Chapter 11

New Public Management and the Ghost of Max Weber: Exorcized or Still Haunting?

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Introduction

When someone once complained to German polymath, Max Weber, that his writings were extremely difficult to read, he responded by asking why they should be easy to read when they were so difficult for him to write. Whether or not this quip actually came from Weber's lips, it can be safely asserted that many of those who know of Weber's writings have read commentaries on them rather than the original texts.

For those who wish to understand the nature of modern governmental systems this is far better than not having read anything by or about Weber, who has been described as the 'foremost social theorist of the condition of modernity' (Lash and Whimster 1987, 1).[1] However, it often seems as if the ideas of the 1980s and 1990s that came to be known as New Public Management (NPM) have scarcely been informed by Weberian insights. Proponents of NPM regularly railed against 'bureaucracy' in arguing for major reforms to what they depicted as the inflexible, rule-bound and inefficient bureaucracies that had come to characterize twentieth-century public administration in Western democracies. The bolder among them promised an end to bureaucracy as we know it, or the 'banishing' of it, or they offered ways of 'breaking through', or 'reinventing' it (Barzelay 1992; Osborne and Gaebler 1992; Osborne and Plastrik 1997). They had in fact been preceded much earlier by other 'post-bureaucratic' theorists like Bennis (1969) and Thayer (1973), who had espoused the need for organizational flexibility and innovativeness over hierarchy and control.

These advocates have made little, if any, reference to the writings of Weber himself on bureaucracy and the wider dimensions of modernity. However, some among them have not only been at pains to stress the importance of some of the components of Weber's 'ideal-type' bureaucracy but have also confirmed that governmental systems in Western democracies must remain grounded on the principles of legal–rational

1 Weber was born in Erfurt in 1864 and died in Munich in 1920. Published translations of his major work in English were not substantially available until at least ten years after his death. Much of it was translated into English in the 1940s and 1950s.

authority (for example, Hughes 2003). And some empirical researchers have shown that the working environment of today's government officials, even in the face of NPM, remains bureaucratic rather than 'post-bureaucratic' (Parker and Bradley 2004).

Some scholars have held out against the common representation of 'Weberian bureaucracy' as the embodiment of all that is wrong in governmental administration. Pollitt and Bouckaert (2004), for example, have depicted the emergence of a 'Neo-Weberian State', especially in parts of continental Europe and in Scandinavia. Others have seen the assaults on Weberian bureaucracy as simply wrong-headed (for example, Drechsler 2005), or have cautioned against the adoption of NPM reformist templates in developing countries – on the grounds that they lack the requisite foundations of the rule of law (Schick 1998), have argued that the reformers lacked a proper understanding of both the history and principles of NPM's paradigmatic progenitor, 'Traditional Public Administration' (Lynn 2001), or have counselled the need for a new commitment to the key features of Weber's bureaucratic model (Olsen 2006). Even more emphatically, it has now been proclaimed that NPM itself is dead, rendered obsolete by a new era of digital governance (Dunleavy et al. 2006), with the implication that if Weber's ghost did in fact haunt the NPM cathedral, it is about to be exorcized once and for all.

This chapter seeks to reconnect some of Weber's most well-known ideas to an understanding of contemporary governmental reform and change. In so doing it is less concerned with revisiting the 12 elements of Weber's 'ideal-type' bureaucracy, or with reaffirming the centrality of legal–rational authority in the modern world. That much may be taken as given. Instead, it will argue that in the area of governmental development NPM is the latest and most significant manifestation of what Weber called the process of 'rationalization', the quest for greater calculability and precision in the management of human affairs. It will also be argued that in its quest for greater precision and technical certainty in administration, NPM has a strong tendency to generate unintended consequences that approximate reverse effects, an outcome that would not have surprised Weber, who was acutely aware of the paradoxical nature of rational action. A principal challenge in the post-NPM era will be to keep alive effective and mutually informative links between what Weber called instrumental rationality (*zweckrationalität*) and substantive rationality (*wertrationalität*), especially as they are the dominant modes of reasoning in the domains of science and politics, respectively.

NPM and 'the Master Trend of History'

Wrong (1970, 26) succinctly captured the essence of what Weber referred to as 'rationalization':

> … the process by which explicit, abstract, intellectually calculable rules and procedures are increasingly substituted for sentiment, tradition, and rule of thumb in all spheres of activity. Rationalization leads to the displacement of religion by specialized science as the major source of intellectual authority; the substitution of the trained expert for the cultivated man of letters; the ousting of the skilled handworker by machine technology;

> the replacement of traditional judicial wisdom by abstract, systematic statutory codes. Rationalization demystifies and instrumentalizes life.

According to Weber the process of rationalization was inexorable and probably irreversible, though it was by no means linear and consistent across time and place (Weiss 1987). A profound cultural *zeitgeist*, it was born of the Enlightenment and given great impetus by the rise of science and industrial capitalism. It embodied the triumph of 'mastery over mystery'; indeed, according to Weber, it was 'the master trend of history'. It increasingly reduced the administration of human affairs to calculable, cold, hard, 'matter-of-factness'; it made manageable complex, large-scale tasks that required central direction; and it concentrated power in the hands of those who controlled the bureaucratic apparatus of the state.

The emergence of technocratic modes of government, especially in the decades after World War II, represent the quintessential rationalization of government itself. Technocracy, however, is not to be understood as an organizational form, like bureaucracy, but as a predisposition on the part of governing officials (whether elected or appointed). This technocratic predisposition tends to abjure politics and political processes, which are seen to be 'emotional' or 'irrational', self-seeking and opportunistic. The technocratic mind strongly favours the intellectualization of governmental issues and problems, and the search for and implementation of theory-driven, scientifically based, policies (see Fischer 1990, 2000; Yankelovich 1991).

Yet all prescriptions for governmental structural change are politically driven, in the broadest sense. There can be no such thing as a purely technical, apolitical, policy of state-sector reform. This is as true of the NPM movement as it was of the reforms that occurred in the early part of the last century under the banner of the 'progressive movement'. The advent of NPM was nested within largely technocratic approaches to government, especially in those countries like New Zealand and Britain where it was based on strong theoretical foundations, and was part and parcel of major social and economic policy changes. It can be better understood not so much as an attempt to abolish the bureaucratic form of governmental organization so much as a means of refining it, of enhancing the precision of its processes and the calculability of its results. And it has stressed operational, managerial, rather than democratic improvements. The former are focused on the values of efficiency and accountability, and NPM has sought to apply economic theories of the firm to the management of public organizations (to render them more 'business-like'). On the other hand, the latter highlight issues surrounding the political and constitutional relations between the state and its citizens.

Bureaucratization itself, whereby modern organizations increasingly measure up to his ideal-type, is a key component of Weber's idea of rationalization and is commonly seen as a vital hallmark of political–economic development.[2] Under NPM-type reforms, precision and calculability are enhanced to the extent that public goods and services are provided as commodities in a marketplace (or a quasi-marketplace),

2 'Bureaucratization' and 'rationalization' have commonly been used synonymously in discussions of Weber's work.

and to the degree that human beings can be increasingly instrumentalized. As Weber pointed out, in a much-quoted passage:

> Bureaucracy develops the more perfectly the more the bureaucracy is 'dehumanized', the more completely it succeeds in eliminating from official business love, hatred, and all purely personal, irrational, and emotional elements which escape calculation (Weber, in Gerth and Mills, 1974, 216).

