Remarks to the Development of Public Administration from the Concept of "Government" to the Concept of "Governance"

K vývoji veřejné správy od pojedí „government“ k pojedí „governance“

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Abstract
Public administration in the European continent is characterized by relatively significant changes implemented predominantly since the 1970s. They are represented predominantly by reforms based on the decentralisation, deconcentration, subsidiarity and global democratisation of public administration execution principles. The another their important aspect is the implementation of several management approaches time-tested in the private sector, mainly on the basis of the so called New Public Management (NPM). It is the conception having the decisive position in the European public administration mainly in the 1980s and the first half of the 1990s. This approach criticized nowadays is more and more replaced by the conception of “public governance” or “good governance” since the end of the last century.

Keywords
public administration, reforms, decentralisation, deconcentration, democratisation, subsidiarity, New Public Management, “public governance”, “good governance”

Abstrakt
Veřejná správa na evropském kontinentu prochází zvláště od sedmdesátých let minulého století poměrně značnými změnami. Patří k nim zejména samotné reformy veřejné správy založené především na uskutečňování principů decentralizace, dekoncentrace, subsidiarity a celkové demokratizace výkonu správní činnosti. Další důležitou rovinu představuje uplatňování některých manažerských přístupů osvědčených dříve v podnikatelském sektoru – zejména na bázi tzv. New Public Managementu (NPM). Jedná se o koncepci zaujímající v evropské veřejné správě dominantní postavení hlavně v osmdesátých a v první polovině devadesátých let minulého století. Uvedené dnes značně diskutované pojedí je od přelomu tisíciletí stále více nahrazováno koncepcí „public governance“, resp. „good governance“.

Klíčová slova
veřejná správa, reformy, decentralizace, dekoncentrace, demokratizace, subsidiarita, New Public Management, „veřejné vládnutí“, „dobré vládnutí“
Objective of this Paper

The author’s main objective is, in part, to emphasize the changes that have taken place in the performance of public administration on the European continent as a result of public administration reforms and, in part, to bring into greater focus some of the discussions conducted by theoreticians aimed at clarifying the direction of administrative activities at the end of the first decade of the 21st century.

Public administration on the European continent, particularly in the last two decades, is going through important changes, characterised amongst other things, in no small degree, by the application of managerial – and in part also marketing – principles. In principle, it can be said that the outlined changes laid the groundwork for the implementation of the concept, which is ever more frequently characterised as “governance”, and very often also as “public governance”, or also as “good governance”, as may be the case. Even though theoreticians are not always in complete agreement as far as the component aspects of the definition of the term “governance”, they are fundamentally in consensus on the standpoint that its key components should include the points contained in the Charter of the United Nations and in the Millennium Declaration adopted by the United Nations, such as:

- “Respecting human rights, civil liberties and the rule of law;
- Freedom of the press, autonomy of mass media;
- Open and democratic political processes;
- Independence of civil society from excessive state interference;
- Transparency of and confidence in all social transactions.”

Michael Duggett, the International Institute of Administration Sciences general director adds the following to the above list:

- democratic accountability;
- rule of law;
- professional integrity and the effectiveness of public services;
- receptiveness towards civil society.

The gradual formation of the said concept represents a rather pronounced change from the aspect of the long-term developmental tendencies of the European public administration. This is because in countries belonging to the so-called continental concept of the performance of public administration – i.e. in the predominant part of the European states – the concept, often designated using the English term “government”, held a dominant position as recently as the 1960s and, in many places, even at the start of the 1970s. The concept of “government” was not infrequently characterised more as a concept influenced by the so-called command model of administration. Under the said traditional approach, some general elements of which reach as far back as to the methods of administration

2 DUGGETT, M., Defining Terms and Delineating the Debate in Global Governance, 2007, p. 15.
performance employed in the 19th and at the start of the 20th century, the main emphasis as far as the activities performed by elected representatives and civil servants was placed almost exclusively on knowledge of the law and on the application of legal regulations. In comparison, relatively small significance was placed on the possible employment of managerial approaches and skills. The approaches, inter alia, to the concept of professional education in public administration applied at that time corresponded to this.

It was not until more or less the 1960s that more detailed discussions began to be held in continental Europe about the necessary modernisation of the performance of administrative activities, which was hindered mainly by the following facts:

- Extensive division of labour at public administration authorities, which led, inter alia, to the excessive selective acquisition, processing, and evaluation of information.
- This resulted primarily in:
  - a tendency to establish often needlessly small organisational units linked with attempts at defending the purpose of their existence together with the complicated ability to resolve the said problem in a comprehensive manner;
  - The fact that the hierarchically arranged spheres of authority and the extensive formal powers of the line managers of the units of authorities had, on more than one occasion, complicated the conditions for utilizing the knowledge and skills of specialists;
  - Vertically arranged management and communication relationships based on the hierarchical structure of the functions hindering inter-disciplinary (i.e. horizontal) co-operation;
  - The making of far too many decisions by central authorities of state administrative.

1 Contemporary Discussions Concerning Conception of Governance

Discussions around the question of the necessary streamlining of the methods of managing authorities were connected, in no small degree, with the prepared and subsequently implemented reforms in public administration. Some approaches and procedures, that had been previously proven successfully in the business sector, began to be gradually introduced as part of these reforms. The application of selected managerial, and later also some marketing principles, proceeded predominantly under conditions of the implementation of the principles of decentralisation of decentralisation, deconcentration, subsidiarity and the overall democratisation of the administrative function. One of the reflections of changing situation became, inter alia, the gradual use of the term “governance” (or “good governance”; as the case may be).

