From there to here, from now till then:  
buying and borrowing public management reforms

Christopher Pollitt
Professor of Public Management
Erasmus University Rotterdam
Netherlands
Pollitt@fsw.eur.nl

Introduction

Most reformers don't invent completely new ideas - they buy or borrow management ideas and techniques from elsewhere. They bring things from 'there' to 'here'. Merchants in this trade include governments, management consultants, international organizations and even some academics. Money changes hands, but that is not the only currency. Influence, prestige and status are also involved in these transactions and, at a deeper level, there may be transfers of meanings concerning such profound issues as the nature of the public sphere, citizenship or even democracy itself.

Different types of product are traded. Sometimes whole sets of doctrines are sold - such as the New Public Management (NPM) or 'Good governance'. At other times specific techniques may be offered, such as accruals accounting, the balanced scorecard, regulatory impact analysis or the EFQM quality model. The most common general rationale for importing such doctrines or techniques is that they will solve some present problem(s). They will help the importing jurisdiction move from a state of difficulty ('now') to an improved condition - a solution - in the near future ('then').

The main point I want to make is that we need more and more sophisticated ways of thinking about this trade in management ideas. Too often such transfers and attempted transfers are debated and decided as 'technical fixes'. The discussion proceeds as though what was being transferred was some kind of instrument or machine part, where the object of the exercise is to get the right part and fit it into its place. Alternatively, at a political level, borrowing management reforms may become a matter of following fashion and appearing to be 'modern' and up to date. From this perspective, whatever the 'market leaders' like the USA or the UK are doing, the rest of the world needs to pay attention to and follow as far as it can. At both levels of discussion there is a frequent perception that we need to get 'that' installed, and then we will have achieved a new equilibrium - problems solved, closure.

My argument will be that these ways of conceptualising international management learning are deeply inadequate. In their place I will try to offer some more useful - if more complex - heuristics. Briefly, I want to suggest that:

1. transfers of management technology are hardly ever simple - they usually involve significant adaptation, if not transformation of the 'thing' being imported.
2. transfers of management technology commonly entail the import of more than just the tool or instrument. These 'tools' usually come not neatly packaged, but bound up with packages of assumptions, norms, pre-requisites and unintended consequences.
3. It is usually more accurate to regard transfers of management technology as part of an on-going process of adaptation and development than to think of them as a time-bounded 'fix' for a particular problem.

Later in the paper I will address the implications of this more complicated view. One central
consequence of this way of thinking is that the importing jurisdiction, instead of being seen as a consumer purchasing a standard product, becomes an active partner in the process, helping to shape and adapt the ideas and techniques on offer.

From there to here: a growing market but not a new one

The international trade in public management ideas may well be growing, but it certainly not new. Students of the subject would be well-advised to look at the long history of such traffic, not just at current policies and promises. Nineteenth century Japan borrowed systematically from organizational practices in Europe (Westney, 1987). In Brazil the modernization of the 1930s included the import of US 'scientific management' ideas (Rinne, 2001). In the late 1980s German local authorities copied a particular model of municipal management from the Dutch City of Tilburg. In the 1990s the idea of restructuring tax collection as an independent agency, having been pioneered by Bolivia and Ghana in the late 1980s, spread to at least 15 developing countries (Taliercio, 2003). And so on - the examples could be multiplied a hundred times.

What is immediately clear to those who venture into this literature is that such transfers are a highly risky and uncertain business. Many transplants don't 'take' - the importing jurisdiction ends up rejecting, or at least neglecting them. Others do 'take' but produce unforeseen and sometimes unwelcome consequences. On other occasions still the import is claimed as a success, but closer inspection shows that one or more of the key features of the original has been changed, so that what has succeeded is not the model as sold, but a more-or-less highly customized and adapted version.

