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The effects of new public management on the quality of public services

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Abstract

Have New Public Management (NPM) reforms in public organizations improved the quality, efficiency and effectiveness of the delivery of public policies? NPM reforms, understood as a style of organizing public services towards the efficiency and efficacy of outputs, have been controversial. They have been accused of importing practices and norms from the private sector that could collide with core public values, such as impartiality or equity. Yet, with few exceptions, we lack systematic empirical tests of the actual effects that NPM reforms have had on the delivery of public services. In this introductory article, we summarize a special issue devoted to cover this gap. And, overall, we find that neither the catastrophic nor the balsamic effects of NPM reforms are confirmed, but the success (or failure) depends on the administrative, political and policy context those reforms take place.

1 | INTRODUCTION

During the latest four decades the public sector in most countries has been reshaped by reforms under the umbrella of new public management (NPM) (Hood, 1990; Pollitt & Dan, 2011). The traditional, hierarchical, legalistic "Weberian" public administrations have been partly replaced by results-oriented public organizations as well as for-profit private firms or NGOs since the late 1970s (Gruening, 2001), or by a marketization of the state itself (Hood, 1995). The NPM reforms have implied, among other, two visible changes: the importation of private sector practices to the internal workings of public administrations and the external organization of public administrations as quasi-markets (Dunleavy & Hood, 1994). The first NPM reforms took place in Anglo-saxon countries, particularly the United Kingdom and New Zealand, although they quickly spread all over the world, most prominently in OECD advanced democracies (Clifton & Díaz-Fuentes, 2011), although with remarkable differences across countries (Pollitt & Bouckaert, 2017). Earlier on, and particularly from the latest decades of the 19th century, public administrations in different countries borrowed extensively from the private sector managerial practices (Waldo, 1948; Wilson, 1887).

Nevertheless, in recent years, management ideas from the private sector have been introduced in ways previously unknown in the public sphere, and in all public policy domains: from health care and education to transport, security, and also to the central bureaucratic services. The central assumption was that the business-like practices would enhance both efficiency and effectiveness of public organizations (Alford & Hughes, 2008). This premise becomes especially relevant when cutting public expenditure is high on the agenda to reduce deficit and public debt, like in the 1980s or nowadays for governments across the European Union. NPM reforms, whether explicitly or implicitly, are still a strong force for change in most public administrations, despite the concept of NPM may seem to have lost the initial enthusiasm it enjoyed two decades ago (Osborne, Radnor, & Nasi, 2013).

The adoption of NPM reforms has attracted an impressive amount of scholarly attention (e.g., see among the most influential, Hood, 1990, Dunleavy & Hood, 1994; Pollitt & Bouckaert, 2017; see Curry & Van de Walle, 2018 and Chandra & Walker, 2019 for a bibliometric review). Despite an increase in empirical studies, we however still have limited understanding about its effects: has NPM increased, or decreased, the quality of the public services delivered? NPM reforms may have strengthened the delivery of policies in a particular policy area, but not necessarily in another, and some tools and instruments commonly associated with the NPM may have worked better than others. Attempts at assessing the effects of NPM have been hindered by a lack of comparable data (see for example, Hood & Dixon, 2015), incomplete implementation of intended reforms, and the often submerged nature of creeping managerialism in the public sector. This scarcity of measurements on the effects of NPM is relatively ironic given that the usual justification of NPM by its more fervent proponents was precisely to improve measurement techniques to better evaluate public sector performance (Alonso, Clifton, & Díaz-Fuentes, 2015).

In addition, there are reasons to expect uneven effects of NPM reforms depending on numerous contextual factors. First, NPM reforms may be more suitable for certain administrative cultures (e.g., Anglo-Saxon, Scandinavian?) than for others (e.g., German, Napoleonic?) or political cultures (e.g., do right-leaning governments favor NPM?). Second, the conditions of success of NPM may depend on institutional preconditions, such as state capacity (e.g., the level of bureaucratic quality and impartiality?), accountability mechanisms (e.g., transparency rules?), or the characteristics of the public managers and employees (e.g., gender ratios, or previous experience in the private sector).

