

ROUTLEDGE CRITICAL STUDIES IN PUBLIC MANAGEMENT

# Theory and Practice of Public Sector Reform

Edited by  
Steven Van de Walle and  
Sandra Groeneveld

ROUTLEDGE



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and Sandra Groeneveld

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# Theory and Practice of Public Sector Reform

“This book fills a gap in thought leadership on public sector reform. It consolidates current theory, themes, and perspectives from leading scholars, thereby raising consciousness of the too neglected reform pulse of public management.”

—John K. Wilkins, *York University, Canada*

*Theory and Practice of Public Sector Reform* offers readers differing theoretical perspectives to help examine the process of public sector reform, combined with an overview of major trends in the core areas of the functioning of the public sector. The book consists of three parts, the first addresses a number of conceptual and theoretical perspectives on public sector reform. It shows how different ways of looking at reform reveal very different things. The second part addresses major changes in specific areas of public sectors—‘objects of reform.’ Part three focuses on the study of public sector reform.

Aimed at academics, researchers and advanced students, this edited collection brings together many of the most eminent academics in the area of Public Policy and Management seeking to link to theory in part one and insights into specific thematic areas in part two, offering readers a display of theoretical perspectives to look at public sector reform.

**Steven Van de Walle** is Research Professor at the Public Governance Institute, KU Leuven, Belgium, and Professor of Public Management at Erasmus University Rotterdam, the Netherlands.

**Sandra Groeneveld** is Professor of Public Management at the Institute of Public Administration of Leiden University, the Netherlands.

# Routledge Critical Studies in Public Management

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The study and practice of public management has undergone profound changes across the world. Over the last quarter century, we have seen

- increasing criticism of public administration as the over-arching framework for the provision of public services,
- the rise (and critical appraisal) of the 'New Public Management' as an emergent paradigm for the provision of public services,
- the transformation of the 'public sector' into the cross-sectoral provision of public services, and
- the growth of the governance of inter-organizational relationships as an essential element in the provision of public services

In reality these trends have not so much replaced each other as elided or co-existed together—the public policy process has not gone away as a legitimate topic of study, intra-organizational management continues to be essential to the efficient provision of public services, whilst the governance of inter-organizational and inter-sectoral relationships is now essential to the effective provision of these services.

Further, whilst the study of public management has been enriched by contribution of a range of insights from the 'mainstream' management literature, it has also contributed to this literature in such areas as networks and inter-organizational collaboration, innovation and stakeholder theory.

This series is dedicated to presenting and critiquing this important body of theory and empirical study. It will publish books that both explore and evaluate the emergent and developing nature of public administration, management and governance (in theory and practice) and examine the relationship with and contribution to the over-arching disciplines of management and organizational sociology.

Books in the series will be of interest to academics and researchers in this field, students undertaking advanced studies of it as part of their undergraduate or postgraduate degree and reflective policy makers and practitioners.

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## 27 Theory and Practice of Public Sector Reform

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# Contributors

**Victor Bekkers** is Professor of Public Administration and Public Policy at Erasmus University Rotterdam, the Netherlands.

**Geert Bouckaert** is Professor at the KU Leuven Public Governance Institute, Belgium. He also is President of the International Institute of Administrative Sciences (IIAS).

**Tom Christensen** is Professor of Public Administration and Policy at the University of Oslo, Norway. He also has adjunct appointments at University of Bergen and Renmin University.

**Sandra Groeneveld** is Professor of Public Management at the Institute of Public Administration of Leiden University, the Netherlands.

**Christopher Hood** is Gladstone Professor of Government Emeritus and Emeritus Fellow of All Souls College Oxford, UK.

**Erik-Hans Klijn** is Professor of Public Administration at Erasmus University Rotterdam, the Netherlands.

**Joop Koppenjan** is Professor of Public Administration at Erasmus University Rotterdam, the Netherlands.

**Ben Kuipers** is Associate Professor at the Institute of Public Administration of Leiden University (The Netherlands), consultant and owner of Performability, and co-founder of the Public Leadership Foundation.

**Per Lægreid** is Professor at the Department of Administration and Organization Theory, University of Bergen, Norway.

**Mirko Noordegraaf** is Professor of Public Management at the Utrecht School of Governance (USG), Utrecht University, the Netherlands.

**Johan P. Olsen** is Professor Em. at Arena, Centre for European Studies, University of Oslo, Norway.

**B. Guy Peters** is Maurice Falk Professor of Government, University of Pittsburgh, US.

**Kim Putters** is Director of the Netherlands Institute for Social Research (SCP) and Professor of Healthcare Policy and Governance at Erasmus University Rotterdam, the Netherlands.