One feature of growing importance in this global traffic has been the activity of international organizations of various kinds. They have become nodal points in the network of exchanges of management ideas. The OECD, the World Bank and the European Commission have been particularly active, spreading new ideas, comparing different national experiences, offering guides to best practice and sometimes even requiring particular reforms to be implemented (e.g. Manning and Parison, 2002; OECD, 2002a; SIGMA, 2001)

Public management reform: the illusion of standardized solutions

The idea of one best way - and of one best practice - is a tremendously seductive one. Each generation seems to go through a cycle of excitement at finding the best way, and then disappointment as more analysis and more studies appear to show that it is not, in fact, so universal in its effectiveness, and that it also has downside effects.

The public management reforms of the past 20 years have been extensively influenced by this cycle. We have been through (inter alia) periods of intense enthusiasm for the New Public Management (NPM - see Pollitt, 2003b, chapter 2), for 'Reinventing government' (Osborne and Gaebler, 1992), for partnerships and networks (Kickert, Klijn and Koppenjan, 1997) and now, in the developing world context, for 'capacity-building' (Fukuyama, 2004). Each of these has been prescribed, in varying doses, by the Anglo-Saxon world for use by the rest of the world - both developed and developing. Consider, for example, what Osborne and Gaebler said in their best-selling book, Re-inventing government:

`'If the rise of entrepreneurial government is an inevitable shift rather than a temporary fad, as we argue, one would expect it to happen in other nations as well [as the USA]. And to a startling degree, it has. A similar process of transformation is underway throughout the developed world' (Osborne and Gaebler, 1992, p328)"`
Unfortunately - or perhaps fortunately - contemporary scholarship has shown that there is no such standard solution. Neither ‘entrepreneurial government’ nor any other single approach has spread throughout the developed world – even in terms of rhetoric, let alone practice (Pollitt, 2002). This has been the finding from many comparative studies, conducted from several different theoretical perspectives (e.g. Pollitt and Bouckaert, 2004; Christensen and Lægried, 2001, Kickert, 1997) In a recent work on state-building and governance the American academic Francis Fukuyama put it like this:

'\textquoteright That there are no globally valid rules for organizational design means that the field of public administration is necessarily more of an art than a science. Most good solutions to public administration problems, while having certain common features of institutional design, will not be clear-cut "best practices" because they will have to incorporate a great deal of context-specific information' (Fukuyama, 2004, p58)

I prefer 'craft' to 'art', but I agree with the main point. Recently the OECD (having at an earlier stage been rather a strong advocate of the NPM) has acknowledged the same point:

'The mistaken perception that countries share a common problem is often accompanied by the idea that there is a smorgasbord of solutions available, any or all of which will be beneficial. This misconception, peddled under the label of "best practice", has had tragic consequences in some developing countries…' (OECD, 2003, p6)

Even if we step down from the level of ideologies, approaches and doctrines to the level of individual instruments or tools, standardized solutions are hard to find. Close analyses of such instruments as Total Quality Management (Zbaraki, 1998) or Regulatory Impact Analysis (Raedelli, 2002) or the creation of executive agencies (Pollitt, Talbot, Caulfield and Smullen, 2005) all show tremendous variation in interpretation and implementation, sometimes even within a single organization (Joss and Kogan, 1995). These well-known techniques are not off-the-shelf engines ready to be plugged in to local problems. Rather they are loose assemblages of concepts and specific techniques which can be endlessly varied and interpreted (or misinterpreted) in local contexts. There are even internal wars between different gurus with competing conceptualisations of the same technique. Much, therefore, depends on the skill, resources and determination of local managements. And much depends on how long they are allowed for learning and implementation - not infrequently impatient leaders withdraw resources or move on to the next quick fix before there has been sufficient time for management to adapt and embed the new technique.

The process of transfer

Given the variability of management reform paradigms and techniques, what is involved in borrowing a reform idea or practice from another country or jurisdiction? Far from being a straightforward 'make or buy' decision, I want to argue that transfer is a complex process, commonly involving a number of stages and potential pitfalls (De Jong et al, 2002; Pollitt, 2003a). Thus:

1. Much depends on the \textit{quality of analysis of the problem(s) to be addressed}. Statements such as "there is a quality problem" or even "excessive centralisation means that decisions are too slow" are only the beginning of diagnosis. There is a need to understand why the problem exists, and in some depth. The underlying reasons could be to do with resource shortages, training deficits, low pay, incoherent organization, ambiguous goal-setting, party political patronage, resistant cultural norms, corruption or any combination of these. To penetrate these complexities sufficiently may well require local knowledge - the management consultant from London or Washington may be very good at other parts of the process, but not necessarily at this. Naturally, if the original problem
diagnosis is mistaken or superficial, the prescribed solution stands a good chance of being off-target.

