

What was there New in Public Management?

Speech of prof. Roel Bekker at the High Level Conference 'Challenges in coordinating and governing public services in times of crises and reform. International lessons and policy recommendations by COCOPS', Brussels 9 December 2013.

In 1970 I started my career as a civil servant. I had studied Law in Groningen and joined the Legal Department of the Ministry of Housing and Physical Planning. I was a typical baby-boomer, 23 years old. The world in the ministry was rather relaxed. My job was to prepare Royal Expropriation Decisions and letters of the minister about building permits, that kind of legal work which was not too difficult and not too hectic. All the lawyers in the Legal department wrote their letters by hand, these letters were corrected by our boss and sent to a central typewriting unit in the north of the Netherlands. After 5 to 6 weeks you could see a copy of the final version in the files that circulated. We had only one typewriter in the Legal department, used by the secretary. And there was one additional typewriter that was used by an old colleague who wrote the newsletter of a local automobile club on this machine during working hours. That was much to the amazement of me and a fellow young colleague. But our boss explained to us that it was much better for the State when our old

colleague spent his time doing work for the automobile club than doing legal work for the ministry.

There was no management within the ministry, no control or coordination, no quality control, no procedures. Some people worked very hard and others didn't. That didn't matter so much because there were enough people. The civil servants didn't use their first name, only the last name was used. They earned a salary which was reasonable but not great. You got your salary in cash in a brown envelope that you had to collect in a special room in the ministry.

Rewards were mostly in kind whereby an additional window in your office was almost the highest you could achieve. And after 25 years of loyal service you were decorated. You were supposed to start your career in the legal department and finish it there 40 years later, that was the normal procedure. Some became chief in that period, especially when they survived and had done nothing wrong.

Things changed immensely in the seventies when we had a Cabinet that wanted to change the world and a lot of other things too. Though they were obstructed by severe political and economic problems and had to face a real Arab oil-boycott, they nevertheless introduced a lot of new policies of any kind, and a whole new way of working which affected not only the political domain but also the quiet and cosy world of the civil service. For the first time used

computers were on a large scale, which gave the opportunity to have a huge system for individual rent subsidies for instance.

In the eighties we got the bill of public overspending on the one side and some other very serious economic problems on the other. Talking about economic crises: we had a severe one in those days. This was made even worse by the fact that nobody knew what the money was spent on. That was the result of spending years and years without proper financial systems and without competent management. I was still in the ministry of Housing and Physical Planning which also had got the responsibility for a completely new subject, Environment. I had seen these awful shortcomings from close by and was amazed by the tolerance of so much inefficiency. Like a lot of my civil servant contemporaries, we were all frustrated by this and couldn't wait to take over and introduce more efficiency, more coordination, more common sense also. We were sure that we could do a better job with much less civil servants, using modern ways of organising and new technologies. That was not because we were ideologically or politically driven or had studied management sciences but because we were ambitious, and kept our eyes open

I had the luck, being one of the early baby-boomers, to become in 1985 at a young age deputy Secretary-General of the ministry. Change had become the key word, change in policies but above all change in the size of the ministry, the

quality of its staff, the use of computers, the proper control and accountability of budget, change in communication and in our international outlook. That was a fantastic time only hampered a little because of the fact that I didn't know where to begin and what to do. We had to introduce serious management in order to get things under control, to implement cuts in the budget and in the staff, to prepare huge computer-systems, you name it.

Inspiration we got from everywhere and we, the senior civil servants, had a lot of freedom to find our way. Politicians did politics, we did the management of the government, and proper administration was shared between us on the basis of trust. There were consultants, perhaps too many, but they could learn sometimes more from us than we from them. There was not a handbook, there was no method. But we learned a lot from each other, I had a very important network of colleagues of my generation and we exchanged a lot of information. Information we also collected during study-tours abroad, which were still possible and not looked upon as suspicious those days, enriching us with a lot of ideas.

Private enterprises belonged to those networks and I could have meetings and even lunches and dinners with people from private companies in which I gained very useful insights which helped me to do my job better. I for instance was member of the board of the Netherlands Foundation for Management

Development (NFMD) in which some big private and public employers discussed about management development. Interesting to see that they sometimes could learn from us to the same extent as we from them.

Change, that's was the word, and that continued in my later career, for six years interrupted because I joined a consultancy firm and was paid much better for almost the same kind of work I did as a public manager. Differences between the public and private sector are sometimes not that big. In 1998 I joined the government again, this time as secretary-general of the ministry of Health, which I did for nine years. Followed by an appointment as special secretary-general for Government Reform, with the flattering nickname 'the butcher of The Hague' which clearly demonstrates what the priority of my work was in the eyes of the public. Again my job was to come up with and implement change as I had done since the seventies. And again I did it in the same way, using more my intuition than outside consultancy, using more inspiration from good examples than any kind of managerial theory. As a matter of fact, it's also the way I do my job as a professor in labour relations in the public sector since 2007.

