

BOOK REVIEW

Michael Barzelay (2001) *The New Public Management: Improving Research and Policy Dialogue*. Berkeley: University of California Press.

Michael Barzelay (London School of Economics and Political Science) gained considerable scholarly attention for his book *Breaking Through Bureaucracy* (1992). His latest book began as an invited lecture delivered in 1997 in tribute to the late Aaron Wildavsky at the invitation of the Goldman School of Public Policy (GSPP) at the University of California, Berkeley. GSPP hosts the Wildavsky Forum annually and Barzelay's lecture was the third in this series.

What Michael Barzelay is concerned with most in *The New Public Management* is (a) how the ways in which analysis and argumentation about NPM are structured, (b) what models and assumptions are chosen as the basis for evaluating NPM reform, and (c) the extent to which research on NPM can make a genuine contribution to our understanding of public management and public sector reform. The essential theme is that to improve our thinking and research on NPM, it is necessary to define and structure more carefully the dialogue and methodological approaches we use to engage in this effort. To do this Barzelay suggests a framework within which more meaningful dialogue can take place.

Barzelay acknowledges that his thinking about NPM, and public management more generally, has been influenced considerably through participation in various conferences and workshops, some sponsored by the International Public Management Network. In addition, he notes the contributions to his work made by a number of colleagues and scholars who provided advice on how to improve his manuscript during the three years between delivery of the Wildavsky Forum lecture and its publication. While these acknowledgements are undoubtedly deserved, credit for the insight provided in this book belongs to the author as a result of the level of effort he has devoted to understanding the arguments and modes of analysis employed by other scholars who have written about NPM, the sophistication of his analysis of dialogue, and his ability to structure his own argument.

Reading *The New Public Management* is intellectually challenging and rewarding for several reasons. As the author points out, while many scholars generally understand what they mean when they discuss and write about various aspects of NPM theory and practice (see, for example, Borins, 1998; Thompson, 1997; Kettl, 2000), for some others the definition of what NPM constitutes is somewhat amorphous. The book resolves this dilemma to a considerable extent for those persuaded by the author's argument. Additionally, the book is rewarding for readers who have some comprehension of public policy and management as an academic discipline and have read the work published in the field. Barzelay's writing style is impeccable and his ability to synthesize the works of others as he structures his argument is admirable. The book is challenging because it provides a rigorous examination of the basic premises upon which New Public Management has been conceived, discussed and written about for more than a decade. The author scrutinizes a number of works that have diagnosed NPM from a variety of viewpoints. While some authors whose work is cited, summarized and analyzed in *The New Public Management* may not agree with

Barzelay's interpretations, few, if any, will accuse him of failing to treat their arguments seriously. However, the most significant reward obtained from reading this book comes from comprehension of the author's framework for analysis of NPM. In *The New Public Management* Barzelay provides a valuable contribution to the field of public policy and management not obtainable elsewhere.

The author makes it relatively easy to comprehend the structure of his discourse, methodological approach and the basis for his prescriptions for improving thinking and dialogue about NPM by summarizing the contents and flow of the book clearly in the preface and first chapter. I am reminded of W. Somerset Maugham's advice to would-be authors -- that every story should have a clear beginning, middle and ending. This book passes Maugham's test with flying colors. Barzelay begins by explaining how NPM has been characterized in the public policy and management literature. His view is that interpretations of what NPM constitutes evolved from three streams. The first of these was, "...a body of doctrinal beliefs" (Barzelay, 2001: xi) promulgated by "econocrats" and "consultocrats" (Hood and Jackson, 1991) in response to the failure of Progressive Public Administration to provide answers to, "...what to do questions in government." (Barzelay, 2001: xi) This stream also was driven by rapid communication around the world about what may be termed "the New Zealand experience." (See, for example, Boston, et. al., 1991; Boston, et. al., 1996; Pallot, 1998; Kettl, 1997; Jones and Schedler, 1997; Gill, 2001; Jones, Guthrie and Steane, 2001) A second and contrasting stream in Barzelay's view (a set of beliefs versus organization and management theory, e.g., New Institutional Economics or NIE), that was much more analytical and prescriptive, advocated NPM as a framework and set of concepts to guide management decision making in government (for example, Aucoin, 1995). The third stream explained that NPM constituted "...an empirical style of organizing public services" (Barzelay, 2001 citing Hood, 1994) through reliance more on markets or "quasi-markets" that would emerge, if allowed, in various sectors of government service delivery.