On a European level, discussions around the possible approach to the concept of “governance” have intensified, especially in 2001 with the publication by the European Commission of the English-language text titled “European Governance. A White Paper”\(^3\). In this document, “governance” was characterised as “rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly as regards openness, participation, accountability, effectiveness and coherence”\(^4\).

\(^4\) MASSEY, A., Multilevel Governance: Administering Global Governance in a Differentiated Political Context, 2007, p. 27.
In the White Paper, it is directly noted that: “Today, political leaders throughout Europe are facing a real paradox. On the one hand, Europeans want them to find solutions to the major problems confronting our societies. On the other hand, people increasingly distrust institutions and politics or are simply not interested in them. The problem is acknowledged by national parliaments and governments alike. It is particularly acute at the level of the European Union. Many people are losing confidence in a poorly understood and complex system to deliver the policies that they want... Yet people also expect the Union to take the lead in seizing the opportunities of globalisation for economic and human development, and in responding to environmental challenges, unemployment, concerns over food safety, crime and regional conflicts.”

The British author Andrew Massey adds that the “European Governance. A White Paper of the European Commission” claims that “good governance consists of:

1. **Openness** – whereby EU institutions work in an open manner and communicate widely about their activities throughout the European Union as well as outside of it, they use language that is accessible and understandable for the general public, in order to improve the confidence in complex institutions.

2. **Participation** – because direct democracy is of limited use. The Commission seeks wide participation using what it calls the political chain – from conception to implementation. This participation depends on central governments following the participation method when developing and implementing EU policies.

3. **Accountability** – in the form of better-defined roles in the legislative and executive processes, with each of the EU institutions explaining what it does and what it takes responsibility for. All institutions need to deliver greater clarity and responsibility.

4. **Effectiveness** – which is another component identifying, which policies are effective and timely, delivering what is needed on the basis of clear objectives, an evaluation of future impact and, where available, of past experience. Effectiveness also depends on implementing EU policies in a proportionate manner and on taking decisions at the most appropriate level.

5. Finally, “coherence” is identified in the White Paper as the fundamental component of good governance.”

The actual term of “coherence” is specified by the European Commission as follows: “Policies and action must be coherent and easily understood. The need for coherence in the Union is increasing: the range of tasks has grown; enlargement will increase diversity; challenges such as climate and demographic change cross the boundaries of the sectoral policies on which the Union has been built; regional and local authorities are increasingly involved in EU policies. Coherence requires political leadership and a strong responsibility on the part of the Institutions to ensure a consistent approach within a complex system.”

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It is also stipulated in the document quoted above that “the application of these five principles reinforces these principles: **proportionality** and **subsidiarity**. From the conception of policy to its implementation, the choice of the level at which action is taken (from European to local one) as well as the selection of the tools used must be in proportion to the objectives pursued. This means that before launching a certain initiative, it is essential to check systematically (a) whether public action is really necessary, (b) whether the European level is the most appropriate one, and (c) whether the measures chosen are proportionate to those objectives.”

As stated by A. Massey: “governance is a term that pertains to the activities and processes of government and governing, including the relationship between the state and civil society. The sense in which this term is now used is a reflection of the fragmentation and complexity of the modern state... This term represents the activities concurrently located at several distinct levels of government: local, national, regional and global.”

The following are considered to be the decisive attributes of "governance":

- "access to justice;
- compliance with the due process and the rule of law;
- respect for human rights;
- respect for democratic values and support thereof;
- promoting the issue of rights and freedoms deprivation in the case of disabled people;
- care for the needs of the poorest and the most vulnerable groups;
- tolerance to diversity, protection of the environment;
- sustainability of the results;
- professionalism of public administration.”

In this context, A. Massey emphasised that “changes in public administration throughout the world, often referred to as new public management (NPM), have had an impact on governing and governance. Essentially, however, governing can be viewed as the totality of the interactions involving public and private actors alike, aimed at the resolution of social problems or the creation of social opportunities; servicing of institutions as the contexts for these government interactions; and the establishment of a normative base for all of these activities.”

One of the very important phenomena of the concept of "governance" is considered to be non-profit organisations’ share in the provision of public services (first and foremost in the social field) as well as welfare services, which were previously provided solely by public administration. The afore mentioned A. Massey characterises the given fact by stating that “governance represents the inclusion of the civil society and professional economic and

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social interest groups into the network of the formulation and implementation of policies. This inclusion is not, however, all-encompassing nor is it on an equal basis. Some groups and networks are exclusive and dominant, and this … raises questions about the democratic deficit and the resources available to national governments and to civil society as a whole to compel those participating in governance to be accountable for it. Growth in the number and activities of NGOs is a specific issue, evoked by those who have an interest in keeping governments accountable in a global age, particularly in a situation where sovereignty and thus effective and enforceable law is located at the nation-state level.¹²

The meaning of the above-mentioned long-standing focus is underlined in the Communication from the European Commission of 25 July 2001 with the statement that "civil society plays an important role in giving voice to the concerns of citizens and it helps delivering services that meet peoples’ needs. An important part in this activity is played namely by churches and religious communities. Organisations that establish civil society, mobilise people and support those who, for example, suffer exclusion or discrimination… Civil society increasingly sees Europe as offering a good platform to change policy orientations and society. This offers a real potential to broaden the debate on Europe’s role. This is a chance both to more actively involve citizens in order to attain the objectives of the Union and to offer them the possibility of feedback, criticism protest."¹³