The aim of this Special Issue is to empirically address these questions. What have been the enduring effects of NPM on the quality of public organizations? To be able to make such empirical claims, it is essential to disaggregate the concept into its composing elements. For this reason, each of the articles in this special issue focuses on a specific NPM-inspired managerial intervention (e.g., hiring private sector talent, agencification, introducing competition), without claiming completeness. Substantively, the articles included in this Issue cover a wide range of countries, administrative levels, and policy spheres. Methodologically, they range from qualitative to highly sophisticated quantitative analyses. The authors belong to different generations and diverse schools of thought within political science and public administration. We regard this heterodoxy of researchers, subjects, and methods, of study as particularly positive in a pioneering evaluation of the effects of the highly controversial in theory—and highly unknown in practice—NPM reforms.

2 | WHAT IS NEW PUBLIC MANAGEMENT?

Scholars of Public Administration are of course familiar with NPM and its components. The concept also rings a bell far beyond the confines of the discipline, loaded with various meanings. New Public Management is difficult to define because, more than merely a concept, NPM is a divinity (Hood, 2005). Or a set of doctrinal beliefs (Barzelay, 2000). The reason may be that, originally, it was ideologically—or at least emotionally—grounded on the perception that public sectors, especially in Western democracies, had become too large and inefficient. NPM is a very diffuse concept, and almost any reform of the public sector during the latest decades has been regarded as NPM, even if it did not share its basic assumptions. Additionally, NPM is associated with multiple reforms that are not only distinct but sometimes even contradictory (Dunleavy, Margetts, Bastow, & Tinkler, 2006).

Nevertheless, most scholars agree on a common-denominator definition, as well as in which NPM basic elements are. The minimal definition of NPM would be the "attempt to implement management ideas from business and private sector into the public services" (Haynes, 2003, p. 9; Pollitt, 1993, p. 7). Consequently, NPM has a series of recognizable core characteristics, or themes (Lodge & Gill, 2011).

For some scholars, even some of the first ones using the term, NPM has, for quite some time, become "middle-aged" and generated adverse by-products (Hood & Peters, 2004). NPM "has essentially died in the water" (Dunleavy et al., 2006). Consequently, many scholars aim at "transcending New Public Management" (Lægreid & Christensen, 2017), focusing, instead, on post-NPM reforms. Yet these post-NPM reforms do not substantially differ from NPM (Wegrich, 2010). They blend NPM aspects (like marketization, and the use of NPM-style management tools) with some Neo-Weberian features (like a renewed emphasis in impartiality, see, for example, Pollitt & Bouckaert, 2017), or they build on some of the same elements complemented with the reintegrating tendencies offered by digital-era governance practices (Dunleavy et al., 2006). Post-NPM represents a reassertion of old public administration values as well an attempt to remedy some of the disintegrating tendencies associated with NPM, and not an abandonment of NPM reforms. Post-NPM is thus more a complement than an alternative to NPM. It complements the specialization, fragmentation, and marketization characteristic of NPM reforms with more coordination, centralization and collaborative capacity (Christensen & Laegreid, 2008). Therefore, one should talk more of continuity rather than a clear break between NPM and post-NPM reforms (Lodge & Gill, 2011).

The articles in this issue are grouped around the three main components of NPM as identified by Dunleavy et al. (2006): Incentivization, competition, and disaggregation. Each article addresses a reform or managerial intervention related to one of the themes and assesses intended or unintended effects in a particular context.

Incentivization emphasizes rewarding for specific performance rather than more diffuse performance. It also implies a shift from low-powered incentives characteristic of traditional bureaucracies—that is, flat salaries of civil servants in exchange for commitment to the values of the organization (Miller, 2000)—NPM reforms prefer high-powered incentives—that is, performance-related pay systems and mandate contracts. This component of NPM is addressed in this special issue in three articles. One studies evolutions in motivation practices in public sector organizations. A second looks at the impact of importing private managers in the public sector, implying a deprofessionalization of top civil servants, and a third looks at the incentives structure for both politicians and companies when engaging in public private partnerships.

Second, NPM implies competition through marketization, either with internal markets in the public sector or contracting out to the private sector. This stands in contrast to the uniform provision of public services in a traditional public administration. In this special issue articles, address effects of competition through an analysis quasi-markets in the provision of social services in Sweden, and through an analysis of the effect of transparency on competition of procurement.

Third, disaggregation refers to a separation of provision (e.g., public financing of health care) and production (e.g., public, or private, hospitals delivering health services). There was in particular evident processes of agencification of formerly departmental units, and of contracting out to for- and nonprofit organizations of activities formally mainly executed by public organizations. Two articles in this special issue analyze the effect of agencification on achieving value for money, and on performance measurement and evaluation practices.