2. Much also depends on the complexity of the technique or approach that is the candidate for borrowing. Generally speaking, the simpler the technique, the less difficult it is to see how it will operate in a new environment. Unfortunately, however, many of the most popular and potent techniques are anything but simple. The complexity and variability of TQM, Regulatory Impact Analysis and agencification have already been referred to. The same could be said of Business Process Re-engineering (McNulty and Ferlie, 2003; Packwood, Pollitt and Roberts, 1998) and accruals accounting (Newberry, 2002). The more complex the technique, the more complex the implementation of it in a new context.

3. Far from being a process of rapid transfer, there may turn out to be a long process of adaptation and adjustment. Many major management reforms - even in the most advanced countries - take three to five years fully to bed in. Therefore the question often arises of for how long and on what terms expert advice will be available from the 'exporting' jurisdiction (or, in other cases, the management consultants)? When will the importing jurisdiction have to 'go it alone'?

4. The importer may not be in the position of a freely-choosing consumer of the reform in question. The reform may, for example, be a conditionality of aid. Or it may be what is strongly advised by a big, rich country to a small, poor, underdeveloped country - advice which may be hard to refuse.

5. The transfer may involve quite a complex set of relationships. Several countries may be simultaneously involved (e.g. when both France and the UK offered advice on the creation of executive agencies in Thailand (Bowornwathana, 2004) or in the SIGMA programme where OECD and EU countries offered management advice to the emerging democracies of central and eastern Europe - e.g. SIGMA, 2001). Also there may be management consultants and/or international inter-governmental organizations such as the OECD, the European Commission or the World Bank.

6. Different languages may well be involved, creating multiple possibilities for misunderstandings and slippages of meaning. Common public management terms such as 'agency', 'evaluation', 'efficiency' and 'performance' and even 'management' itself frequently have significantly different connotations in different languages.

The implication of all this is that 'from there to here' is anything but a simple, one-off buying-in of a standard instrument. It much more likely to be a complex, multi-party, multi-linguistic assessment and negotiation, involving players of varying authority, power and expertise, and stretching over a number of iterations.

Analysing variety

The foregoing story of contextuality and complexity may seem a gloomy one. If there is no one best way, or even one best practice; if local factors can play such a significant role; if reform imports can be so long drawn-out and difficult, then is any kind of knowledge transfer really possible? Perhaps managers should return to a pre-global world in which local craft-skills are dominant and no more time is wasted trying to learn from elsewhere?

This is not the lesson which I would draw from the literature with which I am familiar. Whilst knowledge of local norms and practices may well be one important - and sometimes neglected - element in public management reform, that has not prevented social scientists from producing useful broad models of the process of management change. These models do not tell the reformer what to do in any particular circumstance - that would be a tall order indeed - but they do suggest where to look and what to take into consideration. Though differing in detail there is widespread agreement that what is required is not a narrow technicist approach but a wide assessment of formal and informal factors at
several levels.

I will look very briefly at three of these analyses. First, there is Lynn, Heinrich and Hill's 2001 book, *Improving governance*. Moving from the more general to the more particular, they suggest (p37 et seq.) that there are at least four groups of factors which demand attention:

- The cultural environment
- The institutional framework
- Management strategies and relationships
- The primary work level (the characteristics of the particular task or function)

Second, there is Fukuyama's recent work *State-building* (2004). He argues that there are four major components of institutional capacity:

- Social and cultural factors
- The political basis of legitimation
- The design of institutions
- The design and management of individual organizations (p42)

Clearly there is some common ground between Lynn and Fukuyama.