In the theoretical area, there exists, to a considerable extent, concord in the statement that “multigovernance is a reality which exist in several forms and in different contexts. … The concept of differentiated forms of government also recognises the role of regional political organisations, decentralisation, federalism, professional groups, international corporations and other transnational organisations in governance. As a neutral model, it does not express consent or opposition thereto, but merely draws attention to the reality of this situation. … Multilevel governance is thus exercised at a supranational, both on a global as well as a regional level; national level, where the legal origin of sovereignty remains, but from which a great deal of devolution occurred, and at the sub-national level."¹⁴

From the viewpoint of the principle of “good governance” application, A. Massey underlines the fact, already mentioned by M. Omelichová, that “at the local level, with regard to the small form of government or local authority, good governance begins with democratic accountability, but at the global level, this kind of direct democratic accountability is a problem. Global civil society organisations, non-government organizations and others, could (or maybe “should”), according to some observers, endeavour to:

1. be transparent;
2. be responsible for their conduct;

3. be responsible not only for their conduct, but also for their management, the implementation of projects, financial management and reporting of information and policies;
4. operate in an ethical manner;
5. operate regardless of, or rather beyond, the borders of race, nationality, religion, culture and politics;
6. respect and promote individual human rights.\(^\text{15}\)

If we try to summarise the approaches taken by the European Union to the issue of “governance”, it is once again possible to make reference to the Communication from the European Commission of 25 July 2001, which states that:

“Building on these principles, the proposals in this White Paper will:

**Structure the European Union’s relationship with civil society.** A code of conduct for consultation will identify responsibilities and improve accountability of all partners. It will enhance dialogue, and contribute to the openness of organised civil society.

**Make greater use of the skills and practical experience of regional and local actors.** In the first place, this is an issue for national authorities according to their national constitutional and administrative arrangements. At the same time the Union should make fuller use of the existing potential for flexibility to improve the ways European policies are applied on the ground.

**Build public confidence in the way policy makers use expert advice.** The European Union multi-disciplinary expert system will be opened up to greater public scrutiny and debate. This is needed to manage the challenges, risks and ethical questions thrown up by science and technology.

**Support the clearer definition of EU policy objectives and improve the effectiveness of EU policies** by combining formal legislation with non-legislative and self-regulatory solutions to better achieve those objectives.

**Set the conditions for establishing EU regulatory agencies.** These agencies can reinforce the effectiveness and visibility of EU law in the eyes of both entrepreneurs and the public by bringing decisions in some of the most complex and technical areas closer to the sectors affected.

**Refocus the roles and responsibilities of each Institution.** This should help citizens to hold their political leaders and the institutions responsible for the decisions that the Union takes … By adapting governance at home environment, the Union will be able to contribute better to new forms of global governance.\(^\text{16}\)

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2 European Public Administration Reforms and Conception of Governance

One of the characteristic traits of the contemporary performance of public administration on the European continent is the growing role played by managerial approaches contained in the actual concept of the public administration modern performance. The tasks and approaches, which had a decisive role in the success of the public administration reforms, are contained in the key reform concepts. As regards their nature, contemporary theoreticians (in particular, Wright, Flynn, Strehl and Ference), are unified in underlining the seriousness of the following facts:

- *The role of reforms as processes accentuating the positive results of the activities of the public sector and enabling the creation of systems of stimulation connected with a focus on performance.*
- *The fact that the objective of the reforms is to change how the public sector operates, i.e. perceiving the recipients of the services – citizens – also as, inter alia, the consumers of these services.*

In spite of the fact that the reforms implemented gradually varied in their particulars (depending on the specific conditions of individual Member States of the EU), its common components can be characterised by the following facts:

- *Overall improvement of the management of public administration;*
- *Increasing accountability for the financial resources earmarked for administrative activities;*
- *Improvement of the policy for the management of human resources with an emphasis on the growth of their adaptability;*
- *Flexibility and mobility;*
- *Substantially greater emphasis on ethics in public administration;*
- *Use of information technologies, first and foremost in the shape of e-government.*

Realistic consideration began to be given in continental Europe to the possibility of applying selected management principles in the management of public administration only from the 1970s onward, even though certain groundwork for such a procedure was being laid back in the 1960s in part of the Member States of the European Communities. At that time, the members of the then “European nine” lagged behind in the application of managerial approaches, particularly behind the concept of the management of public administration, employed namely in the United States of America and Canada, where the principles of “city management” were gradually being developed since the 1930s and 1940s.

More favourable prerequisites for the use of selected management approaches in the public administration on our continent were only created by the said reforms in European public administration. If we are searching for the causes of the administrative reforms implemented in the Member States of the European Union since the 1970s and in Central Europe since the 1990s, mainly the following facts may be identified:

- *Limitation of the volume of financial resources earmarked from state budgets;*
• **Need to establish and deepen international, border and cross-border co-operation between public administration authorities;**

• **So-called challenges aimed at public administration as a whole, which became namely:**
  + Greater emphasis placed on the role of public administration in environmental protection;
  + Need to resolve, in an integrated manner, the issue of the spread of drugs and the growth in drug addiction, first and foremost among young people,
  + The so-called feminism issue (with an emphasis on the attainment of equal opportunities for men and women in the work process and in public life).

It was namely the more demanding conditions, peculiar to the development of the economies of the Member States of the European Communities in the 1970s, which exacted the gradual transition to a decentralised approach to management. In comparison to the 1950s and 1960s, public administration as a whole had to first and foremost come to grips with the limited volume of financial resources earmarked from state budgets for the performance of administrative activities. Representatives of public administration were thus forced to think about the possibilities of applying some more effective tools, approaches and means, which would, in particular, enable the more effective financing of compulsory and part of the optional services mainly provided by the territorial self-government at the municipal level. The new economic reality thus forced the central state administration, and particularly representatives of municipalities and regions, to find inspiration for the provision for administrative activities in certain approaches proven in the long-term in corporate management. In the end, diverting from the traditional concept showed itself to be more radical than originally envisaged by certain administrative science theoreticians. In the said context, the so-called *top-down model of administration* began to be gradually presented as not corresponding a great deal to the requirements of the performance of administrative activities at the turn of the 20th and 21st centuries.

