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Trends in the development of public management in Europe

INTRODUCTORY REPORT PRESENTED BY

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Trends in the Development of Public Management in Europe.*

Article 41 of the Charter of Fundamental Rights of the European Union states the right to good administration. As professor Pierre Devolvé has demonstrated at the 2003 conference on good administration in Warsaw, this right entails the responsibility to observe, in the sphere of public administration, the principles of equality, impartiality, neutrality, objectivity, transparency, proportionality and effectiveness, combined with the responsibility to implement appropriate organizational and procedural solutions.¹ As is well known, these principles are further developed in the European Code of Good Administrative Behaviour (incidentally, the Polish name for the code, “European Code of Good Administration” departs from the original which puts emphasis on conduct or good practices in the realm of administration).

Within the Council of Europe, standards of public administration have been subject to several recommendations of the Committee of Ministers adopted since 1977. Most of the principles were formulated in the Recommendation (2007)7 on good administration. The appendix to the recommendation, titled “Code of good administration,” formulates the nine principles of good administration: lawfulness, equality, impartiality, proportionality, legal certainty, taking action within a reasonable time limit, participation, respect for privacy and transparency. Further, the appendix also defines rules governing administrative decisions (which develop Article 41 of the EU Charter), entitles individuals to appeals against administrative decisions and to compensation for damages suffered through unlawful administrative decisions or negligence on the part of the administration. The text of the Recommendation (which works as a preamble to the Code), mentions the right to good administration four times, and explains that the document aims to define that right and, in effect, facilitate its practical implementation, following the example of the Charter of Fundamental Rights.

The Recommendation contains another formulation which, according to the conference program, will be addressed already in the first panel and which we will need to tackle throughout this conference. This formulation, crucial to the following paper, concerns the general direction of the changes in approaches to public administration which have been taking place through the last century and a half since the matter has begun to be considered from the modern scientific point of view. The Recommendation states:

[...] good administration is an aspect of good governance (or “bonne gouvernance”); [...] it is not just concerned with legal arrangements; [...] it depends on the quality of organization and management; [...] it must meet the requirements of effectiveness, efficiency and relevance to the needs of society; [...] it must maintain, uphold and safeguard public property and other public interests; [...] it must comply with budgetary requirements; and [...] it must preclude all forms of corruption.

¹*This paper works with theses introduced by the author in the article „Od administracji publicznej do *public governance*” in: *Zarządzanie publiczne*, no.1: 2007, and in Chapter I of the book *Introduction to Public Administration and Administrative Law*, Warsaw 206.

P.Devolvé, „Raport końcowy” in: *Prawo do dobrej administracji*, Warsaw, 2003 (*Biuletyn Biura Informacji Rady Europy* 2003 nr 4) p. 131 and following.

The first panel will allow us to dwell on aspects of “effectiveness, efficiency and relevance to the needs of society,” and those entail also responsibility and trust. This paper, however, will focus on another crucial connection, that between good administration and two other terms which should be qualified with the adjectives “good” and “public”: governance and management. Those terms may turn out to be particularly important for characterizing the different phases in the development of public administration and for thinking about public administration (provided that, among the many meanings attributed to those terms we address—somewhat arbitrarily but not unjustifiably—those meanings which demonstrate that importance).

Before we continue with this argument it is necessary to define its terms. Let us begin with what I believe is the broadest of those terms, one that found its way into the title of this paper, namely “public management” (*la gestion publique*, although, in today’s French, one would probably say *le management public*). In his book under the telling title, *Public Management and Administration*, Owen Hughes² demonstrates that administration constitutes a narrower and more restricted function than management. The term “administration” derives from “ministrare” and that, in turn, from “minor,” which suggests a subservient, secondary function. “Management,” on the other hand, comes from “manus,” suggesting the need to “handle” the object of management. The broader scope of signification of the term “management” is revealed also in the fact that when we remove the qualifier “public” the term will not be associated with public institutions while the term “administration” often will (even if Andrew Dunsire listed as many as fifteen meanings of this word in English, probably the richest language when it comes to this field³). Let us adopt this broad definition of the term “public management,” or, better yet, “management of public affairs,” when we consider the main directions of its development.