In times past public organizations were collectivities of people, later known as 'staff', later still as 'personnel', who contemporaneously have been transmogrified into 'human resources'. In turn, 'human resource management' has become a major tertiary education discipline, serving the needs of modern organizations. If people are commodified as impersonal 'resources', a term drawn from economics, then they can be systemically controlled more effectively, in the interests of efficiency and productivity. Similarly, we have consumers transacting in the economic marketplace, rather than citizens engaging in the political debating place. In the meantime, the inexorable process of rationalization is apparent in the exponential growth in the use of acronyms in the increasingly technicized language of modern policy-making and management. PPBS, ZBB, MBO, TQM, IVL, not to mention NPM itself, all imply in their usage a degree of instrumental rationality and technical certitude that implicitly belies the reality of political and social ambiguity, conflict, wrong-headedness, and downright confusion in the administration of all human affairs.

Language, literally, says it all. Today in government we are much less likely to find politicians who have mastered the arts of rhetoric which appeals to the heart as well as (or instead of) the head, who can tap into human sensibilities in ways that can connect people to the impersonal systems and organizations that control their lives. Almost certainly Weber had something like this in mind when he drew upon Friedrich Nietzsche's dismissive depiction of the odious 'last men' (who were said to have invented happiness, and who made everything small), lamenting near the end of *The Protestant Ethic and the Spirit of Capitalism*: 'Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved'.[3] The rhetoric of an Adolf Hitler can stir the passions in the pursuit of horrendous social purposes, just as that of a Martin Luther King can do the same for noble and humane ones. And there are times and places where governments seek by dispassionate language and discourse to subdue the savage breasts of citizens, in pursuit of a wider public interest. Yet one wonders today whether in a speech on the steps of the Lincoln Memorial, Martin Luther King might now feel obliged to proclaim 'Value-free at last, Great God Almighty, value-free at last!' Or perhaps not 'I have a dream!', but instead, 'I have a scoping!' In his presidential inaugural address John F. Kennedy would today need to invite his fellow Americans to 'ask not what your country can do for you – ask what you can do for your Economy'. In his June 1968 eulogy to his dead brother Robert, Edward Kennedy was characteristically eloquent: 'My brother saw wrong and tried to right it; he saw suffering and tried to heal it; he saw war and tried to stop it.' Today he might need to add: 'He saw market

3 See Kent (1983).

failure and tried to correct it.' Even the United States' Declaration of Independence might today '… hold these truths to be self-evident, that all men are created self-interested utility-maximizers'.

Whether adopted by apparently centre–left governments, as in New Zealand and Australia in the late-1980s, or by obviously centre–right or rightist governments, such as in Britain at the same time, a central theme running through NPM reforms was the desire, if not relentlessly to 'roll back the state', then to try to 'depoliticize' more and more areas of public policy-making. This is examined closely by Martin Marcussen in this volume, in his discussion of central banking, but the general trend is reminiscent of Weberian rationalization, in that appeals to 'objective' science are invoked to supplant those of politically bargained outcomes, since the latter are driven much less by the intellect than by interests and passions. Underlying political realities are disguised by scientistic technospeak as the technocratic aspiration, which assiduously seeks the 'end of ideology' in pursuit of an increasingly globalized political–economic system, limits the scope of political imagination and celebrates the politics of necessity – 'there is no alternative!'

Whether or not Talcott Parsons accurately translated into English Weber's famous metaphor of 'the iron cage', the German was highly ambivalent about modernity's impact on human freedom, an unease reflected in his 'spirit of tragedy' (Diggins 1996), and in his acute sense of the paradoxical nature of what we might today loosely refer to as 'progress'.[4]

Bureaucracy and its Discontents

To suggest that international consultants on governmental reform might do well to dust off some of Weber's writings – or indeed, to read them in the first place – sounds as absurd as suggesting that neo-classical economists should for their own enlightenment carefully ponder Marxist theory of surplus value. Following Wright (1997, 8), who has argued that public sector reform follows fashions, and 'no self-respecting government can afford to ignore it', Drechsler (2005, 7) adds that the label of a 'Neo-Weberian State' 'might not be "cool" enough for the consultancy circuit'. In the eyes of modern-day public management gurus, Weber on bureaucracy would be seen to have as much to offer as Luther Gulick's (1937) anachronistic acronym, 'POSDCORB'. Yet, as the saying goes, what goes around comes around.

When Weber's writings were translated into English, about the middle of the last century, they attracted an enormous amount of scholarly attention in the English-speaking world. In America, leading sociologists criticized what they saw as Weber's argument that modern bureaucracy was the paragon of organizational efficiency. For example, Philip Selznick's (1949) seminal work on the Tennessee Valley Authority

4 Kent (1983) argues that Parsons' translation of Weber's metaphor of '*ein stahlhartes gehäuse*' as 'an iron cage' (in Parsons' translation into English of *The Protestant Ethic and the Spirit of Capitalism*) was inaccurate, because Parsons wrongly believed that Weber had been strongly influenced by John Bunyan's puritan epic, *Pilgrim's Progress*. According to Kent (p. 300), Weber intended the phrase to represent 'an industrial, mechanistic image for his readers, perhaps a steel housing or casing for motors'.

(TVA) persuasively highlighted the fact that grand political purposes could be subverted by pragmatic organizational responses to local political imperatives.[5] Robert Merton's (1940) article, 'Bureaucratic Structure and Personality', remains the *locus classicus* on 'goal displacement', a concept which identifies not so much a form of bureaucratic irrationality as a paradox inherent in all large organizations – the tendency for control to defeat purpose (Hummel 1994). Others who wrote influentially with similar purposes included Gouldner (1954) and Blau (1955).

Many other scholars saw that bureaucratic organizations, whether in the business or governmental domains, from about the middle of the last century became increasingly populated not by clerks but by professionals. This resulted in a generic tension between the demands for political and managerial control, on the one hand, and the need for professional autonomy, on the other. Their expertise, and their mindsets, meant that professionals became increasingly influential in shaping both the means and ends of public policy (for example, Levy et al. 1975; Mosher 1968; Wilson 1989).

By the mid-1960s, economic rather than sociological interpretations of political and bureaucratic behaviour had been gathering momentum, in the form of public choice theory. This provided in large part the theoretical underpinnings of the state-sector reforms undertaken by NPM leaders such as Britain and New Zealand. The new model of marketized, 'results-driven' public management seemed infinitely more appealing than the image of cumbersomely inefficient 'Weberian' bureaucracy. Public choice theory is predicated on the assumption that governmental actors (like everyone else) rationally calculate self-service instead of aspiring to public service. Downs (1967), one of the leading pioneers of this body of theory, complemented Weber's key structural elements of modern bureaucracy with his own cogent interpretation of bureaucrats acting as if they were committed disciples of Niccolo Machiavelli. Since then more sophisticated variants drawn from the rational choice school have argued that bureaucrats are motivated by the quest for such 'utilities' as bigger budgets, more operational 'slack', or more status, rather than by a public-serving pursuit of policy purposes. Insights into the development and character of Western public administration provided by scholars working within the paradigm of traditional public administration were largely discarded on the grounds that they were not informed by any parsimoniously elegant theory of bureaucratic or political behaviour.