A significant base for the gradual formation of the concept of “governance” was the implementation of the acquis communautaire principles, enabling – inter alia – the gradual formation of the so-called European Administrative Space. This space, constituted of the public administration of 27 Member States of the European Union, is represented by a “set of general standards for public administration activities, which are contained in the law and implemented in practice by prescribed procedures and mechanisms based on accountability … It is anticipated that the individual actors in this space accept these principles, which are only rarely formalised in written legal form or subject to codification, but are nevertheless ethically and legally binding … This non-formalised European administrative law thus contributes to the Europenisation of national public administrations and the administrative law of Member States of the EU.”

In the last third of the 20th century, the performance of European public administration resulted in a gradual change in the methods of managing administrative activities as a whole. As has been stated, room for the application of managerial approaches and skills had already been created by the actual reforms in public administration. The reforms,

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17 **HALÁSKOVÁ, M., Veřejná správa v Evropské unii, 2009, p. 10.**
implemented in the specific conditions of individual European states, mainly introduced topics such as:

- The role of the state at the turn of the 20th and 21st centuries;
- Methods of weakening centralism in the continental model of the performance of public administration;
- Increasing public administration efficiency as a whole;
- Improving co-operation between all the partners involved in the public administration;
- Gradual review of the career systems pertaining to the work of civil servants, with an emphasis on growth in their qualifications, competence and performance;
- Efforts to improve the overall image of the public administration in citizens’ eyes.

One of the outcomes of the reforms was the gradual devolution of powers from state administration to territorial self-government, representing the essence of the principle of decentralisation of administrative activities. The application of the deconcentration principle, consisting of the devolution of powers from higher levels of state administration performance to lower state administration authorities became no less topical. The said processes were the primary factors thanks to which the powers of municipalities were strengthened and the process of forming regional self-government as well as state administration was completed. At the same time, groundwork was laid for the involvement of private commercial entities and as well as organisations from the so-called third sector – i.e. voluntary non-profit and charity organisations – into the performance of administrative activities.

The fact that public administration reforms were predominantly dictated by administrative, economic as well as managerial reasons was confirmed. It is understandable that neither territorial self-government at the municipal level nor regional public administration could have played their expected role in the countries of the European continent in the absence of the implementation of the key democratic principles of the performance of the administrative activities, the failure to define and make more effective use of material resources essential in providing for administrative activities and had the demands placed by authorities on the qualifications of their employees not been raised at the same time.

In evaluating the results of the reforms, it can be concurred that:

1. The fundamental prerequisite for the modern performance of administrative activities became the thorough implementation of the principles of decentralisation and deconcentration. One of the important results of the said processes was the completion of regional state administration and the formation of the regional territorial self-government.
2. It was also confirmed that the implementation of the subsidiarity principle in the performance of local and regional public administration leads to a strengthening of the powers and responsibilities, both of territorial self-government as a whole, as well as local and regional state administration. This fact can, inter alia, be demonstrated on the example of the development of public administration in the Czech Republic and in other Central European countries.
3. In this context, findings from Western European countries document the fact that the implementation of the principles of decentralisation and deconcentration in administrative activities is a complicated process, the success of which is conditional on the support of the wider layers of the public.

4. Another essential condition of the successful realisation of the outlined reforms proved to be the need to reach consensus in the opinions and standpoints of the representatives of ruling political parties, democratic parliamentary opposition parties and a majority of NGOs on the solution of key problems in the life of municipalities and regions.

5. A valuable finding is that it is essential to perceive the development of territorial self-governance at the municipal and regional level as a focus on the realisation of objectives and assignment which have a priority importance to the whole society. The effectiveness and efficiency demonstrated in the attainment of the specific objectives, as well as efforts to use the experience and methods developed and proven in the business sector and the creation of effective control mechanisms, represent further typical characteristics of the modern performance of administrative activities in the Member States of the European Union.

Discussions about the need to address the disparity in the economic and social areas of the Member States of the European Communities and their regions intensified around the time of the first reforms being implemented. In this context, for example, Czech authors Jan Stejskal and Jaroslav Kovářík, point out that the objective of the regional policy “has become to reduce regional difference.” As pointed out by the British author A. Daltrop: “In the post-World War Two period, all of the Western European governments attempted to resolve the issue of regional economic disparities. A special minister was appointed in some countries, responsible for regional development ... and for measures giving regions a certain degree of autonomy, or for the creation of specific regional planning bodies within the framework of authorities of territorial self-government.” Resolution of the issue of disparities thus became one of the factors speeding up the formation of the regional administration.

The way to growth in efficiency also started to be seen in the gradual privatisation of part of the services provided to citizens by municipal self-government and their subsequent contracting-out on the basis of the signing of contracts with the winners of public tenders. The given approach, often characterised as "contracting-out", tends to be designated as a guarantee of legal certainty and equality for all the entities that wish to participate in the provision of part of the public and welfare services on the basis of public tenders.

To date, the said system has been elaborated upon to the greatest degree and implemented in Great Britain, where at the start of the 1990s it was enshrined predominantly by the adoption of the document titled "Citizen’s Charter", ratified by the Parliament of the United Kingdom in 1991. Its key objectives were formulated as follows:

- Establishment of service standards.
- Achievement of citizens’ maximum awareness as service users.
- Maximum openness, if possible, of authorities in their dealings with citizens.