Public management is as old as the state, but in seeking the origins of contemporary public management we do not need to reach further than the Enlightenment. Public management was at the time generally referred to as “the police.” It is no accident that the word gave rise to the term “the police state” in absolute monarchy, where the police dealt with all organizational and functional aspects of institutional “handling” of public matters by absolute power. The “republics” of the time (the term “republic” would be applied to such states as the Polish-Lithuanian union, Great Britain and the United States of America), however, often sought, also under the name “police,” such solutions which would combine functionality and the fulfillment of social needs with the rule of law. The rule of law was to remain an important, (though not the only, or not even the fundamental) departure point for the discussions on the function of public institutions in the Anglo-Saxon world.⁴

On the European continent in the 18th century absolute monarchy was dominant. The crisis and fall of absolutism, which was a direct or indirect result of the French revolution, brought about a rethinking of the field under discussion and the formulation of the concept of, and later the formation of a “state ruled by law.” The state ruled by law, together with legal positivism, resulted in the form of government which has come to dominate after the 1848 Spring of Nations. Public administration has come to be defined as the instrument for carrying out acts of parliament and other formal sources of the law. The science of administrative law, which came into being together with *Rechtsstaat*, became the science of public management. Apart from decentralization, as a reaction against absolutist

² O.E. Hughes, *Public Management and Administration: An Introduction*, 3rd Edition, Macmillan, 2000.

³ A. Dunsire, *Administration. The Word and the Science*. 1st Edition, London 1973 (1981 reprint).

⁴ See my book *Historia Administracji*, 5th Edition, Warsaw, 2001, page 25 and following.

centralization, the science of administrative law focused on the problem of legal grounds for administrative intervention, especially administrative decisions, and on the judicial control of the legality of those decisions, as well as, more and more often, on the procedures leading to the making of those decisions.

As a result, a formalist approach to administration took hold, while the perception of administration as an active supplier of various public services, previously taken for granted, was ignored. That blind spot was to be compensated for only later and only after other fascinations with various aspects of administration, such as its ties to politics, subsided. What remained was the domination of the science of public administration by lawyers—a feature characteristic to the European continent—even if more and more often they address other aspects of management.

The benefits of the “state of law” are indispensable for the proper operation of the classic controlling function of public administration, namely the regulatory-organizational function, expressed principally in passing legal acts: abstract and general (administrative regulations, local bylaws) and specific-individual (administrative decisions). One needs to stress that the successive approaches to, or phases in, the development of public management did not entail a radical departure from what preceded them. On the contrary, one may speak of a layering or accretion which has come to constitute the forms of modern public management and has influenced modern approaches to public management.

In the Anglo-Saxon countries, with their strong tradition of the “rule of law,” there is no need to emphasize the role of law as, to a certain extent, the distinguishing feature of the public character of public management. What did emerge in those countries was the need for doctrinal and practical separation of public administration from politics. The science of public administration dates in the United States to “The Study of Administration,” an essay published in 1887 by Woodrow Wilson, then a student of political science with a recent PhD, later the president of the United States during World War I.⁵ While emphasizing the need to Americanize the European science of administration, Wilson argued that the science of administration should be the subject of both research and teaching. With the growing criticism of the spoils system, which had given employment in federal administration as a reward for contributions and on political grounds, the study of administration was to create a professional civil service, separated from the world of politics.

At the same time, Wilson regarded the science of administration as part of political science, which has eventually become the tradition in the United States and, to a certain extent, in Great Britain. He also defined for the time to come the directions of its development. In his words,

...the present movement called civil service reform must, after the accomplishment of its first purpose, expand into efforts to improve, not the *personnel* only, but also the organization and methods of our government offices [...]. It is the object of administrative study to discover, first, what government [in Europe we would probably say “public authorities”] can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy.

⁵ W. Wilson, “The Study of Administration,” *Political Science Quarterly*, vol.2: 1887, no.2.

Needless to say, freedom, democracy and the role of public opinion are the crucial contexts here, as they still are today.

Without diminishing the role of European authors, particularly Lorenz von Stein, it could be argued that it was Wilson who defined that field of public management which we may now call “public administration” (obviously, in the narrow sense of the term). This field was to experience continuous growth in a number of directions. Another scholar who sought the solution to the problem of the relation of administration to politics was Max Weber. Weber, however, worked with different categories, as he sought an ideal type of bureaucracy, and within a different science, namely sociology. It is thanks to Weber that public administration found its synonym in “bureaucracy.”