Explaining what is either wrong or absent of sufficient value with these streams to assist our understanding of NPM constitutes part of Barzelay's endeavor. While recognizing the contribution to the field of public policy and management made by scholars interested in NPM, Barzelay characterizes the NPM literature as having wandered in many different directions, leading to less rather than more clarity of understanding about the subject of analysis. This has lead Barzelay to doubt the value of this body of work in terms of its, "...scholarly achievement and practical utility." (Barzelay, 2001: xii) How can the task of comprehending NPM be better addressed? Barzelay espouses that NPM must be analyzed in parts rather than holistically, that better empirical research designed to explain NPM experiments is required, and that, "substantive analysis...requires a genuinely interdisciplinary dialogue" (Barzelay, 2001: xiii) that has not yet taken place.

The author's effort to address the task he defines is, firstly, to apply a political science framework that he refers to as public management policy making to analyze changes in government institutional rules resulting from the adoption of NPM-oriented reforms around the world. His objective in chapters two and three is, "...to explain public management policy choice" and to demonstrate that the methodology of political science can contribute to analysis of NPM to a greater extent than many scholars recognize. Secondly, in chapters four and five Barzelay addresses variables that have

constrained, "...the potential for scholarly discussion of NPM to evolve into a genuinely interdisciplinary conversation about what-to-do questions in public management." (Barzelay, 2001: xiii) One way to correct this problem is to, "...provide an intellectual strategy" to address, and to perhaps reconcile disparate approaches to analysis of NPM taken by economists versus public administrationists. Barzelay's objective is to assist in causing public management to become recognized as a legitimate field of public policy.

What else does Michael Barzelay propose to better focus scholarship on NPM in the interdisciplinary field of public management? The keys to Barzelay's prescription are found in his final chapter. He begins here by stating that NPM is most concerned with policy intervention in the executive branch or function of government. He notes that the NPM literature concentrates most on systematic analysis of management policy, and that the policy domain of concern typically is the government as a whole and its institutional rules and routines. He states that NPM is, "...thus rooted in ...systematic management and policy analysis." (Barzelay, 2001: 157-158) What does he say is wrong with the dialogue about NPM? One part of the problem is related to how NPM evolved, which Barzelay describes as to have taken place in seven phases. The result of this evolution is the tendency to view NPM as either a, "blue print approach to policy design," or as, "...an Anglo-American approach to public management policy." (Barzelay, 2001: 161) He concludes that a resultant problem is that of attempting to conceive and analyze NPM as a trend or a wave of reform. (Jones, 2001) To improve thinking and discourse about NPM, Barzelay believes this conception should be rejected. He offers a number of suggestions that, if followed, would lead to improved understanding.

The crux of the author's recommendations consists firstly in explaining how one scholarly work does what he think should be done. He demonstrates why Allen Schick's study of reform in New Zealand. (Schick, 1996) provides the type of analytical approach and analysis that Barzelay believes is most helpful for understanding NPM. Secondly, Barzelay explains how advances in the disciplinary areas of strategic management, management accounting and management control may be employed to address policy management problems. Thirdly, he tells us to learn better from experience, i.e., to concentrate in particular on how reform is or has been conceived of and characterized, and to focus more on outcomes. In my interpretation, he exhorts scholars to examine empirically the reform context, methods, strategies, tactics, etc. to explain how, why and the extent to which various conceptions guiding reform, and the methods used have succeeded or failed. Fourthly, Barzelay advises that the New Institutional Economics (NIE) should not be accepted solely as an adequate "intellectual foundation" for assessment of NPM. "The vitality of NPM as a field of policy research depends crucially on broadening its intellectual foundations beyond economic theories of organization while safeguarding the advantages of the economics approach." (Barzelay, 2001: 167). Similarly, the conception of NPM as a conceptual model in itself must be discarded. Fifthly, Barzelay advises scholars to move beyond studies of individual governments or entities to the conduct of broader comparative research. This is exemplified in the work of Frieder Naschold in my view (Naschold and Daley, 2000). Barzelay expresses the hope that political scientists and scholars in public administration will see the value of conducting research in the way he advocates to the extent that they will be more interested in doing it in the future than they have been in the past.

