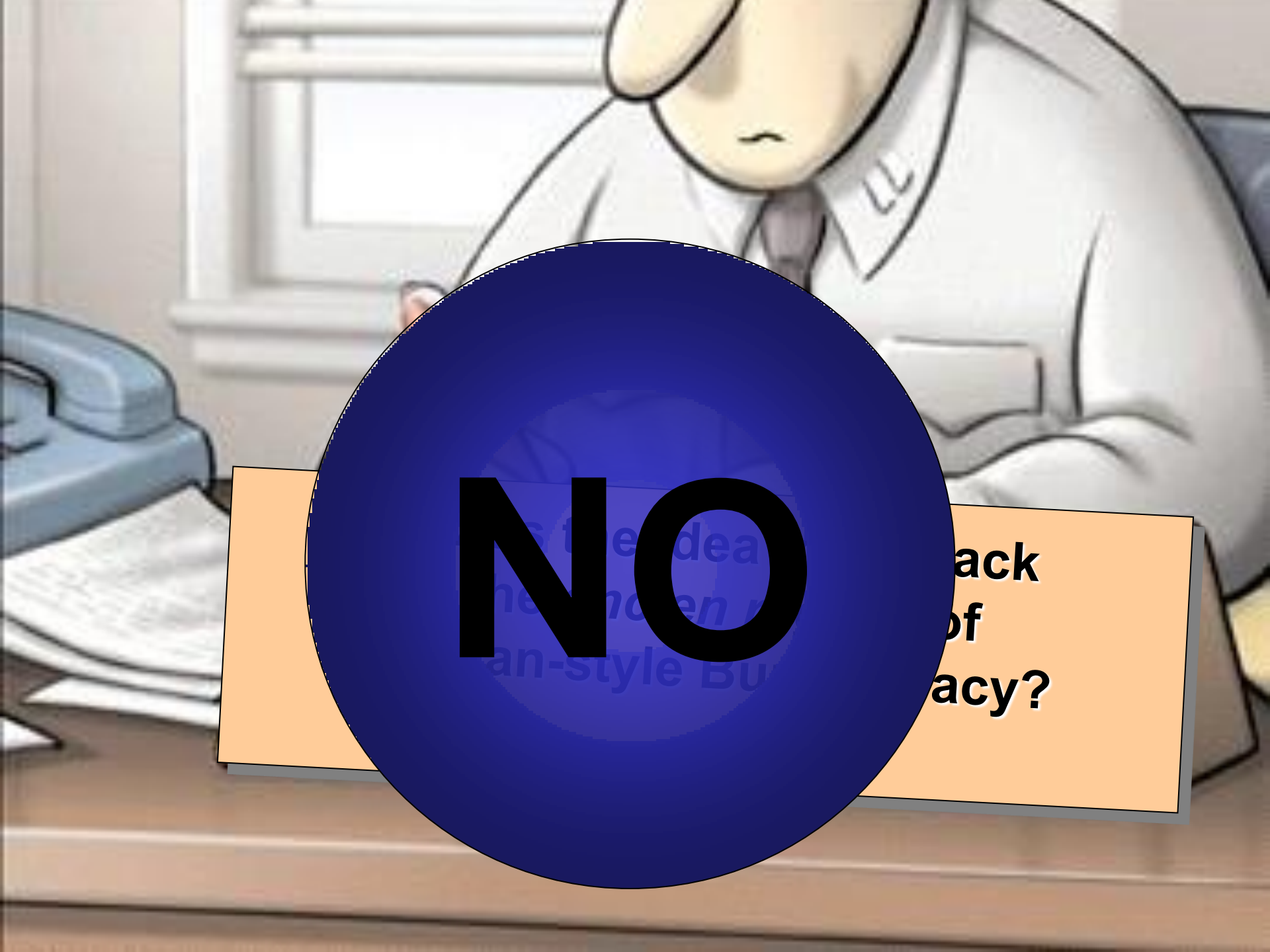
Evans and  
Rauch's study of  
35 developing  
countries (1999):

**‘Weberian’ PA characteristics  
significantly enhance prospects  
of economic growth**



- So, we looked again at Weberian PA, the *bête noire* of the NPM
- a problematic label, as NPM presents a caricature of it
- Max Weber himself did not even particularly like this model of PA
- he just thought it was the most rational and efficient one for **his** time



A cartoon illustration of a man in a white shirt and tie sitting at a desk. He has a large, prominent nose and a slightly sad or weary expression. On the desk in front of him is a blue rotary telephone and a stack of papers. A large, dark blue circle with a white border is superimposed over the center of the image, containing the word "NO" in large, bold, black capital letters. The background shows a window with horizontal blinds.