The main sociological critiques of Weber's 'ideal-type' bureaucracy were challenged on the grounds that they misrepresented or – perhaps because something was lost in the English translation – misunderstood it. Albrow (1970) argued that Weber was far less interested in bureaucratic 'efficiency' than in the legal–rational foundations of bureaucratic imperatives. Bureaucracy was simply *the* way of transforming social action into rational action. And scholars like Peter Self (1993, 2000) and Olsen (2001) mounted theoretical counter-attacks against what they saw as

5 Selznick's interpretation was later disputed by Wilson (1989), who argued that what Selznick saw as the 'co-optation' of the TVA's main task by local interests was actually a function of law, experience and professional (predominantly engineering) norms.

overly reductionist economic interpretations of political and bureaucratic behaviour (Bendor, Moe, and Shotts 2001).

Few, if any, have criticized Weber's 'ideal-type' bureaucracy as being an ill-founded conceptual model of the organizational form that has dominated modern industrialized society. But many have advanced arguments about its effects on modern governmental administration. It has been well recognized that there is a constant interplay between governmental purposes and governmental means, between the desirable and the feasible in public policy-making and management/administration, that no choice of apparently technically 'neutral' means is without consequence for the ends that are being pursued or the ways in which they will be sought. The whole era of state-sector reform in Western democracies has, in fact, been witness to attempts, distinguishable by their means rather than by their intent, to strike a new balance in the ongoing relationship between instrumental rationality (*zweckrationalität*) and substantive rationality (*wertrationalität*). This relationship can be depicted in the image of the infinity symbol, in Figure 11.1, in which the box around the conjunction depicts the area of optimal balance between technique and purpose in public policy-making. The symbol represents the dualities of means and ends, facts and values, administration and policy, science and politics, the feasible and the desirable, and so on.

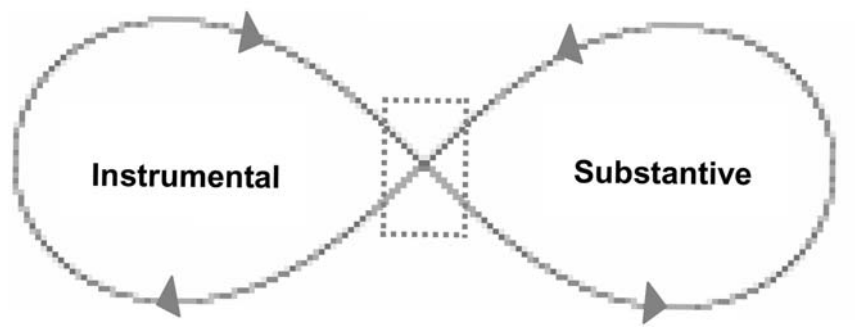

Figure 11.1 The relationship between instrumental and substantive rationality

The tension between instrumental and substantive rationality is the key dynamic which underpins Hummel's (1994) critique of life in modern organizational society, while more recently many commentators have written about the paradoxical nature of NPM itself, and the pendulum-like swings apparent in state-sector changes since the 1980s (see, for example, Aucoin 1990; Wright 1997; Peters 1998b; Maor 1999; Hood 2001a; Norman and Gregor 2003; Hood and Peters 2004; Pollitt 2004; Talbot 2004b).

The NPM Response and Unintended Consequences

NPM in its various forms embodied theoretical insights – especially as they were drawn from economics – which accepted a meaningful separation of ends and means, and facts and values. This constituted a rediscovery of what had decades earlier been discarded by students of political processes and institutions – the so-called politics/administration dichotomy (Campbell and Peters 1988). As applied to state-sector reform, this positivist theoretical bifurcation became the basis of an institutional split in which policy ministries were separated from their operational agencies, in the desire to overcome the perceived problem of 'provider capture'. In New Zealand, if not to the same extent in other countries, an artefactual distinction between 'outputs' and 'outcomes' became the cornerstone of a new budgeting and accountability edifice, while a similar distinction was drawn between 'funders' and 'providers', and between 'owners' and 'purchasers'. All have been central to the adoption of a quasi-marketized provision of public goods and services.

Although (and possibly because) these theoretical designs were elegant and coherent, before long their mechanistic interpretation of the world of political–bureaucratic interactions gave rise to unintended (and undesired) consequences. These arose out of the organic realities of institutionalized human behaviour. For example, the creation of single-purpose agencies dedicated to the production of their clearly specified output classes, and held accountable for so doing by an increasingly stringent system of micro-management, exacerbated problems of inter-agency collaboration in the pursuit of collective public policy purposes. The generation of organizational outputs became more immediately compelling than the achievement of longer-term outcomes; 'siloization' and fragmentation in the structural edifice of the state sector created a need for more pragmatic moves to 're-join' previously insulated organizational fiefdoms, especially policy ministries and their relevant operational arms. In New Zealand, subsequent changes have been aimed at enhancing the central government's capacity to engage in meaningful 'steering' right across the public sector, in the face of the propensity of individual organizations to 'row' in non-strategic directions.

The abolition of the unified career service, and the widespread use of fixed-term contractual appointments for senior public servants, and the flexibility gained in personnel policy through the employment of increasing numbers of people on temporary arrangements, progressively attenuated a public service ethos. This culture had previously been an antidote against the tendency for officials to gauge their actions against the measuring rods of organizational and personal self-interest. Public choice interpretations of egoistic self-interested bureaucratic behaviour were therefore by no means invalid, but to the extent that they formed the basis of new institutional design, they also proved to be strongly self-fulfilling. Why would officials be concerned about some inchoate idea of the public interest while their personal and organizational performance was being more precisely measured against specific targets?

Were he with us today, Weber would observe such outcomes with a knowing smile. He might remind us that in all Western governmental systems, despite the emergence of theories about 'the hollowing out of the state', and regardless of the

importance of collaborative policy networks (in themselves hardly new, in any case) and the emergence of a new 'governance' paradigm (in contrast to that of 'government'), the dominant organizational form remains classically Weberian. He might acknowledge that some of the essential elements of his 'ideal-type' are much less relevant today – such as the one-directional career path. And he might happily observe how there has emerged, in places, a 'New Weberian State' which embodies professional knowledge, less rigid preoccupation with rules as ends in themselves, and a greater desire to enter into more mutually responsive relationships with the state's citizens: a 'modernized' (as distinct from a 'marketized') bureaucratic form (Pollitt and Bouckaert 2004).

It is safe to say that none of the countries which are today moving into a post-NPM era have abolished Weberian bureaucracy as much as they have transformed it, 'reinvented' it in different ways, though this in itself is no mean feat. Possibly there is a general law of organizational reform at work, namely, that those who seek to abolish bureaucracy but who do not really understand it are doomed only to reinvent it. The supplanting of rule-driven bureaucratic organizations by ones which are impelled by the demands of legalistic contractual relationships represents a change more in bureaucratic form than in substance, and reflects the general quest for even greater precision in the institutionalization of legal–rational norms. Nor is it clear whether the inflexibility of rule-driven bureaucracy is any more subversive of public policy purpose than the high degree of risk-aversion which characterizes public administration in the 'audit society' (Power 1997). Risk-averse behaviour on the part of public officials is, to say the least, no less prevalent under NPM, and has probably been exacerbated by the more stringent accountability regimes which are central to these reforms, despite the rhetorical appeal of 'letting the managers manage'. In reality public officials are less likely to be sanctioned for achieving what is often unachievable in the form of policy outcomes than they are to be punished for their failures to comply with procedural requirements or to meet specific production targets. In this context, the idea of 'negativity bias' in public policy formulation and implementation well captures the prevalent mood of the times (Hood 2002; Weaver 1988).