The relationship, in turn, between the field of public administration and the science of management, then undergoing parallel development, was discovered thanks to Henri Fayol who wrote about *La doctrine administrative dans l'Etat*, and his Anglo-Saxon followers (particularly Luther Halsey Gulick and Lyndall Urwick); one may also mention Polish contributors who worked for the Committee for the Improvement of Public Administration in 1928-1933. The work of these authors influenced the process of modernization of central administration in many European countries, also in Poland. This process led to attempts to separate not only politics from administration, but also, army fashion, headquarters from the front line, where the “headquarters” (as the assistant apparatus of the policymakers, such as the prime minister, whose role was particularly emphasized, as well as the ministers) was to be organizationally much more flexible than “the front line” (the operational apparatus). The above has become a classical model.

With time, as a result of the development of the general science of management, the field which we have defined as “public administration” transformed into public management in the narrower sense of the term. As in generic management, such aspects as human relations and new communication and data processing technologies have gained more recognition. Public interest and the rule of law/*Rechtsstaat* were accepted. Public management, often defined as effectiveness-driven management of public affairs, has become an important object of interest for such international organizations as OECD, the World Bank, and the International Monetary Fund.

In the early 1990's a new term finally appeared, “new public management,” to express new ways of thinking and new aims, particularly prominent in the Anglo-Saxon countries. The term was to reflect the latest attempt (after the earlier ones undertaken in the 1930's and after the war) to relate public administration to market economy in order to ensure its effectiveness in terms of the efficient use of public means toward the desired goals. The financial aspect was particularly important in the beginnings of NPM. The new concept was formed in the situation of existing or prognosticated financial crisis, which was the result of long-term tendency to a growing increase in public spending, and consequently in taxes, from income per capita.⁶ This aspect is still relevant, for one cannot easily dispose of the frequently argued thesis about the permanent character of the financial crisis. That implies a continuing validity of certain instruments of the NPM, despite the fact that its broad assumptions are no longer broadly accepted.

⁶ Ch.D. Foster and F.J.Plowden, *The State Under Stress. Can the Hollow State Be Good Government?*, Buckingham-Philadelphia, Open University Press, 1996, p. 3 and following

NPM assumptions were largely ideological in character. Liberal in the European sense of the term and conservative in the American sense, they related to the policy of such—liberal or conservative—politicians as Margaret Thatcher and Ronald Reagan. They espoused deregulation (“less state,” reduction of the administrative system) and introducing market mechanisms into administration (the scope of which was to be determined by public institutions). This was to be achieved through the introduction of instruments proper to civil law (“less state more law”) not only in the realm of social services, but also in some core public administration matters (such as issuing passports or prison administration). In short, the main sphere where NPM had influence was—and still may remain—administration as a provider of services.

One of the experts of the World Bank observed that the term NPM “is used to describe a management culture which emphasizes the centrality of the citizen or customer, as well as accountability for results. It also suggests structural or organizational choices that promote decentralized control through a wide variety of alternative service delivery mechanisms, including quasi-markets with public and private service providers competing for resources from policy makers and donors. [...] NPM was conceived as a means to improve efficiency and responsiveness to political principals [...] Service providers should concentrate on efficient production of quality services [and] policy-making is seen to be more focused, more rigorous, and sometimes more adventurous if it can be made without the undertow of concern for the existing service providers. And once purchasing has been detached from policy-making, there are opportunities for creating contract-like arrangements to provide service incentives.”⁷

The reference point, then, is the citizen as customer of administrative services. In order to ensure this customer’s satisfaction “contract-like arrangements” are made: this term embraces not only administrative outsourcing (that is, contracting, in the course of appropriate open competition, entrepreneurs and or non-governmental organizations for services in the public sector), but also quasi-contracting of the comparatively independent agencies created for that purpose within public administration, functioning, in effect, in ways other than traditional budgeting. From this point of view, NPM was an attempt to move beyond the Weberian model of bureaucratic organization, and simultaneously to introduce real accountability (limited to economic categories) of administrative units.