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• Readiness of authorities to render various types of consultations to citizens.
• Maximum possible courteous dealings by civil servants with citizens.
• Readiness of authorities to also provide citizens other forms of assistance.

The principles contained in the Charter are accompanied in Great Britain by the application of another document, bearing the title “Competing for Quality”, which is mainly aimed at the conducting of market research. Implementation of the principles of the said document is illustrated, inter alia, by the growing significance of the application of marketing approaches in today’s public administration.

3 Causes of New Public Management Transition into Conception of Governance

The causes of the transition to the concept of “public governance“, or “good governance“, as the case may be, can be demonstrated on the overall post-war development of the public administration of democratic states on the European continent roughly since the 1950s. Werner Jann notes that “the first phase, which begins at the start of the 1950s, comes after the worst problems of the war have been overcome. It was not so much about the effectiveness or efficiency of public administration or the public sector, but particularly about democracy and the rule of law … It is not surprising that the main concept of the reforms of this period were inspired by traditional ideas of the democratic state, such as parliamentarism and pluralism, together with the re-discovery of the Weberian model and corresponding public sector reform theories, i.e. a model of the legally and hierarchically organised public administration.

New difficulties only came to the fore after these critical components were taken into consideration and provided for. They were designated as an “active state“. “Planning“ became a slogan, starting in the mid-1960s. This was a period of the consolidation and expansion of the modern welfare state, at the very least in Western Europe. It was perceived that the main problem was market failure rather than democratic failure. The importance and scope of government, the public sector and public administration increased. They acquired more wide-ranging functions and more complicated duties in all forms of public administration.

There was increased optimism over what a strong, well-organised government and public sector was capable of achieving. For this reason, the main debate on the public sector concentrated on the problems of planning, implementing and evaluating of public sector programmes. The main concern was what to do to increase the capacity of public sector agencies to solve problems … This period coincided with the first wave of the ambitious and far-reaching public sector reforms and corresponding contracts in many countries of Western Europe.”

Christoph Reichard points to the fact that “roughly from the beginning of the 1980s, a common view of administrative management appeared on a worldwide scale, which was known internationally as “New Public Management” (NPM). The concept of NPM is universally characterised by the following key attributes:

• increased market orientation and focus on competitiveness;

• corporate management concept adopted from the private sector;
• separation of strategic (political) and operational (administrative) responsibility;
• ideas derived from management by objectives and by outcomes, and
• decentralised, semi-autonomous structures.\(^{21}\)

Some clarified principles of measuring the efficiency of performance thus began to be gradually elaborated to the conditions of the non-profit sector of public administration. Applied are principles, designated as "3Es" (Economy, Effectiveness, Efficiency), forming the core of the so-called New Public Management. Their gradual implementation was undeniably influenced, to a significant extent, by the already mentioned restriction in the amount of financial and other material resources, which public administration received from state budgets (the term "cutback policy" started to be used in some Member States of the European Union for the said process).

Followers of the concept of New Public Management\(^ {22} \) usually characterised it as key from the viewpoint of long-term prospects. As W. Jann points out, "New Public Management arose as a new, widely used reform idea. It should however be noted that NPM was not only attractive to conservatives and neoliberals, who were suspicious of an active state from the start, but also to some followers of a welfare state, as it promised a "government that works better and costs less". NPM thereby offered hope for critics as well as followers of a strong government and public administration.\(^ {23} \)

However, in connection with discussions on the application of the principles of New Public Management, Demetrios Argyriades for example notes that "economy, performance and efficiency are undoubtedly extremely important, but only on the condition that the decisions made and the objectives pursued are ethical and fair, and furthermore that the results obtained in administering global governance shall support general interest and promote public wellbeing of mankind as a whole, not just the goodwill of several people".\(^ {24} \) F. Heady talks of a clear deviation from the traditional performance of public administration and the creation of a new role responding to global changes in modern society.\(^ {25} \)

If we evaluate the role of the New Public Management concept, it is necessary to take into consideration the fact that N.P.M. almost controlled the scene of the 1980s and 1990s. "There is no doubt that New Public Management never appeared as a unified and coherent school of thought, but rather as a comprehensive collection of ideas and theories which were sometimes in conflict with each other, even though they were always mostly inspired by private sector practice. Their diverse tools and concepts were not applied in Europe, whether as a group or individually. Quite the contrary, in fact. It remains, however, a common topic, which produces a unique and extraordinary impact on public administration reform in Europe."\(^ {26} \)

\(^{22}\) HUGHES, O., Public Management and Administration, 2003, p. 34.
As noted by W. Jann, “management has become the new slogan and “bureaucracy” the root of evil ... Well-known public management terms such as “cost accounting”, “benchmarking” (models of best practice from another country), “outsourcing” (transfer of a certain activity from a state authority to the private sector), “privatisation”, are still ever-present with us and remain prominent”. Nevertheless, the use of principles of New Public Management in a growing number of subjects of public administration in European countries is wedded many a times with the notion of the so-called “hollowing out the state”. This is a concept which counts on part of the activities and responsibilities being transferred to private enterprise entities who shall – on the basis of contracts – providing for part of the services to citizens within territorial self-government entities.

W. Jann, who takes a fairly critical position as regards the concept of NPM, also states that “the main problem that New Public Management tried to solve was the public sector’s presumed ineffectiveness ... Traditional bureaucratic organisations are criticised, condemned and sometimes ridiculed as “reliant on regulations”, “bureaucratic” and a model of “organised irresponsibility”. Instead of the traditional Weberian values of process, reliability, fairness and responsibility, emphasis was placed on new values such as quality, service delivery, ... timeliness and focus on clients ... According to the predominant premise, the public sector should have been seen as a business activity, public administration as a firm and local government as a service (in German: Dienstleistungskommune). As “lean” management in the public sector, the “the lean State” became the new paradigm.”