It is clear that many elements of state-sector reform have led to behaviour that clearly illustrates Weber's fatalistic view of the unintended consequences of purposive political action. In his words: 'The final result of political action often, no, regularly, stands in completely inadequate and often paradoxical relation to its original meaning' (Weber, in Gerth and Mills 1974, 117). No-one would seriously claim that NPM, or any other reformist movement, could finally 'solve' all the problems of governmental administration, without cost. Yet much of the early rhetoric surrounding NPM was couched in language that often seemed to promise precisely that, and it should surprise few that such overblown expectation remains unfulfilled. Therefore, 'transformation' is best understood not as the attainment of governmental systems that far surpass what they replaced, as gauged against the values of efficiency, responsiveness, effectiveness, fairness and equitability, but as the supplanting of old pressing concerns by new ones. As other chapters in this volume show, some of these are sui generic and arise out of the particular political, cultural and environmental circumstances that pertain in different jurisdictions, others result

directly from the structural and technical changes embodied in the reforms, while others are mediated by both influences simultaneously.

The architects of NPM, in seeking to transform the Weberian character of governmental organizations, had they been aware of it might have paused to reflect on Weber's own appreciation of the paradox of instrumental action. The idea was central to the analysis he developed in one of his most widely debated works, *The Protestant Ethic and the Spirit of Capitalism*. There he argued that Calvinism, having been essential to its rise, became subverted by the worldly materialist ethos of industrial capitalism. Of course, Weber observed a similarly paradoxical relationship between democracy and bureaucracy. The logic of control, inherent in the latter, was both essential to and subversive of the political freedoms protected by the former. Bureaucracy's political masters, mere dilettantes, while formally in control of the overpowering apparatus of the state, were increasingly controlled by it as technical expertise became concentrated within what is today often termed 'the machinery of government'. The tendency was well captured by the words of British political philosopher, A.D. Lindsay, in a lecture delivered in 1929, nine years after Weber's death: 'Man has a way of becoming enslaved to his own instruments, and of getting so occupied with the means of life that he forgets the end' (Lindsay 1935, 64).

Critics of the adverse effects of rationalization stand to be reminded that few people would, given the hypothetical opportunity, opt to live in the Middle Ages, without the benefits that modern science and technology have bestowed. Yet they might have pause to reflect also that in those days humankind had not invented the means of its own destruction, or the ways of massively damaging the Earth itself. We may hope that Henry Adams (described by Arthur Schlesinger as the 'most brilliant of American historians') was not totally prescient: 'Some day science shall have the existence of mankind in its power, and the human race shall commit suicide by blowing up the world.[6] Today, Fukuyama (2006, 7) writes in similar vein:

> … our ability to manipulate ourselves biologically, whether through control over the genome or through psychotropic drugs, or through a future cognitive neuroscience, or through some form of life extension will provide us with new approaches to social engineering that will raise the possibility of new forms of politics … Here the potentially bad or dehumanising consequences of technological advance are tied up with things like freedom from disease or longevity that people universally want, and will therefore be much more difficult to prevent.

Whether or not the unintended consequences produced by structural and institutional changes to governmental systems are desirable or undesirable is obviously a matter of subjective judgement. This was true of changes made under the paradigm of traditional public administration, and has proved to be the case in regard to NPM. So, is there anything special about the paradoxical character of NPM? Does NPM lend itself to a particularly fruitful study of unintended consequences? Why might it be argued that it is more likely that these consequences might take the form of

6 Quoted from <www.washingtonpost.com> accessed 24 April 2006, p. A 17.

reverse effects, which are manifest as directly counter-productive outcomes to those originally intended?

Rational Means and Irrational Results

Unlike earlier programmes of administrative reform, most of which had largely pragmatic origins and designs, and were born of political processes characterized by opportunism, bargaining and negotiation, NPM has been more strongly technocratic in nature (Mascarenhas 1990; Gregory 1998; Goldfinch 2000). Not only has it been based on sophisticated (though by no means unproblematic) bodies of theoretical knowledge, but because state-sector reform is generally not an area of public policy-making that excites great political passions – even though its effects on citizens are profound and direct – its theoretical designs have been far less tempered by the pulling and hauling of partisan political interests. This has been more the case in some jurisdictions than in others – most notably in New Zealand and Britain, less so in Scandinavia, with the Australian experience perhaps lying somewhere in between.

On top of this, NPM has been impelled by the drive to enhance organizational efficiency and accountability, rather than the need to maximize other political–administrative values (such as fairness, equity, due process and public participation). NPM's dominant focus reflects the close relationship between the technocratic method, on the one hand, and the precision with which the key values of efficiency and accountability can be measured. In other words, because NPM was born largely of a technocratic mindset it is unsurprising that it should place a premium on enhancing those values which are the most precisely and readily calculable.

Weber would not have been surprised by the emergence of the NPM endeavour, aimed as it has been at refining and honing the technical dimensions of the organizational machinery of the modern state. As he famously observed:

> The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization … Precision, speed, unambiguity … [and so on] … are raised to the optimum point in the strictly bureaucratic administration, and especially in its monocratic form … Today, it is primarily the capitalist market economy which demands that the official business of the administration be discharged precisely, unambiguously, continuously, and with as much speed as possible (Weber, in Gerth and Mills, 1974, 214–15).

In this passage, the acronym NPM could readily be substituted for the words 'bureaucratic organization'. For NPM has aspired to provide modern government with enhanced calculability, not so much the calculability of rules per se, but the '"calculability" of results' which is demanded by '[T]he peculiarity of modern culture, and specifically … its technical and economic basis …' (Weber, in Gerth and Mills 1974, 215). NPM's emphasis on accountability and efficiency both reflects and enables the epochal concern for greater managerial control and precision. In this sense at least, NPM does not attenuate bureaucratic principles as much as it reinforces them. Despite the anti-bureaucratic rhetoric that surrounded the advent of NPM, it is

not difficult to mount a persuasive argument that the new paradigm actually rendered governmental organizations more, rather than less, 'bureaucratic'.

Thus, the more the bureaucratic character of the organization is enhanced by the pursuit of ever greater managerial precision, particularly in the search for more sophisticated, accurate and inclusive means of measuring performance, the bureaucratic paradox may be manifest not just in the production of unintended consequences but in the generation of consequences which take the form of reverse effects. Whereas unintended consequences may be both benign and malign, when assessed against the original intentions behind the particular 'parent' policy, reverse effects by their nature are malign, since they represent results which are the opposite of those originally intended.

It would be interesting to formally test the hypothesis that the production of reverse effects is positively correlated with the quest for ever more precisely calculable means of managerial control. More speculatively, even a cursory look at the central dualities of the New Zealand model of state-sector reform suggests that outputs are far more specifiable and measurable than outcomes; funding is much more so than providing; and purchasing more so than owning.[7] At the very least, the emphasis placed on ever more sophisticated forms of performance management, which is almost certainly not a mere passing fad, gives rise to ever more ingenious ways of subverting it, in the form of gaming – 'hitting the target but missing the point'. Such instrumentally rational behaviour is intended to ensure that precise targets are seen to be precisely met – even when they have not been met at all (Hood et al. 1999; Bevan and Hood 2004; Hood 2006); or, as in New Zealand, where second generation reform is attempting to 'manage for outcomes' rather than being preoccupied with the production of outputs, such outcomes are more like 'hairy outputs' – that is, 'risk-managed outputs framed in outcome terms' (Craig 2006, 207). In this connection, Goodhart's Law – which originally applied to a paradox of control in the application of monetary policy – has since been rephrased in a way appropriate to the use of measures and targets in governmental management.[8] That is to say, when a measure of performance is made into a target it quickly ceases to be a valid measure, since it will create powerful incentives for managers and operators to behave in ways that are quite rational in meeting targets but may be much less so in achieving organizational purposes.[9]

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7 In his review of the New Zealand reforms Schick (1996, 43) sees a form of Gresham's Law in the relationship between the roles of purchaser and owner: 'purchase drives out ownership'. As Norman (2003, 136) notes: 'A major reason for such an effect is the disparity between the hard financial numbers associated with budget and purchase considerations, and the soft, limited information associated with ownership issues – the most significant being the longer-term capability of staff.'