Which brings me to a confession I have to make, that I almost don't dare to make in this company of highly distinguished scholars. It's a confession about this New Public Management-thing that so very much dominates the discussion

among students and scholars of public administration. My confession, I only dare to whisper it: there was no New Public Management! At least, it was until I became professor that I for the first time became aware of the existence of this concept. Students mentioned it when I talked about my experiences and supposed that I must have been heavily influenced by this New Public Management- approach. They asked me which books I had read in the past dealing with this and also wanted to hear which private firms we had copied. But I swear: I had never heard of it, in the way it is described or talked about today . And I hope to have made clear to you that among practitioners, and I am a real one, there was not any discussion -let alone any guideline- to operate according to a specific method, called NPM.

Most of the changes had completely different roots, that was so in the past and also in recent history when I was in charge of public sector reform. Our incentives had not so much to do with ideas about any kind of new public management but were very much the result of changes in society in combination with people inside government and especially inside the civil service who didn't accept inefficiencies anymore, who wanted something new and modern, using the most advanced tools available. People who were much more interested in communication than in broadcasting. People who were deeply frustrated by old fashioned organisations which really deserved the

name bureaucracy. Organisations for which co-operation was an unknown word, and everything was focused on defending someone's own territory.

Let me give you some examples. When I started to work in Health in 1998, I discovered that in the past the management of Health policy on the higher levels had been in the hands of medical doctors because it was assumed that they knew what they were talking about. Hospitals, doctors, pharmaceuticals were the main subjects accompanied by very strict tariffs to check expenditure as much as possible. Which was not very much by the way. The counterparts were clear: the organisations of hospitals, doctors and pharma, and the sickness funds. Policy was about health care, not about health. Policy goal was to introduce new medical treatments while hoping for budgetary miracles. The result: beautiful, be it too many hospitals and a happy, very well paid medical staff that was allowed to keep their income high by maintaining by themselves their monopolies.

We changed that. There had been a lot of initiatives that had to incubate for a long time. But finally the time was ripe and effective ministers and state secretaries could finalize what we had prepared. Health became more important than health care, incentives were introduced to control the budget much better than tight tariffs. We started to measure the outcomes and realised that we had to increase prevention and healthy lifestyle as much more

worthwhile methods to increase health than additional hospitals. The market was used for chances and opportunities in health policy, and not treated as a threat, as it was seen by so many in the past who had forgotten that the most important medical device ever had become such a big success because of the fact that it was completely market driven: the eye glasses. We had to find new allies: other ministries, municipalities, insurance companies but also client organisations.

I think we did a great job in a splendid cooperation between politicians and civil servants. A survey last week of a Swedish Research Institute, the Health Consumer Powerhouse, showed that our health care is number 1 in Europe. But we are still –and hopefully will remain- in the process of change. Has that change had any relationship with NPM? Or was NPM perhaps nothing more than a label on the developments that were driven by completely different factors?

Another example. When I was deputy Secretary-General of Housing, Physical Planning and Environment in the eighties we started a lot of outsourcing and privatisation, in my ministry and in other ministries as well. Especially the privatisation of Telecom was a big one which everybody liked very much since everybody was very negative about the bad performance and the substandard service of the State Telecom Company. I for instance had to wait two years for

a telephone connection when I started as a civil servant, and it was only through a letter of my secretary-general to his colleague of Traffic and Transport (where Telecom was a part of) that it could be done six months faster.

But also in my ministry we privatised a lot of the work we were not so very good in, thereby taking profit from the rapid evolutions outside. We outsourced a lot of support activities, like cleaning, catering, security but also transport and IT, not so much because we had read about a NPM-method or had attended some seminar with private consultants. But very much because we were convinced that we better concentrate on policy making which was already difficult enough. And because we used our common sense and realised that ministries are very efficient in policy making but not very efficient in running restaurants or in cleaning offices.

It is my sincere conviction that this approach has been a tremendous success.

Of course there have been mistakes and even scandals in the privatised area or with outsourcing as well, but I can assure you that there have been also mistakes and disasters *within* government that only not became public because of the huge stealth qualities the government has in hiding failures or to reframe them in such a way that they sometimes seem to be even successes. Was it

NPM? Or was it just common sense and picking up sensibly developments in society?