3 | INCENTIVIZATION

Incentivization refers to rewarding specific performance by public employees, managers, or external providers delivering services for government. During the latest four decades numerous motivational practices integral to the NPM movement—for example, emphasizing extrinsic incentives like those employed in the private sector—have been tried. The idea was that the introduction of business-like practices, such as performance-based pay (instead of flat salaries) and merit-based promotions (instead of seniority), would enhance the performance of public organizations, similar to the documented effect in private organizations (Delaney & Huselid, 1996). Yet early analyses noted the failure of many of these attempts to motivate public employees (Perry, 1986; Perry & Wise, 1990). Authors noted how the remarkable differences between private firms and public administrations makes it difficult to find the same beneficial effects of those human resources practices (Brown, 2004).

To start with, unlike private firms, public agencies normally deal with goal ambiguity, and stricter regulations (Daley & Vasu, 2005). Goals in the public sector are not only more diverse, but also harder to measure than in the private sector (Rainey & Jung, 2010). And this complicates the design of sound incentive schemes (Perry, Mesch, & Paarlberg, 2006). In addition, public managers operate with less margin of maneuver than their private sector counterparts to hire and fire employees, and these constraints on personnel policies makes more difficult the adoption of motivation-enhancing measures (Rainey & Chun, 2007). Public managers cannot give their subordinates as much autonomy as in the private sector due to the twin forces of, on the one hand, administrative burdens, and, on the other, requirements of political accountability (Fernandez & Moldogaziev, 2011). Furthermore, public sector employees may have different values—and, particularly, more intrinsic or altruistic, motivation than private sector employees

(Perry et al., 2006). Consequently, aiming at motivating them via extrinsic or self-interested incentives may not be successful (Weibel, Rost, & Osterloh, 2010).

These criticisms led to a counter movement that was aimed at generating motivational models with assumptions and incentives distinct to those imported from practices in the private sector. Yet, what effects have these NPM, and post-NPM, motivational models had on the efficiency and effectiveness of public service delivery? Do the results vary by policy area or public service industry? And, if so, what are the causes for the variations?

James L. Perry and Elise Boruvka address these questions in their contribution to this issue: *Understanding Evolving Public Motivational Practices: an Institutional Analysis*. Prior to NPM, the usual motivational model within public administrations was the Weberian or bureaucratic model, prioritizing predictability, obedience and impartiality over the search for efficiency, effectiveness, and innovation. The priority for public organizations was compliance, not innovation or spontaneity. Civil servants were, in the ideal type of bureaucratic organization devised by Max Weber, as stewards for constitutional, legal principles, and professional norms—that is, not stewards for efficiency. This led public employees to adopt formal routines and an aversion to take risks (Wilson, 1989). Deferred benefits and job stability for civil servants were a natural consequence. Yet the rewards were supposed to be more intrinsic than extrinsic. They were essentially low-powered, such as social recognitions and symbolic pay rises.

NPM shifted the focus to how to motivate public employees to achieve high-performance, following the principal-agent (Perry, 1986) or the public choice (Hood, 1990) model. Through extrinsic incentives, public employees were supposed to be stimulated to perform at their best (Moynihan, 2008). Making salaries and job security contingent on performance public employees would be eager to take those risks they were avoiding under the traditional bureaucratic model. They would be more motivated to innovate and undertake the spontaneous behaviors that could lead to a more efficient and effective delivery or public policies. Increasing the competition for both jobs and benefits was the expected result. Since the informal norms within public organizations have changed (Thornton & Ocasio, 2008), public employees may actually be de facto becoming more like private employees (Meyer & Hammerschmid, 2006).

Perry and Boruvka identify several implications of this change on the behavior of public sector employees. First, the practical implementation of NPM incentives encountered problems that reduce the theoretically expected benefits, opening the opportunity for "gaming" behaviors, with public employees focusing their efforts in measurable goals at the expense of fulfilling their core duties. Second, the increased competition has made coordination and collaboration efforts more difficult across public sector departments. Additionally, public employees' extrinsic incentives may have crowded out their intrinsic motivations to join the public service. With its emphasis on rewards and its neglect of altruism, NPM may have replaced "knights" for "knaves." Furthermore, results of NPM have not been consistent because of the unpredictability of the effects that high-powered incentives have on public employees. All in all, the failure of NPM orthodox motivational models has encouraged the adoption of new motivational schemes, known as new public service, new public governance, or post-NPM, and, in particular, to what Perry and Boruvka refer to as the Public Values Governance Model.

