



# New Public Management and E-Government: Trajectories of a Marriage between Managerial and Technological Reform in Government

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## INTRODUCTION

Bureaucracy is a bad word in the beginning of the 21<sup>st</sup> century. Despite its idealtypical characteristics of efficient operations and ubiquitous (political) accountability, actual manifestations of public bureaucracies may result in slow operations, diminished citizen orientation and less than perfect responsiveness. In a sense, ICT can be accused of being an accomplice this situation. Nohria and Berkley state that until recently, “[c]omputer systems and software adopted the ‘architecture’ of bureaucracy [...]. Not surprisingly the language of information systems became the language of bureaucracy” (Nohria & Berkley, 1994: 120).

It is not surprising then, that over the last decades, the concept of bureaucracy, as embodied in the ‘classic’ public administration paradigm (Behn, 2001), has been contested and reshaped by a variety of managerial and technological reforms. ‘New public management’ (Behn, 2001; Osborne & Gaebler, 1992) has resulted in emphasis on the ideas of expediency, efficiency and economy (Pollitt, 2000). Furthermore, e-government has emerged (Fountain, 2001). A successful marriage seems to emerge from two types of reform (Bellamy & Taylor, 1998; Heeks, 2001). However, both types of reform refer to very broad patterns of change and therefore, claims of concordance or resentments of directions of managerial and technological innovations taking place in the public sector at this moment may be unjustified.

The aim of this article is to assess the impact of both new public management and e-government on organization of the public sector. In order to reach this goal, three preliminary questions have to be dealt with. These are, first, what are the origins and manifestations of new public management and to what extent does it differ from a ‘classic’ public administration paradigm? Second, what are the origins and manifestations of e-government? And, finally, where do new public management and e-government meet, what kind of trajectories for reform can be expected at the cornerstones of these reforms, and what consequences in terms of accountability and information architecture can be envisaged? In order to answer these questions, the article adopts an analytical, not empirical approach.

## CONTESTERS OF THE ‘CLASSIC’ PUBLIC ADMINISTRATION PARADIGM

In general, the classic public administration paradigm has been criticized since the 1970s for resulting in underperformance in the public sector. Resentment of citizens with the public service coincided with the development in the academic realm of theories like neoinstitutional economics and public choice theory (Gruening, 2001). In other words, a new rhetoric of choice emerged, which was furthermore fuelled by a kind of managerialization of organizational life (Osborne, 1996).

In many subsequent publications, the characteristics of public sector reform have been specified (Gruening, 2001; Pollitt, 2000). These characteristics stem from an orientation on citizens-as-customers, performance, lean and highly decentralized structures and cooperative relations with organizations in private and voluntary sectors. In

terms of accountability, there is a shift from accountability for process (finances and fairness) to accountability for performance (Behn, 1998, 2001). Basically, in new public management, there is an ambition to bypass or complement a hierarchical accountability route which is seen as cumbersome, slow, inefficient and unproductive, by using a system of accountability to ‘customers’ of government services, using direct mechanisms like user fees, surveys, and user panels much like an enterprise checks whether its goods or services meet customers’ requirement (analogous to quality management). Accordingly, in new public management line of reasoning, accountability information does not (only) flow directly ‘upwards’ to parliament and downwards to citizens, but also directly to the customers involved in utilizing public services. In fact, this may serve two distinct purposes: it may enable consumers to speak up (‘voice’ their opinions in a direct way; that is, respond politically) or defect (respond economically by choosing an alternative supplier either in the short or long term) (Hirschman, 1970).

In general, it can be stated that inherent in new public management, there is a notion of departure from the classic public administration paradigm. The means that are chosen to achieve this, however, vary from direct contact with citizens (both in terms of service appraisal as well as participation), market mechanisms (applied between agencies) and more organic (as opposed to formalized) relationships. At first glance, the notion of participation and citizenship and new public management may seem contradictory. New public management seems to emphasize the citizens’s power of *exit* as opposed to the power of *voice*. Vigoda and Golombiewski (2001), however, have demonstrated that it is quite possible to blend managerialism with active citizenship.