**NO**

ack  
of  
acy?

**Of course there have  
been changes since the  
end of World War I, and  
there have been  
adaptations of the  
Weberian system**

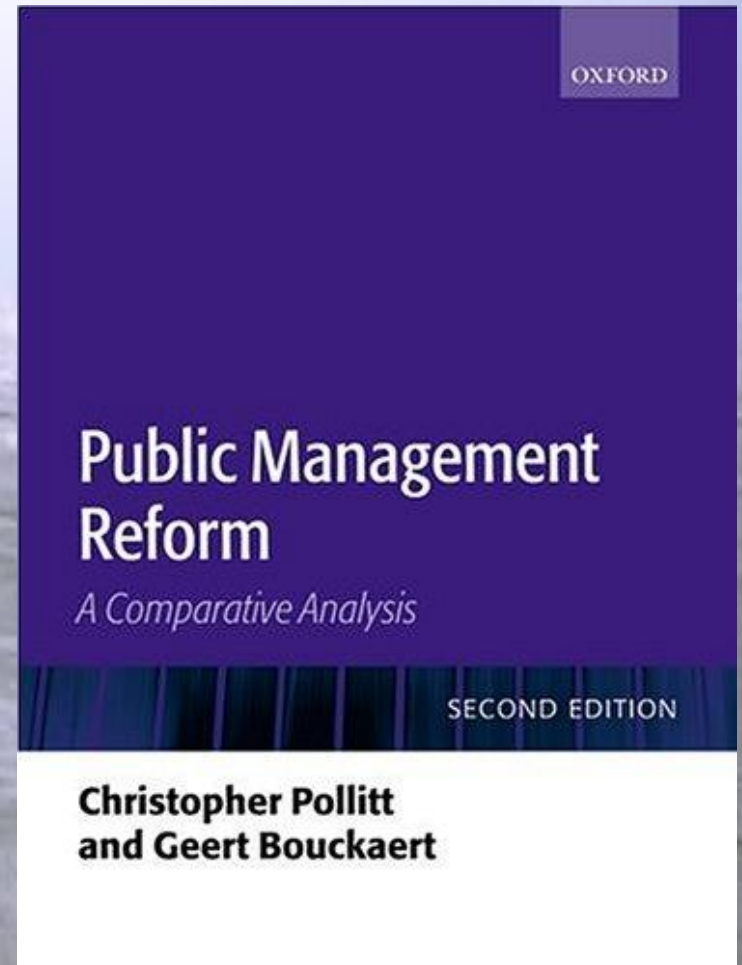




# **Neo-Weberian State (NWS):**

**A specifically European  
Model of contemporary  
good Governance**

# Neo-Weberian State (NWS)





# NWS: “Neo”-Elements

- shift to citizen orientation, not via market but quality and service culture
- supplementation of representative democracy by direct citizens' input
- results orientation rather than following procedure
- professionalization of public service, from legal expert to professional manager, focused on needs of citizen

# NWS: Weberian Elements

- reaffirmation of the role of the state as the main facilitator of solutions
- representative democracy  
legitimizing element within the state
- administrative law to preserve the basic principles of the citizen-state relationship
- idea of a public service with a distinct status





NPM

ses

- project



**NPM HAS THE SAME LANGUAGE  
AS THE WAY OF THINKING  
THAT LED TO THE CURRENT CRISIS**

- total
- contract
- performance





A nighttime photograph of the New York Stock Exchange building. The image shows the classical facade with its pediment and columns. A dark rectangular box is superimposed over the center of the image, containing white text. The text reads "NPM is the PA of the Crisis!".

**NPM is the PA  
of the Crisis!**



Let me get this  
straight... you want  
to offer us advice  
on PA reform?