Advocates of NPM introduced its ideas as universal solutions for almost all problems of public administration, and its aim as the creation of post-bureaucratic type of organization. Not for the first time in the history of public administration there appeared the conviction that “one best way” has been discovered, very different from the solutions offered by the classics. In some countries NPM has greatly influenced administrative reality. On the world scale, this influence was minor (in such countries as France, Germany or Japan) or none at all (particularly in the “third world”). This proves, again, that the existing administrative models and styles, as well as legal systems, are culturally conditioned.

When introducing NPM today, one needs to use the past tense, despite the fact that a number of its elements did not lose their significance; those are, for example: attention to financial aspects, quantification of goals and their achievement, outsourcing and quality management in public administration. Since the mid-1990’s, when certain disillusionment with liberal

⁷ N. Manning, „The New Public Management and Its Legacy”, *Administrative and Civil Service Reform*, www.Worldbank.org/publicsector/civilservice/debate1.htm (2000)

ideologies of Margaret Thatcher and Ronald Reagan has set in, one begun to recognize, on the one hand, the complexity of the phenomenon of giant contemporary organizations, including public administration, which rules out the possibility of finding “one best way,” and on the other, the distinctiveness of public administration from non-public sectors. The influence of postmodernism has also been important, as it programmatically excludes the possibility of simple identification of problems and finding simple solutions.

As a result, today we fully accept the thesis, rejected within NPM, that “arguments about the inefficiency in the public sector are based more on conjecture than fact,” because in many spheres private enterprise cannot serve as a reference point and because there are numerous examples of inefficiency also in giant private organizations. Today one would also accept the thesis that “often, the aim of public institutions are universal services and not services which are economically efficient.”⁸

As NPM’s attractiveness wanes, a new approach to public management is progressively taking shape, namely that of public governance, which takes civil society as its reference point. The new term is attractive enough to replace earlier terminology. In OECD, the structure which deals with public administration now uses the term “Public Governance” in its name, instead of the earlier “Public Management.”

“Governance” is an old term, which had been used already in the Middle Ages. Derived from the Latin *gubernantia*, as is “government,” it referred to the system or method of governing. Long forgotten, it has become fashionable again in the 1990’s. Today it refers not to the structures of power but to the governing functions from the point of view of the methods, processes and quality of “governing,” that is, it refers to policies and their social effectiveness. One of the definitions of “governance” is “the task of managing complex communities” through coordinating subjects belonging to different sectors.⁹ For “governance” does not refer only to the public sector. Next to “public governance,” which also involves the need to cooperate with the enterprise sector, there is “corporate governance” (in Polish, “ład korporacyjny”), and more recently also “civic governance.” As the literature on the subject emphasizes, the term “governance” is not sufficiently defined yet, and tends to be used intuitively rather than rationally.¹⁰ In Polish, additionally, there is a scarcity of words which could be used as equivalents of “governance”; none of the Polish terms seem to convey the English sense of the word (such as: “ład,” used in the context of “corporate governance,” “rządzenie” or “sprawowanie władzy”, or “administracja partnerska”). Thus the term is used in English, which is also the case of other European languages, with the exception of French in which the term “gouvernance” has been adopted.

When one seeks to define the characteristic features of the concept of public governance, it is useful to demonstrate ways in which it is different from the concept of New Public Management. It has been observed that “whereas in New Public Management a lot of attention was paid to the measurement of results (both individual and organizational) in terms of outputs, public governance pays a lot of attention to how different organizations interact in

⁸ K.J. Megier, *Politics and the Bureaucracy: Policymaking in the Fourth Branch of Government*, Fort Worth: Harcourt College Publ., 2000, p.5.

⁹ R. Hague, M.Harrop i S. Breslin, *Comparative Government and Politics. An Introduction*, 4th Edition, Houndmills-Basingstoke: Macmillan 1998, p.5.