Third, in my own work (Pollitt, 2003b; Pollitt and Bouckaert, 2004; Pollitt, Talbot, Caulfield and Smullen, 2005) I have written at length about the importance of:

- National and organizational cultures
- The structure of the political system (e.g. majoritarian, consensualist, etc)
- Management doctrines
- Primary task characteristics

This is not to suggest there is anything like complete agreement among different theorists. There are many differences in definition and interpretation, and in theoretical allegiance, but some measure of agreement about what to look at is obvious.

Building on this, it can be argued that, when a transfer of a particular management system or technique is contemplated, one needs to consider how far each of these major factors - culture, the political system, the pattern of institutions, the management strategy, the nature of the primary task - matches between the 'exporting' and 'importing' jurisdictions. The more mismatches, the more probable it is that the transfer will fail or produce unexpected results. That is not at all to say that there has to be a perfect match, and that each mismatch spells doom for the transfer. But it is to say that each mismatch calls for attention - it is an aspect that itself may require careful management. Furthermore, at some point the number and depth of mismatches cumulate in the likelihood that the whole thing won't work. Exactly where that point will be is a difficult judgement (as suggested earlier, management reform resembles a craft rather than an art or a science). To some extent it will also depend on the energy, time and resources the importers are prepared to spend on the implementation process.

**Executive agencies: a worked example**

To illustrate the idea of a matching analysis of key factors, we can consider the case of executive agencies. These have been a popular management innovation internationally, with programmes to create such semi-autonomous bodies being launched in, *inter alia*, Canada, Jamaica, Japan, the Netherlands, New Zealand, Thailand, the UK and the USA (OECD, 2002b; Pollitt and Talbot, 2004; Pollitt, Talbot, Caulfield and Smullen, 2005). The basic idea is that better performance will result when
operational tasks are put at arm's length from ministries (disaggregation), entrusted to profession management, and given a degree of flexibility (autonomy) with respect to finance, organization and human resource management. In return for these freedoms, the agency is required to operate within a contract-like framework which prescribes its output and outcome targets and its resource base. This three leg model (disaggregation, autonomy, contract) was pioneered during the 1980s by New Zealand (Crown Agencies) and the UK (Next Steps agencies). A number of other countries have explicitly based their own reforms wholly or partly on these pioneers (Pollitt and Talbot, 2004; Pollitt, Talbot, Caulfield and Smullen, 2005).

Behind this idea, however, we can see the shadows of the key factors identified in the literature cited in the previous section. Let us take these factors one by one.

**National and organizational cultures.** Modern agencies are a decentralized form, with significant management autonomy. Therefore to introduce them in cultures where loyalty to the centre is paramount, and/or where corruption is widespread, is to take a big risk. In a system such as Tanzania's, for example, agency steering from parent ministries cannot work well because informally everyone knows that it is the President and his Secretary General who wield the real authority (Pollitt and Talbot, 2004). And in a system such as Latvia's or Bulgaria's, a culture of corruption surviving from the Communist period means that some agency officials are likely to interpret autonomy as a licence for personal gain (Pollitt and Talbot, 2004).

**The political system/basis of legitimation.** Agencies are likely to develop in different ways in corporatist consensualist systems such as prevail in Sweden and Finland from their trajectories in two-party majoritarian systems such as the UK's or New Zealand's (Pollitt, Talbot, Caulfield and Smullen, 2005), or Presidential systems such as Tanzania's. In corporatist/consensual systems particular agencies may become the fiefdoms of certain parties, in a complex balancing act that makes sure that each major political grouping 'gets its share'. Furthermore, ministerial steering will be at least partly dependent on bargains within a coalition government. In majoritarian systems, however, the government can treat agencies in a more directive and technocratic way. In the UK agencies were first considered to be too closely controlled by their parent ministries, then too loosely controlled, so that some agencies and parts of agencies have been pulled back towards the ministries, all within the space of a decade (Pollitt, Talbot, Caulfield and Smullen, 2004). Even among majoritarian systems, much can depend on the extent of politicization of the senior public service. Thus, in the UK, it would be unusual for many agency chief executives to change following a change in the party in government. Just across the English Channel/La Manche in France, it would be rather common. Such factors are highly likely to influence the expectations and behaviours of agency management. Finally, we might mention how new Performance Based Organizations (PBOs) - partly modelled on UK Next Steps agencies - ran into difficulties in the USA. Unlike the UK they were being inserted into a system with a strong and interventionist legislature, and this legislature ensured that the executive's original ambitious programme of PBO creation was drastically reduced.