In general, it can be concluded that, on account of the gradual application of the principles of New Public Management, substantially more consideration than before started to be paid in public administration as a whole to, among other things, the opinions, ideas and requirements of service users, as well as to their standpoints pertaining to the manner in which municipalities and regions are managed. At the same time, however, approaches known as “citizen participation” started to be developed. These approaches are based on an awareness of the fact that citizens should be given a substantially greater chance than in the past to influence the performance of public administration in their municipality, region and in the nation-state. At the same time, the principle of “citizen participation” requires citizens to actively participate – by taking advantage of, inter alia, the institute of the referendum, in the process of the taking of decisions by the elected representatives of municipalities, regions and by members of parliaments.

During the 1990s, the concept of New Public Management started to gradually lose its dominant status. “It was not merely bureaucracy, which appeared as the main obstacle of the effective solution of the problem, but rather the organisational characteristics of society itself. As desired by this new approach, it is civil society that needs to be strengthened and to be given the opportunity to participate; it should have learned to work with public and private actors in resolving collective problems. New eminent values appeared: social, political and co-operation, coherence and interdependence, public participation and citizen participation. The organisation of citizen participation and problem solving (in German: “Burgerkom-

mune”) was seen as the main and only purpose of local government, rather than the provision of services.”

W. Jann characterises the differences between the New Public Management concept and the governance concept as follows: “Whereas discourse on New Public Management was concentrated on public organisations, their internal control and management mechanisms, as well as on a lack of incentives, the approach of new governance was to shift its attention towards co-ordination of and co-operation between public and private actors; towards the management network and towards the combination of various management and control methods over the framework of markets and hierarchy. The interdependence of various public and private actors and the coherence in collective action gradually became the main concern. Whereas the priority solution for New Public Management was very often derived from private sector practice – with an emphasis on decentralisation, contract management, and modern financial management and human resources management tools – the approach of new governance focuses on a new division of labour between the state, the market and civil society. The new solutions were differentiated in the creation and the strengthening of autonomous, automatically regulated networks, which produce “public value” without the state. Accordingly, emphasis was placed on the so-called third sector lying between the state and the market. This sector includes associations, non-profit organisations, cooperatives, charity groups and religious brotherhoods. This sector has been rediscovered together with civil society, and has been given a new level of importance.”

The contemporary, rather critical, approach to New Public Management is based on the finding that the implementation of the principles of New Public Management actually results in a certain fragmentation in the decision-making methods and, at the same time, a certain degree of separation of the process of making decisions from the exercising of these decisions. The essence of this approach is the fact that the sphere of civil servants participating in the setting and implementation of strategies for the performance of administrative activities has even expanded in the authorities of state administration of the Member States of the European Union in the current period, compared to the situation prevailing at the turn of the 1970s and 1980s. This situation is namely characteristic for Great Britain’s system of public administration (an exponent of the so-called Anglo-Saxon system of administration), as part of which the principles of NPM – as has already been stated – are implemented even in state administration to a relatively significant extent.

There is talk today that at the territorial self-government level in a growing number of Member States of the European Union is a continuation in the so-called “purchaser-provider divide”. This focus can be designated as an important characteristic component of the application of managerial approaches and skills in contemporary European public administration. It is a focus on the creation of standards of public and welfare services, aimed at effectively responding to the wishes and requirements of citizens – clients. A feature peculiar to the contemporary concept of the management of public administration has become, last but not least, by way of the assessment of individual civil servants – namely in the form of audits and assessments, the fact that there has been an overall improvement in the quality of the systems for the monitoring and

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assessment of the activities performed by authorities (i.e. procedures employed in the business sector, especially when drafting budgets, and planning and evaluation of activities).

Certain proven managerial approaches are also used in the management of state administration. The British “New Steps Initiative” concept can serve as an example. Well-measurable activities were appropriated in Great Britain from authorities of state administration into so-called agencies, of which there are around 130. These agencies currently employ approximately 67% of the original British state administration staff. This is a definite cost-saving measure, consisting of the fact that the agency staff are not subject to the provisions of the Civil Service Code.

A no less important aspect of efforts to utilise the principles of New Public Management has become the application of the principles of Total Quality Management. Furthermore, reform steps were outlined in Great Britain in 1999, supplemented by a “White Paper on Modernising Government”, which accentuates:

- Even more substantial focus on clients (citizens) of the services provided.
- Efforts to attain the highest possible standard of quality of all services provided.
- Maximum possible use of information technology in public administration.

The development towards “good governance” was somewhat different in the Federal Republic of Germany. In this country, the “active state and the modern welfare state were never refused. But in Germany this was the case only until the end of the 1970s, when, after frequent disappointments over large government programmes and the coming economic crisis (after the oil crises), the new visions of the public sector began to be implemented. Use was made of the label lean state. Government and the public sector were more and more frequently not seen as the solution, but rather as the source of many social problems. By contrast, the private sector suddenly emerged as a model and served as inspiration for the public sector reform.”31

The project, titled “Schlanker Staat” (“Leaner State”), which was developed and started to be implemented in the Federal Republic of Germany at the turn of the 1980s and 1990s, and which, in comparison to the British concept, is a less radical reform programme, containing managerial components, became one of the results of the outlined development. Its main pillars became:

- Limitation in the amount of regulations and other by-laws governing the performance of public administration.
- Limitation in the number of staff employed at the authorities of central state administration.
- Privatisation of state enterprises (in particular railways, postal services, air traffic control authorities and space research).
- Rationalisation of statistical services.
- Improving the system of human resources management.
- More efficient use of information systems in public administration.