8 'Any observed statistical regularity will tend to collapse once pressure is placed on it for control purposes' (Goodhart 1984, 94). Strathern adapted it to managerialism: 'When a measure becomes a target, it ceases to be a good measure.' See: <www.atm.damtp.cam.ac.uk/people/mem/papers/LHCE/goodhart.html>.

9 The idea is reminiscent of, but not the same as, the 'Hawthorne Effect' in social science, whereby the act of studying human behaviour can simultaneously change the behaviour being studied.

The outputs/outcomes bifurcation, which is more central to the architecture of the New Zealand model than to public management in any other jurisdiction, has been especially transformative in its effect on bureaucratic behaviour. It represents a quest for conceptual precision, as if complex governmental activity can be so neatly categorized in the search for enhanced budgetary, managerial and political control. Although, as already noted, all large bureaucratic organizations, which approximate Weber's ideal-type, are by nature prone to the phenomenon of 'goal displacement', the outputs/outcomes split makes them prone to a form of goal displacement 'with attitude'. The outputs produced by governmental organization members themselves have to be specified in the form of targets, the achievement of which has to be measurable, the entire enterprise being facilitated by the rapid advance of information technology (which itself is a quintessential expression of rationalization). The overall result is that goal displacement becomes not only more apparent but more precisely calculable, usually in the form of numbers games as ends in themselves. In general terms, the capacity to calculate tends to displace the willingness to think and to exercise good judgement in the more pragmatic pursuit of complex purposes.

The seminal insights provided by Lindblom (1959) into the essentially political character of public policy-making have found little or no place in the theoretical foundations of NPM. Writing long before NPM came on the horizon, Lindblom blew gaping holes in the model of rational action that was intended to be a blueprint for state-of-the-art public policy-making. He showed why clarity in specifying policy or organizational objectives can impede the collective endeavours of political coalition- building required to achieve those aims. It can be noted today that one of the main shortcomings of the NPM enterprise has been that it has impeded rather than enhanced collaborative organizational action, by excessively fragmenting and 'siloizing' governmental structures. Because the NPM paradigm places such a high premium on the clarity and specificity of organizational and policy objectives, and on the increasingly precise measurement of performance in the pursuit of them, it is perfectly rational for public managers to do all in their power to satisfy such demands. The premium actually paid in the quest for ever more precise measurement of performance is the discount on the collaborative effort that is so often required for policy effectiveness. The latter, by its very nature, is often not amenable to precise measurement, but instead can only be gauged through the processes of political scrutiny, debate and interpretation. The paradox is that, in order to enhance effectiveness, the theoretical positions that underpin NPM need to be more sensitive to the need for political (both electoral and organizational) coalition-building; but it cannot really do this because NPM itself is based firmly on the belief – stemming largely from its positivist roots – that good public management should be essentially apolitical.

One of the most dramatic and oft-cited historical examples of this relationship was the American war in south-east Asia, where quantitative measures of 'success' – notably body counts and kill ratios – displaced less calculable forms of historical, cultural and strategic knowledge, leading to outcomes which from the viewpoint of the United States administration of the time were dramatic reverse effects. The war was lost. The enduring television images of hundreds of people frantically fleeing

Saigon in helicopters in April 1975 remains a powerful generic metaphor for policy disaster writ large – instrumentally rational means producing substantively irrational outcomes. The village had to be burned in order to save it.

It is notable that NPM emerged out of this same mode of linear-rational thinking. The same rational stable produced the Planning–Programming–Budgeting–System (PPBS) which was then Defence Secretary Robert McNamara's technocratic tool in the US Department of Defense, and was later adopted in other federal agencies. The invasion in 2003 of Iraq by the American-led 'coalition of the willing', and the subsequent war in that country, is shaping up to be a similar case. What was intended, ostensibly at least, to reduce the likelihood of international terrorism has almost certainly enhanced its prospect.

The war in south-east Asia, and the conflict in Iraq, are not merely or even primarily technical exercises, but as the old saying goes, they are about 'winning the hearts and minds of people'. Weber's notion of *verstehen*, or the need to understand social action from the viewpoint of the actor, at least complements, if not supplants, strictly positivist explanations of human behaviour. As Runciman (1969, 13) interpreted Weber on this: '… we must try to behave as though we could be positivists, but … this is on condition that we realize that positivistic procedures must be supplemented (or preceded) by a further procedure which is different in kind.' The question of whether or to what extent the positivist foundations of NPM are intimately bound up with the dominance of technocratic approaches to public policy analysis in the policy ministries established in the attempt to overcome 'provider capture' (whether real or imagined) is a complex issue which demands further analysis in its own terms.

Here, however, we may note that Weber's analysis of bureaucracy was strongly influenced by his familiarity with the Prussian bureaucratic state of the late nineteenth and early twentieth centuries. It was to be several decades after his death in 1920 before fully-fledged welfare states emerged in liberal–democratic societies. Unlike the bureaucratic organizations of industrial capitalism, the apparatus of the welfare state adopted bureaucratic means not so much to produce things but to change people's behaviour – 'winning the hearts and minds' of people – through the implementation of a rapidly increasing number of social policies. Today we require governmental bureaucracies not just to produce passports and pay welfare benefits, for example, but also to get people to stay healthy, to stop breaking the law, or to get them to mend their ways when they do. However, whereas bureaucratically organized action was essential for the former, maximizing as it did productive precision and technological certainty, it was a relatively blunt instrument in the pursuit of social purposes. It proved to be much easier to manufacture a motor car than to 'teach Johnny to read'. The formulation and implementation of social policy – in areas such as health, education, criminal justice and welfare – was inevitably based on technical knowledge which could never be precisely calculable in offering conclusive answers, but which had to appear to be so, lest it not be taken seriously by those who had the power to decide and the desire to persuade. Again, the paradox lay in the fact that the bureaucratic means was, as ever, the only organizational way to run the metaphorical social policy 'railroad'. But the powerful 'contextual goals and constraints' placed on those who exercised public authority and spent ever-

increasing amounts of taxpayers' money in the pursuit of elusive social purposes tended to further hinder the achievement of those ends.[10]

The more governments sought technocratic means to alleviate if not 'solve' a growing array of politically identified 'social problems', the more the levels of frustration increased, in the face of rising social expectations. Had he been around, Weber would almost certainly have seen a new face of his 'disenchanted' world.[11] Faith in the efficacy of social engineering was strongly challenged by the belief that really 'nothing works'. All this gave rise to the irresistible ideological challenges to the welfare state mounted by the political 'New Right', based on appeals to the authority of neo-classical economic ideas which were seen to provide answers to the economic and social problems generated by (neo-)Keynesian thinking. Nested within this ideological framework was the assemblage of ideas that emerged as NPM, which were intended to reform governmental bureaucracies in the image of the business corporation, seen to be more rigorously committed simultaneously to both economic efficiency and effective performance.