**The institutional framework.** How centralized/decentralized is the system? How well-equipped are ministries to steer semi-autonomous bodies? In some central and eastern European states, ministries are seriously under-resourced for the steering task. They are short of staff familiar with performance management concepts and the skills relevant to designing indicator sets and monitoring performance against targets. They are short of experienced public lawyers, when disputes arise concerning the relative powers of ministries and semi-autonomous bodies. And they may be inhibited from recruiting the necessary skills by low pay and an 'iron cage' of central bureaucratic regulations pertaining to personnel management. For similar problems in other ex-Communist states, see Condrey, Purvis and
Slava, 2001 and Miklos, 2000. But it is not only ex-Communist states which experience difficulty in steering semi-autonomous bodies. Sweden - which has longer experience of agencies than most countries, and which served as an admired model for UK reforms back in the 1960s - also seems to be a case where (for different reasons) ministries are rather under-powered relative to agencies (Molander et al, 2002; OECD, 1998).

Management strategies and relationships. What is the strategy of those managers charged with implementing agency reform? Is the plan that new agencies should be run by new blood - managers from other sectors than the civil service, or is it the intention to give these posts only to trusted and battle-hardened civil servants? In Japan, for example, some commentators have questioned how much autonomy agencies will really experience when most of those appointed as first wave chief executives were senior ex-bureaucrats (Yamamoto, 2004). Is agency reform being approached through cautious pilot projects (as in Canada), or is it being launched as a high-profile, large-scale programme (as in the UK) or is it just being allowed to happen in an ad hoc rush (as in post-independence Latvia)? Or again, managerial relationships may vary considerably between the exporting and importing jurisdictions. For example, is individual initiative encouraged, or frowned upon? Do formal organizational relationships take precedence, or do ties of patronage, family or tribe cut across the workplace (Fukuyama, 2004)?

Primary task characteristics. This is a strangely neglected topic in recent public management literature. Yet there is a strong line of argument and evidence to the effect that the nature of the activity itself indicates that some types of management are more suitable than others. This was, for example, one of the themes of a modern classic text, James Q. Wilson's Bureaucracy (1989). It is also a theme of other works, such as Lynn et al, 2001 and Pollitt 2003b. All these analysts point out that much depends on how far a given activity can be standardized, and how far and when its outputs and outcomes can be measured. These arguments have considerable relevance for modern executive agencies. Giving extensive autonomy to an agency which performs a standardized, easily measurable task is a very different matter from giving autonomy to an agency whose main outputs and outcomes are largely unobservable (a 'coping' organization, in Wilson's terms). In recent comparative research on agencies in four countries we found significant differences between primary tasks - for example as between social security agencies (where various key dimensions of benefit payment could be relatively easily measured) and meteorology (where understanding the measures of forecasting accuracy and high quality long-range research required considerable scientific knowledge - Pollitt, Talbot, Caulfield and Smullen, 2005). The expense of a task and its political salience are also often influences on how it is steered and managed (e.g. social security benefits may be easy to measure, but they are expensive; weather forecasts may be hard to measure, but at least they are, by government standards, relatively cheap and politically uncontentious).