**Tiina Randma-Liiv** is Professor of Public Management and Policy at Tallinn University of Technology, Estonia.

**Rod Rhodes** is Professor of Government at the University of Southampton, UK.

**Arthur Ringeling** is Emeritus Professor of Public Administration at Erasmus University Rotterdam, the Netherlands.

**Christoph Reichard** is Emeritus Professor of Public Management at Potsdam University, Germany.

**Bram Steijn** is Professor of HRM in the Public Sector at Erasmus University Rotterdam, the Netherlands.

**Richard J. Stillman** is Professor of Public Administration at the School of Public Affairs, University of Colorado Denver, US.

**Lars Tummers** is Associate Professor at Utrecht University, the Netherlands. He is also affiliated to Erasmus University Rotterdam and Arizona State University.

**Frans-Bauke Van der Meer** is Associate Professor at Erasmus University Rotterdam, the Netherlands.

**Joris van der Voet** is Assistant Professor of Public Management at Leiden University, the Netherlands.

**Steven Van de Walle** is Research Professor at the Public Governance Institute, KU Leuven, Belgium, and Professor of Public Management at Erasmus University Rotterdam, the Netherlands.

**Sandra van Thiel** is Professor of Public Management at the Department of Public Administration and Director of the Institute for Management Research at Radboud University, Nijmegen, the Netherlands.

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# 1 Introduction

## Theory and Practice of Public Sector Reform

*Steven Van de Walle  
and Sandra Groeneveld*

### Introduction

Written by some of the most prominent public management researchers, this book introduces different theoretical perspectives on public sector reform and outlines key reform trends in a number of areas. It also reflects on the practice of studying public sector reforms and on the practice of reform itself. As such, the book aims to offer a broad introduction to public sector reform.

This book was written for a special occasion, namely the retirement of Prof. Walter Kickert. However, it is not your ordinary *liber amicorum*, which tends to only attract attention from friends, colleagues and the writers of individual chapters. Instead, we wanted to compile a volume on the study of public sector reform that is relevant for students of reform. However, one characteristic of a *liber amicorum* remains. All authors are in one way or another related to the person to whom this book is dedicated. This selection process has resulted in an impressive list of public management scholars who have worked with Walter Kickert.

Walter Kickert's influence on public management and public sector reform research cannot be overestimated. We distinguish three major achievements. A first major achievement is his contribution to introducing systems theory and systems thinking into public management, which is undeniably associated with his unusual background. He graduated from the University of Utrecht in experimental physics, and by being a research assistant at Queen Mary University of London, among other influences, he began to explore the use of 'fuzzy set theory' for the study of decision-making (Kickert, 1978). In 1979, he defended his dissertation on the 'Organisation of Decision-Making: A Systems-Theoretical Approach' (Kickert, 1980) at the Department of Organisation Sciences at the Eindhoven University of Technology. Subsequently, he worked at the Catholic University of Nijmegen (now Radboud University) on topics such as government planning and its limitations (Kickert, 1986), and as a public official at the Dutch Ministry of Education and Sciences. The choice of topic for his inaugural lecture ('Complexity, Self-steering and Dynamics') at his appointment as Professor

of Public Management at the Department of Public Administration, Erasmus University Rotterdam, demonstrates how his background has been very conducive to the study of public sector reform. One observes a strong influence of systems thinking combined with a certain disbelief in government planning (see, e.g., Kickert, 1993). As such, his work stood in sharp contrast to the then dominant Dutch school of rational policy making, culminating in the classic book ‘Managing Complex Networks,’ edited together with Klijn and Koppenjan (Kickert, Klijn, & Koppenjan, 1997), who also contributed a chapter to the current volume. In the 1990s, one can see his work moving towards the study of public sector reforms, with a focus on reform processes (traces of which can still be seen in his current work on change management, see Kickert, 2014; Kuipers et al., 2014) and on steering relations through a focus on autonomous agencies, a direct result of his earlier work on planning and decision-making (Kickert, 1995; Kickert & Verhaak, 1995).

Gradually, Kickert became a comparativist. His attention to what was happening outside his own country is his second major achievement. Kickert fits clearly within a European tradition of public administration, but he always evaded a narrow focus on his own country (Kickert, 2005). He became interested in less frequently studied countries (see, e.g., Kickert, 2007a, b). His focus in recent decades has mainly been on Southern European countries at a time when most scholars were interested in the other—mainly English-speaking—countries. His recent work on the fiscal crisis also has a very explicit comparative dimension (Kickert & Randma-Liiv, 2015). His excellent knowledge of languages and his multinational German/Belgian background made such an international outlook logical, although he himself—only partly in jest—explains it by referring to the travel opportunities that go along with comparative research. His attention to international public management is also visible in his work on the study of public management in Europe and the US (Kickert & Stillman, 1999; Kickert, 2007c).