Another area where incentivization has been in particular visible has been in the hiring and evaluation of top managers in the public sector. They were to be rewarded for specific performance, and a managerial logic replaced an earlier reliance on professional ethos. One of NPM's trademarks has been the importation of managerial talent from the private sector. The arrival to the public sector of "sector switchers" from the private sector has been increasing in recent years (Frederiksen & Hansen, 2017), both in technical and professional roles (Zhang, 2017) as well as in managerial roles (Su & Bozeman, 2009). And this could have contributed to the fact that the differences between the public and private sector seem to have been diminishing across time (Boyne, 2002; Poole, Mansfield, & Gould-Williams, 2006).

Despite sector-switching has received relatively scarce attention by scholars (e.g., De Graaf & van der Wal, 2008; Hansen, 2014), sector switchers have stirred an intense public debate. On the one hand, many politicians, from Gordon Brown to Donald Trump, believe that managers with a private sector background are helpful because they bring core managerial values to a public sector which badly needs more results orientation, efficiency, or openness to innovation. On the other hand, critics regard that managers with private sector experience, and the accompanying change in their incentive structure, will contribute to the erosion of core public sector values, such as impartiality and equity.

Yet, so far and with few exceptions (e.g., Fernández-Gutiérrez & Van de Walle, 2019), this debate has been mostly fought at the level of anecdotal evidence, with more speculations than rigorous analyses (Bozeman & Ponomariov, 2009). And, generally speaking, failures have been more covered than successes. It is well known by the public the troublesome and extremely short tenure of the CEO of Exxon Mobile, Rex Tillerson, as President Trump's Secretary of State in 2018. And it is well known by the academics the controversial “Government Of All Talents” (GOAT) initiative launched by Prime Minister Gordon Brown in 2007. Many of the “goats,” surrounded by “wolves” (i.e., life-long career civil servants with lots of experience on how to modify or directly subvert outsiders' plans), left their positions after a relatively short time and few achievements (Yong & Hazell, 2011).

Using data from the COCOPS Top Public Executive Survey, a survey among central government top managers in 18 European countries, Steven Van de Walle, Victor Lapuente and Kohei Suzuki provide in this Issue a pioneering test to establish whether public managers with previous experience in the private sector place greater emphasis on managerial values, and less emphasis on traditional public values. Findings indicate that public managers with private sector experience are, first, more likely to exhibit managerial values (e.g., more orientation toward achievement, results, and efficiency, and a more innovative attitude) than managers lacking previous private sector experience. Similarly, those managers with private sector experience do actually use more management tools than their counterparts lacking experience outside the public sector. Yet, while private sector experience brings core managerial values, authors do not find evidence that managers with private sector experience are less likely to exhibit public values (i.e., impartiality and equity) than managers lacking previous private sector experience. In other words, the benefits of attracting talent from the private sector do not seem to come at the expense of eroding core public values.

Incentivization also plays a role in the relation between the public sectors and external providers. In particular, NPM has promoted the use, specifically in infrastructure, of public private partnerships (PPPs),—that is the arrangements between public administration and private firms for financing, building and operating infrastructures such as transportation, electricity, telecommunication, or water facilities (Kwak, Chih, & Ibbs, 2009).

These partnerships are highly complex, produce illiquid assets with a limited secondary market, and are difficult to evaluate (Hodge, 2010). Consequently, it is not clear whether they deliver public value or not (Hodge & Greve, 2016). Nevertheless, the growing consensus is that there is a remarkable gap between the highly optimistic rhetoric among policy-makers and a “sober” reality in which PPPs do not seem to deliver the promised results (Teisman & Klijn, 2002). As the literature analyzing principal-agent relationships notes, the public-private collaborations can lead to perverse incentive structures that allow opportunism and corruption

(Gailmard, 2014). The question is under which circumstances PPPs produce beneficial effects for a society and under which conditions they do not.