This is only a brief synopsis of what the author tells us about how to improve dialogue and research on NPM. Readers of this review might ask, "So, where is the magic silver bullet to solve the problems the author identifies?" My response to this question, if asked, would be twofold. The first is that to do what Barzelay recommends is much harder than to explain what should be done. If this were not the case, the literature on NPM already would be much more insightful, better focused and more concise than it is presently. The second answer is that in this review I cannot render the persuasive richness of the manner in which the author develops his argument. An attempt to do so might expose my inadequacies as a reviewer, but the greater risk is that to reveal too much might reduce the likelihood that consumers of this review would decide to carefully read the book. Let me say unequivocally that there is more than one silver bullet in this work. One of these I will pursue is how Barzelay addresses the issue of accountability and NPM, a problem identified as critical by a number of scholars. (See, for example, Behn, 2001; Lynn, 1998)

A clue to finding Barzelay's answer to the question of how to sustain accountability while trying to make government more efficient lies in the author's stress on the importance of concentrating on policy outcomes and the extent to which they are observable. He enters this discussion by contrasting the approaches to evaluation of NPM based on the assumptions underlying the organizational typology of James Q. Wilson (Wilson, 1989) and the assumptions supporting the work of Peter Aucoin (Aucoin, 1995) He contrasts these approaches to that of Allen Schick (Schick, 1996). The contrast is to an extent a contest between the value of using assumptions that support principal-agency theory versus those underpinning management control theory to assess NPM.

A critical element in the dialogue on NPM that critics tend to overlook is that one of the primary objectives associated with NPM-type reforms is to improve accountability. Ideally, because NPM is supposed to focus greater attention on markets, citizen-consumer satisfaction and transparency of government (to make what government does and data about performance more visible to citizens) than the regimes it replaces, i.e., NPM should result in more rather than less accountability of government to citizens. Whether this has occurred in nations that have implemented NPM-oriented reform is an important question. According to Scott (2001), Gill (2001) and others who have participated for a dozen or more years in implementing reform in New Zealand, concerted effort to assess outcomes and citizen satisfaction was not performed well. Instead, far more attention was paid to evaluation of outputs within the government than to outcomes for the citizens it served.

A related issue that has arisen in New Zealand is whether it is possible to evaluate outcomes adequately in the near-term so as to use this information to steer government policy in the right directions. In Australia, outcome evaluation was never really implemented – the focus has been almost exclusively on evaluating the outputs. This leads to conclusions that are not new to policy evaluation and policy analysis scholars, i.e., that evaluating the outcomes of government service is difficult and to expect to perform such assessments satisfactorily in the short-term is unrealistic, and is not likely to produce information of much value to government decision makers. Thus, it appears that Behn (2001) and other critics are correct when they point out that advocates of NPM reform have not yet solved the accountability problem despite having persuaded governments to invest considerable resources in survey research and other techniques

intended to assess the nature of customer satisfaction with the services supplied by government or contractors. Until more and better research is done on how well such techniques yield useful information to service providers, and how citizen satisfaction data are utilized, the issue of whether NPM improves or diminishes accountability is open to question.