## WHAT IS NEW AND DIFFERENT WITH E-GOVERNMENT?

Often, the term ‘e-government’ is used to refer to the application of specific Internet-related technologies inside and around governments (Fountain, 2002; Heeks, 2001; Moon, 2002). In this paper, e-government is described more broadly as the use of information and communication technologies, especially internet and web technology, by a public organization to support or redefine the existing and/or future relations with ‘stakeholders’ in the internal and external environment in order to create added value.

If one compares e-government ideas with the idealtypic of bureaucracy, it can be concluded that there are several deviations. E-government’s main characteristic ‘redesign of relationships with internal and external stakeholders’ potentially results in all kinds of lateral communication flows and semiformal coordination mechanisms, which is incompatible with classic public administration’s principle of integration and centralization of bureaucracy. Furthermore, classic public administration’s accountability route is challenged by consultation mechanisms that are often present in e-government initiatives.

**SYNTHESIS: TRAJECTORIES OF CHANGE AND CONFIGURATIONS OF PUBLIC SERVICE ORGANIZATIONS**

**ICT and direction of reform: divergence**

Techno-utopians may assume that a marriage between new public management and e-government ideas results in citizen-oriented, transparent and responsive government bureaucracies. This line of reasoning can be questioned in a number of ways. First, we have showed that there are no ubiquitous trajectories; several, mutually contradictory paths of change can be envisaged. Furthermore, expectations about concordance of technological and organizational change have been discussed previously (George & King, 1991; Groth, 1999; Lee, 1965; Malone, Yates, & Benjamin, 1987). Groth states in this context that these kind of claims seem to function like a Rorschach test: “those who think central control is a good thing eagerly eye what they see as the opportunity to use automation [...] to strengthen management’s grip on the organization, whereas those who would like to wrestle power away from bosses finally see their chance to decentralize operations, devolve responsibility, and empower employees” (Groth, 1999: 325). Projecting a single trajectory on the basis of an assumed marriage may be highly speculative. An alternative line of reasoning, which is presented here, is to envisage various trajectories, each based on combinations of attributes of new public management and e-government strategies.

In general, two sets of trajectories emerge from the marriage between e-government and new public management. The first one is concerned with an external perspective, that is, with a perspective on the relationship between government and citizens. The second one is concerned with a (government) internal perspective, referring to the changes that could occur within and between bureaucratic organizations.

**The interface with the outside world**

The external trajectory builds upon e-government’s notion of the relational competencies of ICT: the capabilities of ICT to (re)consider relationships with other actors (citizens, societal organizations, and firms) (Gascó, 2003). In general the reengineering aspect of this reform trajectory is concerned with the redesign of the ‘interface’ between government as a whole on the one hand, and citizens, firms and societal groups on the other hand.

A first trajectory within this set is especially concerned with service delivery (Chadwick & May, 2003). In general, this trajectory emphasizes *service delivery* to firms and citizens in their role of consumer of services, purely within the executive realm. Accountability is sought in reporting on performance of the service delivery (for example by querying user panels). Underlying information processes focus on generating performance indicators in terms of costs and quality of services for accountability purposes.

A second trajectory is concerned with mediating the interaction between citizen and government. It is referred to as *citizen participation* (Chadwick & May, 2003) and can take the form of advisory referendums, e-voting, and electronic town meetings on the one hand and electronic, bi-directional mediation between government and societal groups on the other hand. This model builds upon the assumption that knowledge that is required for policy formulation, -formation and -execution is discursive and malleable and emerges from interaction between societal groups – including but not primarily government. In this trajectory, electronic discussion environments are the basis for transforming social capital into policies. This trajectory borrows slightly from new public management the notion of participation and breaking down governments, but especially from e-government’s focus on participatory services. Accountability focuses on process and is targeted directly at citizens in their role of ‘citoyen’.