Addressing this problem, Anthony Bertelli, Valentina Mele and Andrew B. Whitford analyze in this Issue the effects of PPPs in over 4,000 infrastructure PPPs funded by the World Bank between 1990 and 2015 in 89 low- and middle-income countries. Using a mixed-methods design, consisting of documentary analysis and semistructured expert interviews in a first phase and observational data analysis in a second phase, they identify the conditions under which PPPs fail. Results show that projects are less likely to be canceled in countries in which more veto players constrain the ability of politicians to interfere in policy implementation. This finding provided further evidence for the long-lasting hypothesis that in settings with more checks and balances on politicians, the chances that the "political Coase theorem" (i.e., that policies tend to maximize social wellbeing irrespective of partisan control over them) holds increase (Acemoglu, 2003).

4 | COMPETITION

NPM reforms were, from the start, devised to foster competition (Hood, 1990). In very simplified terms, traditional administrations tended to rely on trust in civil servants—thus assuming the existence of public employees who were intrinsically-motivated "knights" (Le Grand, 2003) or "a Jesuitical corps of ascetic zealots" (Hood, 1995). Public organizations were both the funders and providers of public services. The funding a public bureau obtained was only partly dependent on performance—and, frequently, inversely correlated, for as money was poured into the worst performing administrations to see if they could catch up with the average. A negative consequence of this system is that poor performance may be rewarded, since those organizations that fail need extra resources.

That is why NPM-minded reformers fostered competition in the provision of public services, through outsourcing tasks and responsibilities to external actors (either private or public). The goal was to improve efficiency and reduce costs, such as the specific training of public employees for the delivery of particular services (Boston, 1994). With the creation of "quasi markets" governments make the funding of providers dependent on their performance, with the formula of money follows choice (Le Grand, 2007). Instead of trust and altruism, quasi markets rely on the invisible hand of the market. That is, the consumers of public services (e.g., parents in schools or patients in health care) vote with their feet which provider fulfill better their needs. Increasing competition should decrease the slack public providers enjoy because of their monopolistic position (Niskanen, 1971) and should offer high-powered incentives for private contractors to achieve the highest quality at the lowest price (Shleifer, 1998). Another reason for the expansion of competition in the provision of public services are the pressing fiscal challenges faced by most governments in recent decades (Bergman, Johansson, Lundberg, & Spagnolo, 2016).

This trend toward the replacement of department bureaus for agencies competing with each other was epitomized by Thatcher's Britain, but it also hit strongly the quintessential social-democratic welfare states like Sweden (Blomqvist, 2004). For instance, in elderly care, the percentage of residents living in privately-owned care homes has increased from 5% in the 1990s to about 20% presently. Since competition requires monitoring, the collection of performance indicators has become a priority for most government since the early days of the first NPM reforms (Hood, 1990).

From an optimistic perspective, it should be expected that this increased competition in the provision of public services should lead to a more efficient use of public money (Alonso, Clifton, & Díaz-Fuentes, 2015). Yet, from a more pessimistic view, even the proponents of competition admit that it offers incentives for both private and public providers to engage in fraud (Osborne & Gaebler, 1992). Additionally, there could be a cost-quality trade-off (Hart et al., 1997). Since it is easier to measure costs than quality in public services, private providers have an incentive to cut, or to "shade", the quality of services, at least to a minimum level.

In sum, there are opposite theoretical predictions regarding the introduction of competition in public service provision. On the one hand, the apostles of NPM emphasize the efficiency-enhancing effects of creating a market among public and private providers for it gives high-powered incentives—in contrast to the low-powered incentives of the previous publicly owned monopoly. On the other, there are theoretical reasons to be skeptic about the beneficial effects of competition, for the incentive to cut costs may also translate into an incentive to cut the quality of the services among the different providers. Yet, despite these contrasting arguments, few empirical studies have tackled the effects of the marketization of public services.

In order to offer a rigorous test of the introduction of competition, Rasmus Broms, Carl Dahlström, Mihaly Fazekas, and Marina Nistotskaya explore in this Issue the establishment of quasi-markets in the provision of social services in Sweden. In particular, they evaluate the marketization of the public provision of Swedish elderly care, testing the consequences of marketization on a large set of variables capturing the quality of the processes and the public services provided by a cornerstone of the welfare state, elderly care. Their main novelty is that they focus on the quality-related effects of competition, Their results show that increasing competition in the provision of elderly care among public and private providers has no significant effects on service quality—measured with both objective indicators, such as personnel education, and subjective ones, such as customer satisfaction. Yet the marketization of the provision of elderly care has positive effects on the quality of the process—measured by the care plans developed by the elderly homes.