A third example. It was autumn 2006. Political parties were preparing for the elections end of that year. They played the traditional tunes of bureaucracy bashing. But this time the tune was a little different. Traditionally the right wing parties wanted to reduce vast numbers of civil servants and the left wing parties were in favour of an increase. The civil service could wait and see, as it had often done in the past, knowing that things would end up somewhere in the middle. But this time it was different, the Labour party announced more cuts than the Liberals. We had a thorough discussion in the Board of SG's about what to do, and finally decided to take the initiative. After the elections we proposed a plan to the coalition parties that was gladly accepted since it solved a remaining budgetary problem on the one side and satisfied their appetite for change on the other.

The plan was rather simple: smaller and better. We proposed to reduce the size of the civil service in four years with 15.000 jobs on a total of 160.000. By the way: the cabinet finally decided to cut only 13.000 jobs, the first and only example I know where politics decided to cut less civil servants than the civil servants themselves had suggested. And we proposed improvement by getting rid of the traditional boundaries of the ministries. 'Away with the silo's', was

the title of our report. While accepting our proposal, the cabinet also decided to appoint a special Secretary-General –a civil servant and not a minister or state secretary- for implementing it which became as I already told you my job.

Our plan focused very much on management, much more than on political changes or policy strategies. Management used to be the exclusive domain of the individual ministries. They could hire their staff, buy their own computers, rent their own offices. We even had in the past a ministry with a tailor made word processing program because they thought that their language was so very special that they couldn't use Wordperfect. We set up a couple of government wide shared service centres, for HRM, for ICT, for communication, for accountancy et cetera. We changed the way civil servants were appointed. They used to be appointed in the service of a ministry, but we changed that into an appointment in the service of the government as a whole. We reduced the number of job descriptions. We used to have more than 30.000 job descriptions, which is the maximum of inflexibility. Today we have less than 50, which has increased flexibility and mobility a lot. We invested in the General Civil Service Agency and especially the Top Management Group, also introducing a special unit of senior civil servants who could be used for all kinds of general assignments. We merged the offices of the ministries and concentrated all the core departments on a walking distance of each other in

the centre of The Hague, at the same time decreasing their office space by almost 50%.

As a clear symbol of our intentions we also proposed to abandon the more than 110 different logos that were in use across the government and replaced it by one single logo for all government units. 'One Government', that was what we emphasized. Was it NPM or any other method? Had it anything to do with ideology? I don't think so, it was just our ambition to improve the government with an open eye for what was going on in society and in politics.

As you must have noticed I very often stressed the importance of initiatives of the civil service itself in relationship with developments in society, rather than ideas from the science of public administration or any broad political wave of ideas, visions or hypes about government. NPM is to me more a historical description of some similar developments in government in the same period than a useful method, model or theory. It's often used to express a negative sentiment about changes in government and about management in general. More interesting is in my view what the Public Administration Science can and should contribute to developing new ideas and training the best and the brightest for our public service. Public Administration as science plays today only a minor role in innovation of the public sector, its management, its productivity, its communication with society. If one would assume that it is at

the forefront of developments and of the immense changes we have to implement, then one would think that students of Public Administration would qualify for the highest positions in government or for new trainee-programs in massive numbers. But the opposite is true. In the Netherlands we still have a trainee program. In 2012 only 22 % of the trainees had studied Public Administration, a number that even decreased to 18 % in 2013. And I must add to it that also those Public Administration students have to follow a severe additional training in order to make them fit for the service, since a number of basic skills are not part of their curriculum.

To conclude. I don't believe so much in discussions about the government of the future. And in contrast with politicians I don't like very much describing change of government in terms of an operation, an operation on a sick patient who walks away healthy after being treated. Change of government is a matter of permanent reform, not so much of reinventing government or developing a blueprint for some kind of futuristic organisation. It's about improving continuously the quality of the staff, making it fit for purpose and increasing its sensitivity for changes in society. Crises are not something we face today for the first time as some people seem to think, we had a lot in the past and a lot of other turbulence as well, and we managed to tackle that efficiently with a good mixture of politicians and civil servants. Civil servants, on all levels but

especially in the higher ranks, have the responsibility to take initiatives themselves, not to wait for political orders. The traditional characteristics of the civil service, like political neutrality, continuity, competence and 'speaking truth to power' still have a great value for improving society and delivering good public services.

Last year I wrote a book about top civil servants. I compared top civil servants with marathon-runners. Those among you who have ever run a marathon must recognize this. It takes a lot of time, you need stamina and you should not start too fast. You have to run without public most of the time. But it's great. I compared politicians with sprinters, who indulge in a brief explosion of energy in a full stadium. Both are doing athletics, both can't be missed during the Olympics, but there are differences. It's only at the end of the race that sprinting is essential, the biggest part is just hard work. You better not forget that, also not in public management.