These two trajectories indicate how interaction between citizens and governments change as a result of new public management and e-government reforms. These trajectories, however, do not indicate how government organizations themselves (or: relationships between various government organizations) could be affected by the combined reforms of new public management and e-government.

**Internal structuring of government**

With internal trajectories, reference is made to “changes in internal government operations that come about as IT is used for automation, cooperation and integration among government agencies and as a tool assisting in decision-making processes” (Grönlund, 2003: 55).

A first ‘internal’ trajectory affecting relationships within and among governments is a type of reform that builds upon new public management’s emphasis on joined-up government and tight cost control, and e-government’s characteristics of a more efficient, cooperative and standardized interaction in and among governmental agencies. Such a trajectory is referred to as a ‘digital NPM’-scenario (Dunleavy & Margetts, 2000; see also Fountain, 2001; Groth, 1999). This trajectory is referred to as (reinforced) ‘*hierarchy*’ here. In order to realize any of the external trajectories mentioned above, relationships between governmental organizations are coordinated more tightly by means of ‘centralizing by informing’ (Groth, 1999; Zuboff, 1988). By developing an government-wide information architecture, it is possible to increase control through automatic collection, aggregation and presentation of vital policy information, and thus to enable cross organizational performance measures (Minister for the Cabinet Office, 1999). In fact, Weberian control is optimized by means of conscious direction of processes to great depth and/or great breadth.

A trajectory that is more or less opposite to the above trajectory is a trajectory that is based on blurred boundaries between agencies and departments (Bekkers, 1998) and ubiquitous e-government technologies (Nohria & Berkley, 1994). It is based on new public management’s notion of lean and highly decentralized structures, empowering street-level civil servants, and breaking down unitary bureaucracies in a web of relations with organizations in semi-public, private and voluntary sectors, and e-government’s focus on external relationships and transactions. This trajectory is called (reinforced) ‘*network*’ here. The main difference with the classic public administration paradigm, is that the store of documentary material is not controlled by means of functional differentiation and vertical integration. Rather, this trajectory indicates that ICTs in itself are an alternative form of control, which have made it possible to manage the store of documentary material in ways less crude and labor intensive than in the bureaucracy of the public administration paradigm.

**Synthesis: four trajectories and their consequences for accountability and information requirements**

By combining both the external and internal trajectories, four trajectories of marriages between new public management and e-government can be discerned (Figure 1). As is the case with the archetype of bureaucracy, these configurations may be understood as ideal types: heuristic tools for identifying and classifying empirical phenomena in a way that aids further research. In any specific empirical case one of the models is likely to be the dominant one, but there may be some degree of overlap and intersection.

Below, the abovementioned trajectories are analyzed for their differences with respect to differences with the classic public administration paradigm, especially with respect to the question how they deal with the core idea of accountability.

The first trajectory, ‘network for service delivery’ idealtypically results in a service network: a loosely coupled network of public, non-governmental and private organizations that produces public goods. Inclusion in the network is based on temporary hierarchical fiat or on a fixed-term agreement, where renewal of the agreement (and thus renewed inclusion in the network) is at least partially dependent on perceived quality of service. As an illustration, it is possibly to mention a Public Traffic Authority, whose budget is partially dependent upon the

Figure 1: Four trajectories of reform

		Internal structuring	
		Network	Hierarchy
Interface with the outside	Service delivery	“Network for service delivery”	“Hierarchy for service delivery”
	Participation	“Network enabling choice”	“Consultation”

results of a survey among users of the public transportation.

In this trajectory, political principals determine how the service network is configured based on the performance of the network in terms of perceived quality. Thus, accountability is not focused on 'fairness' or 'process', but on 'product', and accountability information with respect to product quality is reported to political principals.