Because the architects of this ideological paradigm had only a passing acquaintance with Weber's insights and ideas, it is hardly surprising that this endeavour has embodied a massive contradiction, one which is strongly redolent of Weber's spirit of tragedy. The more technocratic and 'scientific' have been the attempts to transform Weberian bureaucracy, the more likely has it seemed that they would produce unintended consequences shading sometimes into reverse effects. If all governmental purposes are to be pursued as if they were manageable as 'production' tasks, with certain technology and precisely calculable means, then perverse if not reverse effects will certainly ensue.[12] Running a railway, for example, is a profoundly different endeavour from providing care and protection services for children exposed to violence inflicted on them by their guardians. While management of child care and protection services properly require some measures of organizational performance, when such measures become precise targets they will more precisely subvert the pursuit of the substantive purpose. In all this there lies what Weber might have seen as a classic paradox – namely, many public organizations increasingly need a high learning capacity as they try to change people's behaviour under conditions of technological uncertainty and high political stress, but the central tenets of NPM induce them to act *as if* they operate with high technical certainty under low stress and so do not need to learn.

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10 See Wilson (1989, 129–34).

11 In the words of Gerth and Mills (1974, 51): 'In thinking of the change of human attitudes and mentalities that this process ["the drift of secular rationalization"] occasions, Weber liked to quote [German poet and dramatist] Friedrich Schiller's phrase the "disenchantment of the world". The extent and direction of "rationalization" is thus measured negatively in terms of the degree to which magical elements of thought are displaced, or positively by the extent to which ideas gain in systematic coherence and naturalistic consistency.' (Schiller's ode, 'To Joy', inspired Beethoven's 9th Symphony.)

12 See Wilson's (1989, chapter 9) four types of public organization: production, procedural, craft and coping.

Reconnecting Politics and Management

The fact that NPM was based on appeals to the authority of scientific knowledge, especially that generated through the prism of rational choice theory, distinguishes it from older traditions of public administrative reform. The latter are better understood as politically pragmatic (sometimes expedient) responses to changing circumstance, though some of the ideas underpinning them – such as the virtues of a professional non-partisan bureaucracy – have attained the status of constitutional principle. While it is hard to see the public choice notion of 'provider capture', for example, attaining similar status as a foundation for institutional design, nevertheless in the early blush of NPM it did attain the status of an incontrovertible truth. But it has since proven to be a fragile truth. In New Zealand, where theoretical coherence was more apparent than in any other jurisdiction, it has been challenged by the reality of a fragmented, 'siloized', central government system, lacking a sense of wholeness and strategic integrity (State Services Commission 2001). New Zealand now grapples with a 'Humpty Dumpty' challenge: what was once rent asunder is now being put back together, if largely incrementally and opportunistically (Gregory 2003; Boston and Eichbaum 2005). And in this process of 'joining-up' or rather re-joining, there has been little if any attempt explicitly to reflect critically on the validity of the original theoretical framework. Instead, this framework continues to be officially regarded as fundamentally sound rather than basically flawed (Gregory 2006). In short, these elements of NPM have proven to be 'scientistic' rather than 'scientific', since genuine science is open-ended, keeping alive a continuing conversation between theory and practice. It is as if the formal theory which shaped the original reforms has to be protected from the disconcerting evidence of political experience, and kept on a sort of intellectual pedestal above and beyond serious reflection. Those whose business it is, whether as academics or practitioners, to think about issues of state-sector reform all need to be able to discern the difference between closed and open theory. The former is self-confirming, essentially ideology or dogma dressed in the guise of science; the latter tenuous, uncertain, and always open to disconfirmation.

Probably in New Zealand more so than anywhere else, the state-sector reforms of the 1980s and early 1990s were conceived in political circumstances which allowed a seizure of technocratic opportunity (Gregory 1998; Goldfinch 2000; Aberbach and Christensen 2001). In the subsequently reflective words of one of the leading government politicians of the time, there emerged 'something of a disjunction between the policy-making process and the political process. The decision-makers are a select few politicians who decide things, not on the basis of what the political process of representative democracy tells them, but on the basis of what some varieties of economic or policy theory tell them' (Palmer 1992, 13). This did not mean, of course, that these theories themselves were not strongly ideological beneath their scientific patina. It was really the political appeal to their authority that carried the day rather than the scientific status of the theories as such. Nevertheless, the 'conversation' between the technical/scientific and the political/democratic was put on hold; instead, the government took pride in 'crashing through' its policy changes in the face of any public and Parliamentary opposition (Douglas 1993).

In other countries the relationship between theory and politics was more ambiguous and complex, and undoubtedly more healthy. The situation in Britain under Conservative Prime Minister Margaret Thatcher was probably closest to the New Zealand scenario (despite the fact that in the latter country a Labour government was in office). In Australia the federal system and the continuing power of the trade unions were factors that ensured a more political, incremental, approach to state-sector reform (Mascarenhas 1990); while in subsequent years the scope and nature of public-sector change in the Scandinavian countries has continued to be strongly shaped by political circumstance and exigency (Premfors 1998; Christensen and Lægreid 2001a; Christensen and Gregory 2004).

The relationship between the theoretical dimensions of NPM and the political context in which they were formulated and applied is strongly reminiscent of the problematic relationship between instrumental and substantive rationality that Weber identified in modern society. Humankind's instrumental capabilities, driven by exponential growth in science and technology, have outrun its capacity for substantively rational inquiry. The calculable technical knowledge which enables us to solve the problems of how to do something, displace our ability and even willingness to consider why or whether we should do it. Writing when he did, well before the technocratic excesses and inhuman horrors that characterized the twentieth century, Weber was greatly perturbed by this prospect. His unease, even torment, spawned some of his most well-known rhetorical images, sporadic and colourful flourishes amidst his rigorously turgid prose. 'Not summer's bloom lies ahead of us, but rather a polar night of icy darkness and hardness,' he lamented in his lecture, *Politics as a Vocation* (Weber, in Gerth and Mills 1974, 128). There was his famous allusion to Nietzsche, already mentioned above, with his associated *cri de coeur*:

> That the world should know no men but these: it is in such an evolution that we are already caught up, and the great question is therefore, not how we can promote and hasten it, but what can we oppose to this machinery in order to keep a portion of mankind free from this parcelling-out of the soul, from this supreme mastery of the bureaucratic way of life (Weber, in Mayer 1943, 127–8).

It is improbable that Weber's pessimistic view of the inexorable growth of bureaucratic regulation should be read as a call for the 'rolling back of the state', or the marketization of governmental goods and service, which are central components of the NPM ideology. It is far more likely that he would have recognized how various means can be adopted in the rationalization of social action, how in-house bureaucratic rules and regulations and the legal apparatus of contractualism are alternative means of securing and maintaining rational control. These means differ in kind rather than in degree.