¹⁰ L.E. Lynn Jr., C.H.Heinrich and C.J.Hill, „Studying Governance and Public Management: Why? How?“, in: *Governance and Performance. New Perspectives*. C.H.Heinrich and L.E. Lynn Jr., eds., Washington DC: Georgetown University Press, 200, p.1.

order to achieve a higher level of desired results – the outcomes achieved by citizens and stakeholders. [...] In public governance, the way in which decisions are reached - the processes by which different stakeholders interact - are also seen to have major importance in themselves, whatever the outputs or outcomes achieved. In other words, the current public governance debate places a new emphasis on the old truths that ‘what matters is not what we do, but how people feel about what we do’ and ‘processes matter’ or, put differently, ‘the ends do not justify the means.’¹¹ As a result, public governance focuses on such issues as stakeholders’ engagement, transparency, equal treatment (irrespective of gender, ethnicity, age or religion), ethical and simply honest behaviour, accountability and sustainability.¹² The role of the authorities is much less that of running political life as it is policy moderating.¹³

While the point of reference for public management are citizens as customers, public governance focuses on citizens as stakeholders. Stakeholders (in Polish, “interesariusze”) are not the usual consumers or clients, and public administration, conceived of as “governance” is not simply the subject of the government or the law, nor a specific market actor, but constitutes an important element in the life of the society, as it contributes to solving communal problems with the participation of interested groups and individuals.

Ideas of “good governance” are related to two basic characteristics of our times. To begin with, they consistently express the principles of liberal democracy, which should be a “participatory” and “partner,” “interactive” or “deliberative” democracy. At the same time democracy should be linked to the ideas of open government which provides access to public information (as it was called in Poland) and a responsive government. Thinking in terms of “governance” creates a new frame for the development of democracy, for it no longer considers citizens merely voters, volunteers and consumers: because they are given problems to solve, they can be considered co-decision-makers and co-creators; it has less of an interest in public leaders (public affairs professionals, politicians, or public service contractors) and more in partners, teachers, civil action organizers; it is interested less in parliamentary democracy and more in democratic society, at the same time that it deepens the civic, horizontal, pluralistic and productive dimension of politics.¹⁴ Secondly, “good governance” cannot be separated from the principle of subsidiarity which is more and more often declared a constitutional principle in European countries, and which, to a certain extent, constitutes the principle of the Law of the European Union.

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As mentioned above, Recommendation (2007)7 conceives of good administration as an aspect of good governance. It seems that the time has come to speak less about the right to good administration and more about the right to good governance or, to be more precise, time to consider the right to good administration as an important aspect of the broader right to good governance.

¹¹ T.Boivard and E. Löffler, “Understanding Public Management and Governance,” in: T.Boivard and E. Löffler, eds., *Public Management and Governance*, London-New York, Routledge 2003, pp 8-9.

¹² Ibid., p.10.

¹³ E. Löffler, “Governance and Government: Networking with External Stakeholders,; in: T.Boivard and E. Löffler, eds., *Public Management and Governance*, London-New York, Routledge 2003, p. 166.

¹⁴ H.C.Boyte, „Reframing Democracy: Governance, Civic Agency, and Politics,” *Public Administration Review*, 2005, no.5.

Such shift would be justified in today's situation of substantial changes in the functioning of public institutions. As Jerzy Hausner and Stanislaw Mazur observe, those are reflected in moving:

- from objective responsibility (for something) to subjective responsibility (to someone; ultimately, to civic society)
- from linearity to networks
- from bureaucratic coordination to partnership and leadership
- from static equilibrium to dynamic change and adaptability
- from infallibility to probability
- from national interest in the monocentric state to polyarchy (deamalgamation and decentralization)¹⁵

It is necessary to emphasize that the successive directions of development which occurred in the history of public management never constituted a total rupture with the concepts and their execution, which preceded those developments. Not only were the accomplishments of the earlier phases not rejected, but they were often incorporated into the newer perspectives, perspectives which recognized different issues and offered different solutions. One may then speak of a cumulative development: from simple schemes which characterized *Rechtsstaat*, or Fayol's theory, to complex, in a way postmodern, perceptions of public management in the model of *governance*.

This accumulative quality found reflection in the preamble to the Recommendation, which recommends that member states promote good administration not only in line with the principles of law and democracy, but also through such organization and functioning of public authorities at all levels, which would ensure effectiveness and "value for money." By relying on what they are legally entitled to (laws which belong to the third generation of human rights) citizens may expect all of the above from public authorities on all levels, as part and parcel of what has come to be defined as one of the characteristics of good governance, namely, multi-level governance.

// „Od redakcji,” in: *Zarządzanie publiczne*, 2007, no.1, p.2