Based on findings about the development of the public administration reforms on the European continent, we can reach the conclusion that the formation of the principles “good governance” was and remains influenced by the following facts:

- **By the operation of important economic and financial factors.**
- **By the formation of visions pertaining to the objectives of the reforms and the manner of their realisation.**
- **In part also by the pressure of the efforts to form a so-called European Administrative Space.**

The technological changes contributing to the transformation of the organisational structures and procedures applied in the performance of administrative activities (including the development of the so-called e-government) act to a significant degree on the performance of public administration at the start of the 21st century. The utilization of modern information technologies have become important challenge, which is of course also projected into the personnel management area and into the concrete service provision systems.

At present, the outlined concept of governance places an extraordinary emphasis on the abilities of elected representatives and civil servants:

- **To harmonise the interests of various groups of citizens with the strategic development plans of the state, municipalities and regions.**
- **To match citizens’ requirements for the arrangement and provision of the widest possible range of services (i.e. not only optional, but also compulsory services) with the material resources of the state, municipalities and regions – especially in conditions where the costs of the said services are raising in the long-term.**
- **To bring the requirements for the quality of services into compliance with the technical resources available to the state, municipalities and regions.**

A certain shift in the performance of public administration is documented, for example, by the *Urban Management Programme*, the compilation of which was the outcome of the efforts of the United Nations, including the activities of the World Bank and Habitat, the United Nations Centre for Human Settlements. In accordance with this programme, the authorities of cities and municipalities should make efforts, in a suitable manner and in accordance with local conditions, to:

- **create jobs, particularly for socially disadvantaged citizens;**
- **improve urban infrastructure and services for citizens;**
- **support economic activities in the so-called informal sector; in the environmental area this concerns, for example, the building of small plants aimed at the processing and recycling of waste and assorted repair services, which is mainly aimed at achieving savings in the use of natural resources;**
- **provide housing for poorer layers of the population and put in place conditions that would prevent the creation of homeless groups;**
- **provide incentive for the creation of voluntary non-governmental non-profit organisations, the activities of which would contribute to improving the quality of life of most of the citizens of a particular city or region.**
If we endeavour to provide a certain summary of the application of the New Public Management principles and the subsequent concept of “governance”, it can be stated that, since the last third of the 20th century, public administration of the Member States of the European Union is influenced, in no small degree, by the development of the so-called post-modernist managerial revolution, which puts in question, inter alia, traditional procedures and organisational structures and the work styles in public administration authorities as well as in firms. Gradually, the standpoint which began to prevail in theory as well as in practice was that an effectively regulated post-modernist managerial revolution should result in the formation in the public sector, first and foremost in public administration, in simpler hierarchical organisational structures and in the creation of more favourable conditions for the more intensive involvement of representatives and civil servants of public administration in the fulfilment of duties of their particular workplace. The traditional management approaches and organisational structures were progressively and partially loosened up on this more or less theoretical basis as well as in the non-profit sector. At the same time, emphasis began to be placed on the need for the transition to the formation of more flexible, smaller and more specialised units entrusted with more extensive decision-making powers. One of the outcomes of the said processes was the preference for smaller, more flexible, more specialised and more autonomous units administered by managers with management experience (i.e. not by typical public servants).

One of the main objectives of the contemporary modernisation of European public administration is the completion of the concept of "governance" (or "public governance" and "good governance" as the case may be). Their significant aspects were illuminated back in 1999 in the Federal Republic of Germany by the adoption of an important programme bearing the title "Modern State – Modern Administration". In it is stated, inter alia, the following:

"The state and the administrative system must redefine their duties and powers, taking into account the altered conditions within society. The delegating state shall encourage the devolution of responsibility where it is possible. This means that there will be a new division and categorisation of responsibility between the state and society … The reform of the state and its administrative system, which is based on such a model, must establish a new balance between the obligations of the state, individual initiatives and social participation. This will shift the focus in such a manner that the state will be less a decision maker and producer and more a mediator and catalyst of social development that it cannot and need not control itself. The delegating state means the strengthening of social potential for self-regulation and the guaranteeing of the necessary freedom of action. This requires, in particular, the joint activity of public, semi-public and private actors to attain the common objectives."\(^{32}\)

Compared to the concept of New Public Management, the concept of “governance” has some significant advances. In particular, NPM accentuated the need to “obtain the correct incentives”, partly within the public sector, and in relationships between the public and private sector. “In contrast to this approach, the emerging debate focused far more attention on the appropriate behaviour, both within the public sector, and between the public and the private sector. The main problem has been defined as follows: How can we ensure that not only public organisations and administrations, but also private bodies, namely

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from civil society, work together on solving social problems. Clearly, public services and monetary incentives are important, but they are no sufficient.\textsuperscript{33}

W. Jann concluded, on the basis of the above findings, that “the latest perspective of European governance can, in the first place, be explained as a reaction to the NPM movement, which, at least for some observers and practitioners, proved to be overly limited, concentrating almost exclusively on internal mechanisms, control tools and the suggestions of discrete organisations, but overlooking all of the complicated interactions between organisational and institutional facilities, as well as the normative foundations of the organisations within the public sector and beyond. However, in the broader, somewhat more theoretical perspective, modern governance is not seen merely as an extension and opposite notion to the discourse on NPM, but also as a perspective on all forms of perceiving traditional government: governance rather than government. Modern governance is thus planned not only as standing above public management and replacing it, but also as increasing the traditional democratic, representative and bureaucratic Weberian paradigm of public administration and the state.”\textsuperscript{34}