Finally, a few words of criticism about the book. In the final chapter where Barzelay states what NPM is most concerned with (systematic analysis and management policy), I would add something like, "...and on alternatives to the bureaucratic status quo, particularly those that rely on market-based solutions to policy problems." As Kuno Schedler has stressed (Schedler, 2001), NPM may be conceived of as a set of instruments or tools in a tool kit. In some circumstances it may be appropriate to apply all, some or none of these tools in attempt to improve management practice. How the tools of NPM are applied depends on the specific nature of the bureaucratic culture, government and governance circumstance and also on the legal, political, economic and social culture within which governments operate (Jones, Guthrie and Steane, 2001: 1-25). Barzelay addresses this, less explicitly than Schedler however, in the final chapter in his advice that what NPM often does, and should concentrate upon, are matters of process and substance from the perspective of policy analysis. I would have liked for Barzelay to have addressed NPM instrumentation and its emphasis on assessing alternative institutional arrangements more directly. Still, perhaps I ask too much. These issues have been addressed widely in the NPM literature and delving deeply into analysis of the specific tools of NPM explicitly was not Barzelay's objective.

Barzelay asserts, accurately in my view, that NPM reform is primarily "concerned" with the executive functions of government. However, the loci and modus operandi of the executive differs under constitutional separation of powers political systems versus Westminsterian systems. Based upon my research and reading of the literature on government reform, this makes a difference in terms of how the NPM reform agenda is developed and implemented. Barzelay does not choose to explore this difference to any great extent, but he does not ignore it either. He notes, "Differences in governmental systems are pronounced, even within the so-called Anglo-American context (as between the Westminsterian-type parliamentary and the U.S. separation-of-powers systems). However, by including public philosophy of governance as a variable in assessing NPM as Barzelay suggests, this "...allows consideration of national traditions of thought about government." And, as noted, he commends the value of conducting more comparative research. He also observes, "...objection that NPM is an Anglo-American model can be laid to rest provided that NPM is conceptualized abstractly as a field of discussion about policy intervention within government," and that "...high standards of argumentation are routinely practiced." (Barzelay, 2001: 170) Having been involved in efforts to sustain such dialogue I may observe that to do so requires considerable concentration on both the subject of analysis and the objective of the discourse.

The most evident criticism to me that one might offer of Barzelay's approach is to challenge his characterization of the three streams of thought and scholarship that have contributed to our conceptualization of NPM. For some, and perhaps many, scholars who claim public management as their primary area or sub-discipline of research and teaching, there is little need to have public management and the debate over NPM embraced by public policy scholars or conceived of as a branch of public policy or political science. (See, for example, Jones and Thompson, 1999: 1-31) From my

perspective, public management owes very much in terms of its origins and fundamental precepts to the evolution of thought in the discipline of management, i.e., to the work of scholars whose primary focus has been on either the actual practice of management, or on theory about practice, in the private rather than the public sector.

Despite these criticisms, for several reasons I understand why Barzelay has made the effort to explain NPM as he has in this book. Firstly, there is a remarkable insight provided in Barzelay's approach that might be obvious to some but not apparent to others. It is that almost every question or issue of public management practice and decision making may be thought of as a public policy problem. In this regard, Barzelay's conception of public management as a part of public policy fits. Secondly, I applaud both his initiatives in attempting to come to grips with NPM in the way in that he has, and for the success he achieves in explaining it as no one else has attempted. I readily acknowledge the need to explain NPM to economists, many of whom are now working in the field of public management. Still, perhaps they need it less than do scholars in political science and public administration. What Barzelay has written is potentially very valuable to those in need of a better understanding of NPM, particularly because the framework for his analysis is constructed on the platform of political science. My reading of criticisms of NPM in various journals, particularly those in public administration, makes it abundantly clear why Barzelay's book should be read carefully by political science and public administration scholars. I am persuaded that NIE helps us deal with many of the issues that some scholars in political science and public administration have not yet grasped. However, my conclusion is to side with Barzelay in believing that to accept any one disciplinary perspective to explain and understand NPM, or public management for that matter, is not wise. Research on NPM and in public management as a field or sub-discipline of scholarly endeavor is necessarily interdisciplinary. Of this conclusion I am certain.

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