BUSINESS  
BANKING

Nick ANDERSON ©09-21-05  
HOUSTON  
CHRONICLE







**Public  
Debt**



**Vital PA  
Competence**

Further away from the State

**Public  
Debt**

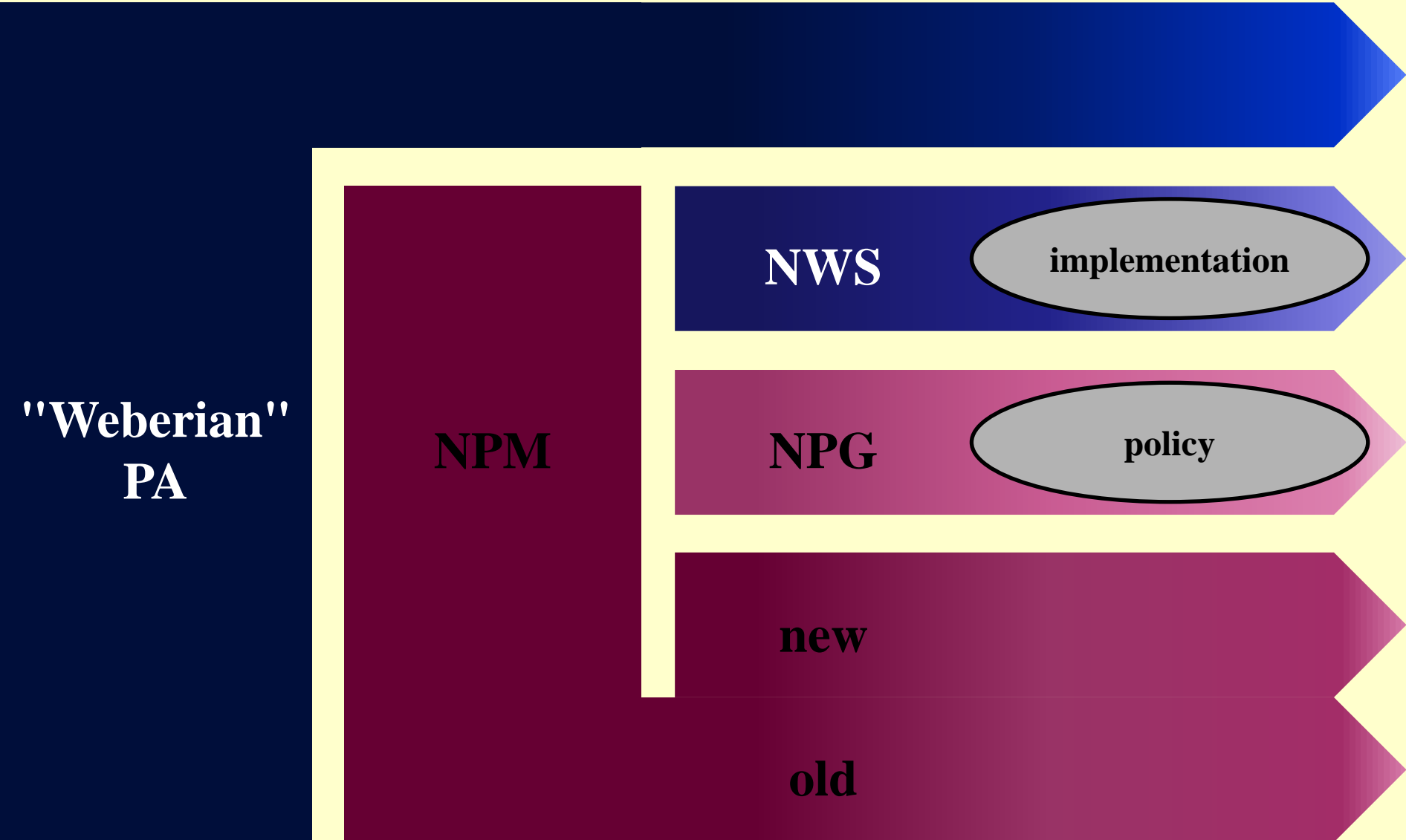
**NPM**

Back to the State

**Vital PA  
Competence**

**NWS**









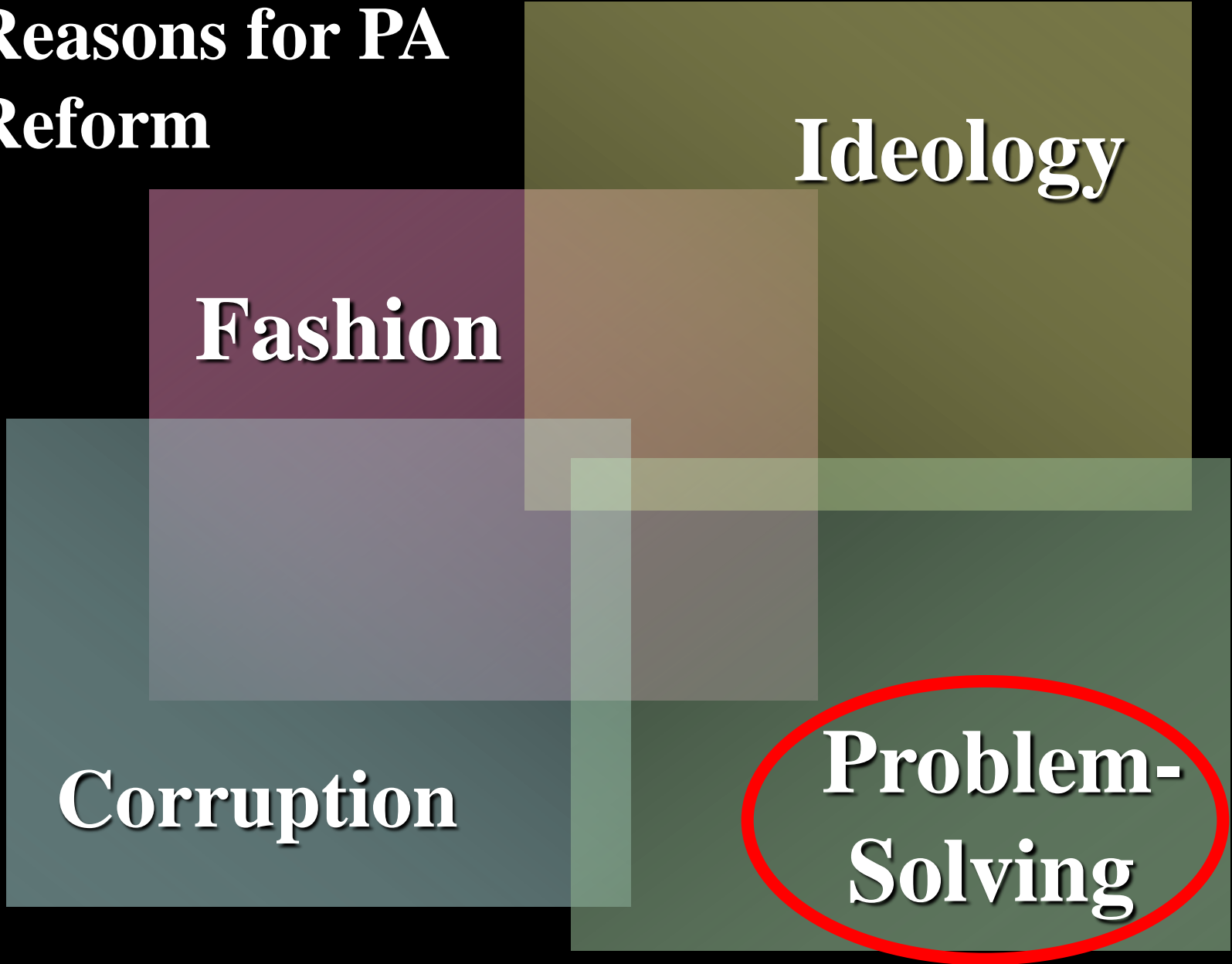
# Reasons for PA Reform

**Ideology**

**Fashion**

**Corruption**

**Problem-Solving**



# **Reasons for PA Reform in Central and Eastern Europe**

**Modernist  
Positioning**

**Tactics  
(Dismissals)**




# NPM 2013:

Ideology

IGNORANCE  
Corruption

Tactics





# **The Rise and Demise** and partial Ressurrection **of the** **New Public Management**

**Thank you for your attention!**

[wolfgang.drechsler@ttu.ee](mailto:wolfgang.drechsler@ttu.ee)