Werner Jann expands on this thought by stating that “the new concepts of modern governance go far beyond re-defining or “re-inventing” traditional values. Likewise, they contain new ideas about the appropriate tasks and functions of citizens, companies and states … The concepts of governance recognise that citizens perform an extensive range of tasks. But their main claim is that they should be seen and treated primarily as activists and co-producers of social services and values. According to this, citizens are neither sovereign voters scrutinizing the provision of public services, nor clients dependent on services, but rather the main partners in social co-operation and negotiation. Empowerment is thus becoming a new slogan … An ideal image is an active civil society and social self-regulation as the preferred solution … In this light democratic governance can no longer be defined merely as a function of parties, interest groups, parliamentary institutions and a quasi-state monopoly with the subsequent resolution of disputes and organisation of the welfare state. Instead, the articulation and co-ordination of collective interests is characterised by direct participation and the extensive diversity in the models of public-private relationships considered, co-ordination and co-operation.”\textsuperscript{35}

By comparing the concept of New Public Management with that of governance, W. Jann reaches the conclusion that “the previously dominant minimalistic and market-oriented N.P.M. (New Public Management) doctrine was merely a temporary phase (1980-2000). Its space application was limited predominantly to the Anglo-Saxony world. Nevertheless, this paradigm influenced and changed the traditional Weberian model of public administration almost in all of Europe. Indeed, observers claim that in present-day Europe we are moving towards a neo-Weberian model with the following characteristics:

- the state remains a “legal state” (Etat de droit, Rechtsstaat). Its public servants, however, are not exactly “bureaucrats” and experts in law and procedures; likewise, they

\textsuperscript{33} JANN, W., Modern Governance: A European Perspective, 2007, p. 125.

\textsuperscript{34} JANN, W., Modern Governance: A European Perspective, 2007, p. 125.

belong to the managerial profession concentrated to the performance and the service to citizens / clients;
• citizens have rights and obligations, but their customer role becomes part of a citizen’s eminent role;
• public law, which includes administrative law, remains an important tool for the operation of the rule of law state as well as the relationship between the citizen and the state, but private law is becoming increasingly important as an additional tool in public matters;
• a clear public service remains, with its own ethos and characteristic traits (statute, conditions and culture), but its traditional neutrality and relationship to legality must now be linked to a commitment to political objectives and interest in results, which create a professional culture of performance and service quality;
• an ex-ante interest in the process and procedure designed to guarantee legality and the lawfulness of decisions must now also be accompanied by an ex-post interest in the results. This becomes part of the procedures which guarantee the economy, effectiveness and efficiency;
• lawfulness is thus not based merely on legality, but also on economy, effectiveness and efficiency in the functions of the state and the implementation of its policies.\textsuperscript{36}

The conclusions pertaining to the concept of “governance”, which was elaborated on by Werner Jann and Demetrios Argyriadis, inter alia, were also gradually clarified in the subsequent period by other theoreticians. If I attempt to summarise the essence of the debate, it paid most attention to the following questions and to the answers thereto:

\textit{Is the hierarchical governance in decline?}
\textit{What is the position of the existing bureaucracy within the public governance system?}
\textit{Can private sector management systems look to public governance for guidance?}
\textit{What is the good governance model connection with the development of the society?}
\textit{What place in the concept of New Public Governance is held by contracts?}

For example, in response to the first of the questions outlined above, Carolyn J. Hill states:

“The growing acceptance of “governance” as an organizing concept for public management reform reflects a widespread, though not universal, belief that the focus of administrative practice is shifting from hierarchical government toward greater reliance on horizontal, hybridized, and associational forms of governance … We infer that the shifts away from hierarchical government toward horizontal governing reflect instead a gradual addition of new administrative forms that facilitate governance within a system of constitutional authority that is necessarily hierarchical.”\textsuperscript{37}

From the perspective of the existing administrative staff in the system of public governance, Leslie Budd notes that as a consequence of these changes “bureaucracy has been replaced by post-bureaucracy as a result of these changes. … There has been a process of

\textsuperscript{36} JANN, W., Modern Governance: A European Perspective, 2007, p. 127.
\textsuperscript{37} HILL, C. J., Is Hierarchical Governance in Decline?, 2005.
extending bureaucracy that cuts across public and non-public boundaries rather than the development of post-bureaucracy per se. … The need for economies of scale and scope, standardisation and the existence of indivisibilities in public services suggest that public sector reforms and proposals for new governance models establish extended or flexible forms of bureaucracy rather than post-bureaucratic organisational forms … Attempts to introduce ICT-based services and the need for regulatory agencies to oversee the contracts with private and non-profit service providers reinforce these findings.”

In response to the third question, Matthias Benz and Bruno S. Frey point out that “in view of recent corporate scandals, we argue that corporate governance can learn from public governance. Institutions devised to control and discipline the behavior of executives in the political sphere can give new insights into how to improve the governance of firms.”

As regards the good governance model connection with the social development of the society Jacek Czaputowicz states that “the New Public Management model draws its inspiration from the private sector; Good Governance model is connected with the social context and the reform of public administration.”

Conclusions

On the issue of networks between those who occupy key positions in the management of the state, their standpoint is given, for example, by Eva Sorensen and Jacob Torfing, who state that “governance networks are here to stay. They have become a necessary ingredient in the production of efficient public governance in our complex, fragmented and multi-layered societies… Governance networks that take active part in determining the content of public policy making have traditionally been regarded as a threat to democracy on the grounds that they undermine the sovereign position of elected politicians and the autonomy of civil society.”

References


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