This has been a brief worked example to illustrate the usefulness of thinking in terms of a degree of match between the exporting and importing contexts. As indicated earlier, this approach does not offer any easy or automatic decisions. But it does raise a series of important questions about the compatibility of borrowed management reforms to a new context. To put it simply, introducing the modern model of a disaggregated, autonomous, performance contracted agency is likely to go much easier in a context where the culture is already used to decentralized operations and where corruption is low, where ministries possess steering skills and resources, where agencies possess trained professional managers and where the tasks chosen for agencification are either readily measurable in output terms or (alternatively) where there is a cadre of professionals who have already internalized a public service quality ethic. As one removes each one of these contextual requirements the chances of the agency working in the desired form is lessened. If one removes them all, that chance is very small indeed.
Reflections

The approach set out above implies that the borrower/importer of public management reforms cannot afford to be a passive consumer of doctrines and techniques from 'advanced' countries. Public sector modernisation does not proceed along a single line, with those who are 'further ahead' teaching those who are behind how to follow by installing certain standard and reliable gadgets that will fix some set of universal problems. On the contrary, not only do countries start from very different places with different capacities, they may also want to go to rather different destinations (or, at the very least, have a different order of priorities in the medium term). Furthermore the available approaches and techniques are neither standardized nor, in many cases, well-tried and tested. Finally, some of the 'experts' promoting these approaches and techniques, have agendas of their own, which may not be identical with those of the importing jurisdiction. Even in near-ideal circumstances, with a well-evaluated technique being applied to a well-defined problem supported by advice from a trusted and reliable source, there are questions to be asked about the longer term. How long will the technique take to be fully bedded in? How will problems be handled after the initial period of advice and support is over, and the importer is left to face the longer term effects and requirements by themselves?

In conclusion, if this analysis is correct we can identify certain requirements to which the importer of public management reforms would be well-advised to pay close attention.

First, the original analysis of the problem(s) to be solved needs to include an active input from those with local knowledge - not as humble assistants to the visiting 'experts' but as equal partners in crucial first step of arriving at an accurate diagnosis. This establishes what the nature of the issue 'here' actually is.

Second, the assessment of the proposed approach or technique also requires active input from the 'importer'. There is a need to perform a comparison of the cultures, systems, institutional frameworks, strategies and primary tasks of the place from where the approach/technique comes (where it has been applied and, hopefully, evaluated) and the specific context in which it is now to be applied. It is highly likely that local knowledge of the importing context will be as crucial to this stage as it is to the first, problem diagnosis stage. This second step therefore second step compares 'there' with 'here'

Third, there is a need for the importer to make provision for the bedding in and longer term appraisal of the import - not least because experience is quite likely to indicate, even if successful, that further modifications are needed after the initial set of modifications to suit the local context. That is to say little more than that all learning does not take place at the beginning. It implies that there needs to be a clear and continuing organizational responsibility, appropriately resourced, for the longer term nurturing of the reform. The wider scope the reform the more likely this is to be necessary. This third step makes provision for the transition from 'now' until 'then'.

Taken together, these three requirements point to a role for the importer which is both highly active and rather creative. To be successful, management reforms can seldom just be bought 'off the shelf'. Much more often they need to be co-produced.
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PROFESSOR CHRISTOPHER POLLITT MA (OXON); PH.D (LSE)

Christopher Pollitt is Professor of Public Management at Erasmus University Rotterdam. Previously he was Professor of Government and Dean of Social Sciences at Brunel University (UK). He has also acted as a consultant to a wide range of organizations including the OECD, the European Commission, the World Bank, H.M.Treasury (UK), the Finnish Ministry of Finance and UK National Audit Office. For 6 years he served as a civil servant in Whitehall, including two years in ministerial private office. From 1996-98 he was special adviser on evaluation to the European Commissioner for the Budget. In 2004 he was awarded the Hans Sigrist international prize for ‘outstanding research in the field of public governance’.

From 1980 until 1989 he was editor of Public Administration, and is currently on the editorial board of four international journals. From 1996-98 he was the first elected President of the European Evaluation Society.

His main research interests are comparative public management reform, performance management and audit, and programme evaluation.

Dr Pollitt is the author of a large number of academic books and articles, including Performance or compliance? Performance audit and public management in five countries and Public management reform: a comparative analysis (both Oxford University Press), and The essential public manager (Open University/McGraw Hill, 2003).

Email: Pollitt@fsw.eur.nl
Office phone: 00-31-10-408-2134 Fax: 00-31-10-408-9099