The distinction between *zweckrationalität* and *wertrationalität* is the essential difference between the major 'estates' of science and politics (Price 1965). In what turned out to be the final years of his life, Weber devoted a public lecture to each of these topics – famously 'Science as a Vocation', and 'Politics as a Vocation' (Weber, in Gerth and Mills 1974). In the former he saw all scientific work is temporary, waiting only to be surpassed. 'Every scientific "fulfilment" raises new "questions";

it *asks* to be "surpassed" and outdated' (Weber, in Gerth and Mills 1974, 138, emphasis in original). Science does not provide the pathway to human happiness, he observed (echoing Nietzsche), since it cannot answer Tolstoy's questions: 'What shall we do and how shall we live?' Thus: 'The fate of our times is characterized by rationalization and intellectualization and, above all, by the "disenchantment of the world"' (Weber, in Gerth and Mills 1974, 155), which stemmed from the *belief* that 'one can, in principle, master all things by calculation' (Weber, in Gerth and Mills 1974, 139). In his lecture on politics he was both despairing and optimistic about the ability of liberal-democratic institutions – only through which Tolstoy's substantively rational questions could be resolved – to control and give purposive direction to a bureaucratic state which concentrated the power of technical knowledge (instrumental rationality) in the hands of experts. As Diggins (1996, 90) has observed: 'Although sceptical of democracy as an institution, Weber was far from an elitist who wanted to see people ruled.' But for Weber, politics was 'a strong and slow boring of hard boards' (Weber, in Gerth and Mills 1974, 128), requiring on the part of the politicians dogged commitment and the willingness to accept consequences rather than to be impelled by a vision of ultimate ends. In Schroeder's (1987, 216) words: 'Weber's politician must be prepared resolutely to partake in the violent struggle among contending world views. In this struggle for self-affirmation, it is the pragmatic orientation towards success, rather than the purity of intentions, that should guide the efforts of the politician.'

In this battle, Parliamentary politicians were both aided and hindered by their bureaucratic subordinates. They were aided by them to the extent that public policy purposes required the expertise inherent in the bureaucracy, but they were hindered by the officials' obsession with secrecy. Weber understood this preoccupation well, one of the first to do so:

> The concept of the 'official secret' is the specific invention of bureaucracy, and nothing is so fanatically defended by the bureaucracy as this attitude, which cannot be substantially justified beyond these specifically qualified areas. In facing Parliament, the bureaucracy, out of a power instinct, fights every attempt of the Parliament to gain knowledge by means of its own experts or from interest groups. The so-called right of Parliamentary investigation is one of the means by which Parliament seeks such knowledge. Bureaucracy naturally welcomes a poorly informed and hence a powerless Parliament – at least in so far as ignorance somehow agrees with the bureaucracy's interests (Weber, in Gerth and Mills 1974, 233–4).[13]

As other contributors to this volume show, especially in the Anglophone Parliamentary democracies, one of the main aims of NPM was to enhance

13 Official information legislation introduced in many Western democracies has been designed to break down bureaucratic secrecy, but if the New Zealand experience is in any way typical, it has not succeeded in fully breaking down officials' fundamental wariness of disclosure. And the holding to account of government officials before Parliamentary select committees is best seen as a power struggle between the legislature and the executive rather than as any sort of self-abnegating and joint pursuit of the public interest (Gregory and Painter 2003).

bureaucratic responsiveness to political will (an aim which sat in a paradoxical relationship with the desire to create an 'arm's length' relationship between ministers and their departments and to give managers more freedom to manage). But the result again may have been something of a reverse effect. The separation of policy ministries from operational agencies may have reduced the political risk faced by politicians when things go wrong – though this too is highly debatable – but it has also transformed in subtle ways the 'bargain' that underpinned political–bureaucratic relationships (Hood 2001b). Bureaucrats now carry far more political and managerial risk than ever before, are much more open to public scrutiny, and far less secure in their careers. The formal contractual relationships between ministers and their departmental heads are no surrogate for the high levels of mutual trust that are necessary to ensure this relationship works effectively. It is hard indeed to see how such trust has been enhanced rather than diminished, or how political control of the bureaucracy has been more effectively secured.

The major exception lies in financial management. In New Zealand at least, most commentators argue that the accrual accounting system in government, introduced in the early 1990s, is much more precise, transparent and regulated than the cash accounting method that preceded it. However, greater financial precision in the production of 'outputs' has been bought at the expense of collaborative willingness and capacity in the use of public monies, and it has been necessary to legislate for greater flexibility in the spending of Parliamentary appropriations across different departments, in pursuit of more 'joined-up' governmental 'outcomes' (Gregory 2006). In a post-NPM era, this attempt to strike a new trade-off between precise financial control, on the one hand, and the trust needed for collaborative enterprise, on the other, will beg close scrutiny.

In general, as Meier and O'Toole (2006) argue, from the basis of empirical research: '"Control" … is far too strong a term for the relationship of politicians to bureaucrats … Studies built on the assumption of a passive and largely pliant bureaucracy should be treated with scepticism.' They find that bureaucratic values are markedly more influential than political leaders in the shaping of policy outcomes, a finding which runs counter, in their view, to the assumptions underlying most research on the political–bureaucratic nexus. Clearly, policy-making which is grounded in both democratic and technical values requires that this nexus is well nourished and sustained. Building policy-making institutions that are based on a belief in the clear separability of politics and administration has the opposite effect.

In New Zealand, the technocratic, top–down, way in which NPM and major economic reforms were introduced in the 1980s and early 1990s produced a political backlash resulting in Parliamentary proportional representation and the consequential curbing of abuses of executive power (Boston et al. 1999). Today, the power of officials in central organizations like the Treasury is much more effectively constrained by the exigencies of Parliamentary politics and coalitions, and it is now almost inconceivable that any theoretical blueprint for policy change, such as the two major Treasury publications of the 1980s (The Treasury 1984, 1987) could withstand political scrutiny and challenge as they did then. This outcome has diminished the likelihood that spurious scientific theory could now escape the scrutiny of strong political interests. This in turn arguably reduces the likelihood of unintended

consequences manifesting as reverse effects. In other words, the potential effects of bad science can best be safeguarded against by good politics (Gregory 1998), and – as Weber knew – the fact that the scientific and political vocations demand different aptitudes and skills should not mean that they operate as separate and unconnected domains. One is reminded of the story about Winston Churchill, who was asked how he managed to converse meaningfully with his scientific advisers during World War II. 'I know virtually nothing about science,' responded Churchill, 'but I know a great deal about scientists.'

Because science and politics embody, in their respective cores, instrumental and substantive rationality, they need to be maintained in a state of mutual interaction, to facilitate 'double-loop' rather than mere 'single-loop' political and administrative learning (Argyris 1999). Seen in this light, the principal problems with NPM have been political rather than technical, relating to the movement's inherent desire to regard good management more as an end in itself than as a means to the formulation and implementation of ends which are determined by processes of scrutiny and debate through political processes and institutions. NPM has sought to keep politics at bay rather than to embrace it.

Managerial accountability in government is certainly an important value, but it is by no means the only value, and sensible governance demands that it be achieved in balance with other equally important requirements that may even conflict with it. In particular, if the performance of governmental officials from the highest to the lowest positions in the bureaucratic hierarchy is increasingly to be measured against precisely specified goals and targets, then spurious measures will abound, purposes will be distorted, and reverse effects will be produced. There has been something of a vicious circle: to reduce the likelihood of reverse effects, or virtual reverse effects, in a post-NPM era the blind quest for precision must be tempered by greater tolerance of ambiguity and uncertainty, but the technocratic, linear-rational, foundations of NPM accentuate rather than supplant the mechanistic dimensions of governmental bureaucracy and so reduce such tolerance.