For competition to work, transparency about performance is essential. This is particularly the case of the public procurement of services, works, and supplies, which is very important worldwide, and specifically in developing countries, where it is estimated to account for 15–20% of GDP, and over 50% of the total government expenditure (World Bank, International Evaluation Group, 2015). Generally speaking, in the literature transparency is regarded as a purifying force of government (Klitgaard, 1988). In the absence of transparent systems that make procurement information accessible to all potential interested parties, fraud and corruption can proliferate (Ware, Shaun Moss, Campos, & Noone, 2007), and competition is distorted. Yet we have a scarcity of empirical tests showing that, despite the powerful rhetoric of sunlight as being the best disinfectant, transparency does indeed lead to better government (Fukuyama, 2015). We know, for instance, that, for developing countries, the existence of transparent procurement systems, where exceptions to open competition in tendering must be explicitly justified, encourages the participation of more, and more diverse, firms (Knack, Biletska, & Kacker, 2017). At the same time, the firms participating in transparent tendering processes report paying fewer and smaller kickbacks to public officials.

Monika Bauhr, Mihaly Fazekas, Jenny de Fine Licht and Agnes Czibik address this shortage of studies for OECD countries in their contribution to this special issue. They explore the effects of transparency on the quality of public procurement using a novel dataset that includes nearly all major contracts awarded in the EU 28 member states between 2006 and 2015. The dataset covers more than 3.5 million public procurement contracts awarded by more than 120,000 public bodies. Conceptually, the authors make a distinction between two different types of transparency: ex ante transparency—that is, the information available before the contract is awarded—and ex post transparency—that is, the information available after the contract has been awarded to a bidder). Theoretically, the authors argue that ex ante transparency will be more critical for the quality of public procurement (measured by the existence of a competitive bidding instead of a single bidder). For this is the information for the core stakeholders—that is, the firms planning to take part in the bidding. Ex ante information allows the interested firms to properly develop their bids, calibrating their own and others' relative strengths. And the results offer support for this hypothesis, for ex ante transparency has a stronger effect on corruption risks than ex post transparency on the reduction of corruption risks. In general, Bauhr, Fazekas, de Fine Licht, and Czibik find that that increasing transparency could decrease single bidding translating in cheaper contracts. Across the EU this could equal to about EUR 4.5–10.9 billion savings per year—not a negligible amount.

5 | DISAGGREGATION

Disaggregation, or a process of decoupling, would result in stringer mission focus, in particular in the delivery of services and policies. This would improve results, and strengthen accountability through better performance monitoring. One of the NPM reforms that has been most extensively publicized, and criticized, is agencification—which can be understood as a process by which public administrations are reshaped in narrower mission-focused organizations in order to increase their accountability (Dunleavy & Hood, 1994). The number of autonomous or semi-autonomous agencies has increased strongly in most countries (Van Thiel, 2004; Verhoest, Roness, Verschuere, Rubecksen, & Muiris, 2010). In the two paradigmatic NPM countries, the UK and New Zealand, three out of four, and four out of five, respectively, of civil servants work in public agencies (Pollitt, Caulfield, Smullen, & Talbot, 2004). The idea behind is that simultaneously granting managerial discretion to an agency and tightening central control (over the results) would help to solve the problems of moral hazard and adverse selection in the public sector. So, paradoxically, the decentralization could be a strategy by central governmental departments to retain control (Pierre, 2000). Or, in other and famous words, this is reinventing government (Osborne & Gaebler, 1992): a government that steers, but that does not row. The executive decides the What, but the How is in hands of autonomous agencies whose managers have incentives to deliver in the most efficient way.

Many criticisms to agencification have emerged from the academic world, mostly derived from the problem of balancing autonomy and political control (Christensen & Lægreid, 2007) Nevertheless, there are scarce tests of the effects agencification on real performance, especially regarding outputs and outcomes, and not to changes in internal processes. A meta-study found that, out of 500 studies on the effects of NPM, 14% of which explored the role of agencies, only one-fifth provided empirical data and only a tiny proportion of them possessed a solid causal identification strategy (Pollitt & Dan, 2011). With few exceptions (e.g., Brewer, 2004; Overman & Van Thiel, 2016), studies have largely overlooked the actual impact of agencification on measurable outputs.