The information architecture that serves as the backbone of the organizational network in general has to facilitate a minimal degree of lock-in in the service network, in order to make entry and exit of public, non-governmental and private organizations in the network possible. Therefore, the architecture does not necessarily aim for integration of programs and services. Fountain refers to this situation as virtual integration (Fountain, 2001: 26-27). A typical information architecture in this trajectory has characteristics of a clearing house or reference index, in stead of an integrated 'data silo' (Homburg, 1999, 2001).

The second trajectory, 'hierarchy for service delivery', marks a different perspective on both accountability and the information architecture. Here, data standardization through the use of centralized databases is seen as a forerunner of (expanded) structural change in government bureaucracy in the sense that it creates a platform for integration efforts. Thus, the information architecture of this trajectory is based on integral, centralized databases that enforce bureaucratic control. In a sense, here, informatization and especially integration *optimizes* bureaucratic control. In other words, informational control is a device used for the sake of discipline in and between organizations because informational control is explicitly used to standardize underlying (inter)organizational procedures.

The accountability mechanism at work basically is accountability for fairness and finances, and it is emphasized and enforced in an information architecture that ties organizations together in a bureaucratic structure: the information architecture consists of one or more relatively centralized databases that more or less enforce common procedures to be used. Here, informatization is the precursor for further standardization, formalization and (implicit) centralization.

In the third trajectory, 'network enabling choice', the focus is on enabling citizens (some) degree of freedom with respect to the way public services are produced and/or delivered. Accountability mechanisms are, in contrast to electronic mediation, not directed at political principals, but at the citizens directly (public accountability): competing service providers provide performance indicators to the general public in order to generate legitimacy. Perceptions of quality of services here help organizations to pass the evolutionary filter of legitimacy.

The information architecture that supports this trajectory basically is a data warehouse, ideally managed by a separate governmental or non-governmental organization that monitors the performance of various competing service channels and/or providers. This application may be supplemented by procedures guaranteeing access and safeguards for the validity of the information provided. Note that the information architecture of this trajectory may resemble the information architecture of the electronic mediation trajectory, but the accountability mechanism differs, especially in its direction (public accountability versus political accountability).

The final trajectory, 'consultation', is based on the assumption that a relatively unitary, public service producing bureaucracy proactively generates accountability information and targets and distributes it among citizens, allowing them to cast their opinions. The way this takes place, however, does not address the bureaucracy directly but their political principals. Accountability refers to finances and fairness primarily.

The information architecture that supports this trajectory basically resembles the architecture of the electronic hierarchy, notwithstanding that accountability and therefore, information, is targeted at citizens, for example using websites as channels. It is also referred to as 'multicentric accountability'.

## CONCLUSION AND DISCUSSION

In this paper, two contesters of the classic public administration paradigm have been analyzed: new public management and e-government. At first sight, there seems to be a univocal marriage between the

reforms implied by new public management and e-government, but the variety of concepts embodied in these reforms as well as results from assessments of the impact of both new public management and e-government on the organization of the public sector, suggest that four configurations or trajectories can be envisaged. A univocal marriage between new public management as a managerial innovation and e-government as a technological innovation is a fallacy: ICT and e-government strategies can affect new public management strategies (and vice-versa) in such a way that they enable various trajectories. On the other hand, an 'anything goes scenario' can also be disputed. As has been demonstrated and illustrated, every trajectory brings about different requirements (1) with respect to the accountability and (2) with respect to the architecture of the information provision, and various manifestations of accountability mechanisms and -routes, and information architectures that support these mechanisms and routes. Reforms adopting a new public management or an e-government flavor therefore urge their initiators to reconsider basic concepts of accountability and information architectures as elements of the nEw government. Inversely, a specific architecture for e-government applications may have profound effects on the way accountability mechanisms are shaped, and on the way government and citizens interact, and therefore it requires careful consideration.

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