So, in a post-NPM era there will need to be stronger recognition of a much wider variety of means to assess performance. Public scrutiny of public policy-making and its impact is always partial, fragmented, and based on partisan rather than any 'immaculate perception'. In politics as in life, believing is seeing as much as seeing believing. Why not recognize and embrace this reality, and acknowledge that the assessment of governmental performance, especially in the broad scope of social policy-making, is about story-telling, narrative, and political argumentation based on incomplete and ambiguous evidence, both formal and 'anecdotal'? In this the work of the news media and legislative committees, for example, is ultimately determinative, not because that activity is always driven by logic and incontrovertible fact, but because it usually is not. The evaluation of public policy outcomes can seldom be a strictly scientific, or linear-rational, process. If 'evidence-based' policy-making is ever to be the norm, a post-NPM transformation will be required which recognizes that such evidence, to use the analogy of the courtroom, is as much circumstantial as forensic. While no single strand of a rope may render it strong enough to hold – to convince the jury, or (in the case of public policy) the public – several or many strands together can make it so. And in the seemingly relentless quest to make policy

'outcomes' measurable, it may behove people to reflect on the wisdom of trying to render unmeasurable outcomes measurable. Perhaps for politicians and policy analysts a new rendition of the Serenity Prayer might assist in such an attitudinal transformation: 'God grant us the serenity to resist measuring the outcomes that cannot be measured, the tools to measure those that can be, and the wisdom to know the difference.'

Yet the prospects for reconnecting public management with the political and public domains remain uncertain. There is little doubt that information technology and so-called e-government will have a major impact on the shape of both government and 'governance'. Indeed, if NPM is now 'dead' and 'digital era' governance is the new face of things to come (Dunleavy et al. 2006), then the new era may represent not the reconnection of public management with politics but the further separation of the two, to the extent that the calculative precision of information technology becomes self-reinforcing, further strengthening the bars of Weber's 'iron cage'.

Conclusion

One of the main, if not the main, enduring lessons of NPM is the need to put things in perspective. Those people – academics and practitioners alike – who are technocratically trained to think about the structures and processes of government sometimes fail to see the wood for the trees. They may be victims of their own 'trained incapacity' (Mosher 1968), in that their unending search for more technically rational 'solutions' to managerial 'problems' prevents them from understanding, let alone grappling with, the ambiguities, paradoxes, intractabilities and uncertainties of politics.

The attempt to managerialize political agendas reflects the positivist origins of much of the theory that underpinned NPM. Rediscovery of the old politics–administration dichotomy, and the propagation of a host of institutionalized artefactual bifurcations – provider/funder, owner/purchaser, outputs/outcomes, principal/agent – has arguably placed more power in the hands of managers and less in the hands of the politicians – a scenario that enhances in the early stages of the twenty-first century a situation that concerned Weber greatly a full century earlier. It renders the problem of liberal democratic control of the executive even more problematic to the extent that the knowledge and expertise now embedded in governmental organizations is infinitely more complex, arcane and technologically sophisticated than it was during Weber's lifetime. Rationalization has indeed embodied the increasing triumph of instrumental over substantive rationality. A surfeit of quantitative technical knowledge, much of it created primarily for the purposes of managerial control as an end in itself, grows almost exponentially, unleavened by any comparable development of political judgement and wisdom.

We may be reminded of an observation made many years later by one of the atomic physicists who worked on the Manhattan Project in the 1940s. He spoke of 'the technical arrogance that overcomes people when they see what they can

do with their minds'.[14] When the first atomic bomb – euphemistically called 'The Gadget' – exploded in the New Mexico desert in July 1945, it certainly heralded a transformation in military strategy and international relations. And almost instantaneously, by his own account, it transformed the thinking of its leading theoretical architect, Dr Robert Oppenheimer. As the bomb exploded, Oppenheimer recalled a line from Hindu scripture: 'I am become Death, the destroyer of worlds.' Instrumentally rational calculation was transformed into substantively rational questioning: what are the implications for humanity of *this*?

By comparison the transformation of NPM seems insignificant. Yet if NPM is also born of the positivist stable of technological engineering, and if our graduate schools of public policy, administration and management continue to teach thinking skills that lead their users to identify predominantly instrumentally rational problems, insufficiently balanced by the rigours of philosophical, historical and cultural analysis, then what real chance will there be for a genuinely effective reconnecting of the political and bureaucratic domains? The technical dimensions of NPM continue to be adjusted in ways that seek to cope with the unintended consequences that have resulted from the quest for greater managerial precision. (For example, different ways are being sought to circumvent the gaming behaviour that has arisen out of the performance management paradigm; and – as in New Zealand – 'managing for outcomes' seeks to overcome problems with an outputs-based budgetary system.)

However, the idea of genuine transcendence surely implies something much deeper than this. In this case, it will demand the nurturing of political and policy institutions that will by their nature keep *zweckrationalität* and *wertrationalität* in a mutually constitutive relationship, perhaps indeed at 'arm's length' but at the same time with each able and willing to engage the other.

It is certainly true that NPM's strong tendency to undermine the sort of 'theta type values' – honesty, fairness and mutuality – that were once considered central to a 'public service ethos' (Hood 1991) strengthens the arm of those who now advocate a 're-discovery' of the legal–rational foundations of Weber's ideal-type bureaucratic mode. And it is also true that the transfer of NPM-style reforms to countries whose governmental systems are rife with corruption would be akin to erecting a building without a foundation, if legal–rational norms were not first well established (Schick 1998). However, Weber's legacy may lie more prophetically in the 'spirit of tragedy' that characterized his own personal life as well as his work.[15] His strong sense of the paradoxical and the intractable foreshadowed the rediscovery during the age of NPM of the antinomies that NPM itself has so clearly highlighted in its quest for more rational forms of government administration. Above all, Weber's sense of the

14 Interviewed in *The Day After Trinity: J Robert Oppenheimer and the Atomic Bomb*, directed by Jon Else, 1981. Available on DVD and CD-Rom.

15 It has been argued that Weber's sense of the paradoxical character of human existence manifested in his personal 'spirit of tragedy', which tormented him emotionally and psychologically, and was apparent in his relationship with his mother and his father, his nervous breakdown, and finally in his death alone while both his wife and mistress waited outside (see, for example, Gerth and Mills 1974; Diggins 1996). Intellectually, it was arguably apparent in such things as his ideas about the tensions between *zweckrationalität* and *wertrationalität*, and between his 'ethic of ultimate ends' and his 'ethic of responsibility'.

unintended consequences of political action stands in sharp contrast to the certainties espoused, in the name of 'rigour', by many of those who fashioned the theoretical foundations of NPM. As Diggins (1996, 282) has observed:

> Looking to the future, Weber discerned the paradox of progress: humanity's tendency to undertake activities that result in its own confinement and subordination as modernization brings forth the processes of rationalization that enter history without a name. In addition to seeing ironic reversals of intention, his tragic vision of history also saw endless conflict between the desire to be self-determining and the will to organize, between spontaneity and system, between charisma and structure …

Weber would have understood far more clearly than most the fact that the greater the belief in precision and certainty in matters of government and governance, the more perverse the consequences that flow from it. As he well knew, science cannot offer answers to what are essentially political questions, any more than politics can answer scientific ones. This does not mean, however, that science and politics have no grounds upon which they can engage in mutually enlightening conversation. Instead, it makes the need for such a transcendent dialogue even more imperative. New Public Management has attenuated such discourse, and a major cultural transformation will be required if it is to be reinvigorated in a post-NPM era.