Third, Kickert’s work is one of the early examples of Dutch public management research becoming truly international. He started publishing in English and internationally already in the late 1970s, then still an anomaly in Dutch academic public administration; indeed, most European public administration scholarship was still very nationally oriented. He would also later become deputy editor of *Public Administration*. His writings helped in making the Dutch model of public management more widely known outside the Netherlands (Kickert & Van Vught, 1995; Kickert, 1997a; Kickert, 2003). At the same time, he was (and remains) critical about tendencies in the discipline towards high-volume publishing. In 2012, Walter Kickert received the IRSPM Routledge Prize for Outstanding Contribution to Public Management Research.

This book was written during a period of reform and change, both in the public sector, facing the fiscal crisis, and in the department where Walter was

working. The latter reorganization allowed the editors, neither of whom has experience within the public sector, to experience a structural reform, with all of its rhetoric, politicking, stagnation and garbage cans. It is this reform and the subsequent departure of both editors that is to be blamed for a serious delay in the publication. Just as in real-world public sector reforms, university reforms do not go as planned.

## Purpose and Structure of the Book

This book combines theory and practice of reform. Many academic works on public sector reforms focus on a specific topic or analyze specific country cases. Other books try to compare across a specific region or take a specific theoretical approach to public sector reform. What we felt was lacking was a book that could introduce readers to the most commonly used theories to explain how and why the public sector and public sector organizations change, as well as provide students of reform with an overview of major reform trends, without going into the minutiae of specific national reform programs. The book has three main parts. Part One offers seven different theoretical perspectives on public sector reform, while Part Two discusses key reform trends in six domains. Part Three elaborates on the practice of reform and of studying reform.

### *Part 1: Theoretical Perspectives*

Part One of the book presents seven theoretical perspectives for looking at public sector reform. Much of the reform literature is atheoretical or largely dependent on a single theoretical perspective. In Part One, we present readers with a variety of perspectives that should help students of reform to analyze reform projects from different angles. The perspective that is taken determines what is seen. Each chapter outlines the key ideas behind the theory and applies the perspective to reforms. This part of the book starts with a number of classic perspectives. First, Johan Olsen introduces the institutional perspective—currently one of the most popular ones in public management scholarship. Christen and Lægreid offer a variation through their transformative perspective. Van Thiel then introduces another classic perspective, the principal agent perspective, which is foundational to New Public Management. We proceed with two more recent perspectives now common in public sector reform scholarship. First, Bekkers and Tummers introduce the innovation theory perspective, and Van der Voet, Kuipers and Groeneveld show how a change management perspective may help in understanding public sector reform. Christopher Hood's cultural theory perspective takes us again in a very different direction, as does Rod Rhodes with his introduction to the interpretative perspective.

Through presenting these very different alternative approaches for understanding public sector reform, we want to broaden reform students' toolkit

for analyzing what is happening when actors announce reforms, promote reforms, reform and assess reforms.

### *Part 2: Objects of Reform*

Part Two of the book focuses on objects of reform—that which is to be reformed. Public sector reform touches upon the core building blocks of the public sector: organizational structures, people and finances. Each of the chapters presents and discusses a set of major transformations in a specific domain and aims to give readers a fairly comprehensive overview of the key reforms that have taken place in Western public sectors. Van de Walle starts by discussing structural reforms in the public sector and the alternation of structural disaggregation and reaggregation. This alternation is visible in trends towards outsourcing, agencification and privatization, and in the current attention to mergers, departmentalization and public sector coordination. B. Guy Peters subsequently discusses changes in political administrative relations and how these have been affected by reform. More specifically, he shows how the pendulum of power between bureaucrats and politicians has swung many times. First, managers received more autonomy, but politicians were striking back, and politicization and patronage appear to have resurfaced. Klijn and Koppenjan introduce the shift towards network governance in the public sector and the new managerial tasks that have emerged as a consequence of this trend. Groeneveld and Steijn identify key trends in the management of human resources. Underlying these trends is a shift from career- to position-based civil service systems and the individualization of human resource management. The financial crisis has created a trend towards downsizing to decrease the size of the public sector.

The role of professional workers in the public sector has also changed, argues Mirko Noordegraaf. He discusses not only the changing nature of professional work but also the emergence of reform professionals. Finally, Randma-Liiv and Bouckaert analyze key trends in public financial management, starting with the modernization of the financial cycle, including a move to accrual accounting, participatory budgeting and the linking of finances to performance. Subsequently, they also show how the fiscal crisis has changed public finance structures and decision making.

### *Part 3: Studying and Practicing Reform*

The third part of the book offers a reflection on the study and practice of public sector reform. First, Putters reflects on public sector reform as practice by showing how social trends and public sector reforms co-exist, making successful top-down planned reform unlikely. Stillman reminds us that different countries have different state traditions and that this influences both how scholars study administrative reforms and how reforms are shaped. Finally, Van der Meer, Reichard and Ringeling show how to become

a student of reform and why it is important for students who are or wish to become public managers, professionals or academics in the field of public management to study public sector reforms.

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## Part I

# Perspectives on Public Sector Reform