Luciana Cingolani and Mihály Fazekas address this gap in the literature by exploring the role of agencification in achieving value-for-money in public spending in this Issue. Their focus is mostly empirical. Cingolani and Fazekas analyze the effects of agencification in central governments across four large EU countries: France, Germany, Spain, and the UK. Their dependent variable is the quality of public spending in terms of competitiveness, timeliness, planning capacity and contracting expertise. Following the literature, they expect, first, that agencification will have a positive short-term effect on organizational efficiency in the form of value-for-money; and, second, that this efficiency effect to be greater in early adopters of NPM practices—that is, highest in the UK, medium-high in Spain, and medium-low in France and Germany. Cingolani and Fazekas find that, after agencification, even if outputs and processes have largely remained the same, value for money has improved by 2.8% or 1.7 billion EUR over a decade (2006–2016), with improvements being more intense in the countries with more NPM experience, namely the UK and Spain. Agencification has a consistent positive effect on outcomes and outputs, such as lowering the prices paid by the public sector in public contracting. And these gains increase over time, for it is old agencies the ones who perform best.

One additional consequence of disaggregation is that processes of account-giving operate within the confines of disaggregated units, with less attention for the world beyond the individual unit. One of the achievements of NPM was that it stimulated public administrations to be more accountable to principals, and to account for their performance. An institutional structure for performance audits and evaluation was put in place to provide information to give account, but also to support decision making (Pollitt et al., 1999). Such would lead to more rational managerial and policy decisions. In their contribution to this issue Guy B. Peters and Jon Pierre observe an increase in audits and performance assessments at the organizational level, but declining institutional attention for performance evaluation of programs. The effect of such an evolution is that performance data increasingly assists principals to assess institutional performance, in line with NPM principles. At the same time, data to evaluate policies and programs does not receive the same institutional attention. The result is that evidence-based policy making becomes difficult, especially when policy programs extend beyond the confines of individual organizations. They call for greater institutional attention for program evaluation in order to make better policies.

6 | CONCLUSIONS

On the one hand, the survey of studies on the effects of NPM on the quality of the delivery of public policies collected in this Special Issue draws a more nuanced picture than the conventional anti- or pro-managerial rhetoric prevailing both in academic and practitioners' debates. On the other, we have learned several lessons out of the empirical evidence presented in the different articles.

Broadly understood as the implementation of management ideas from the private sector into the public services, as usual in the literature, NPM has transformed how administrations work. All over the world, public organizations have adopted the two central NPM goals: efficiency and effectiveness. And, no matter the extent of specific NPM reforms, performance in the public sector is nowadays universally seen as output and outcome, instead of the previous view of performance as input and process (Andersen, Boesen, & Pedersen, 2016). Likewise, administrations all over the globe have taken measures in the three main themes of NPM: competition between public and private providers, incentives to public employees, and the disaggregation of public organizations (Dunleavy et al., 2006). Many public officials have been, for decades, obsessed by the private sector for inspiration on how to improve the performance of public organizations (Shim, 2001). Indeed, despite some scholars arguing that the convergence between private and public sector is a myth (Goldfinch & Wallis, 2010), meta-studies on the effects of reforms indicate that, nowadays, there are only small differences between public and private organizations (Blom, Kruyen, Van der Heijden, & Van Thiel, 2018). We are in the age of the "blurring of the sectors" (Rainey & Chun, 2007), and empirical studies confirm that public organizations are becoming more similar to private organizations (Morales, Wittek, & Heyse, 2013; Poole et al., 2006).

The contributions to this Issue have underlined notable benefits from NPM reforms and principles such as transparency, competition or agencification. The articles have also shown that NPM reforms may crowd out other reforms or values. Examples are when a focus on extrinsic motives may crowd out intrinsic motivation, or when a strong attention for measuring performance of individual organizations crowds out attention for the functioning of entire programs.

Both some of these advantages and disadvantages of NPM seem to have been exacerbated during the Covid-19 pandemics. Some voices blame the contracting-out of elderly care homes for the particularly high rates of contagion among old people in Sweden (Ödlund & Janbjer, 2020) or in Spain (Camargo, 2020). On the contrary, others consider the collaborations with private providers as key to fight the pandemics, as the public-private partnership put in place by the Australian government (Hunt, 2020). Likewise, the problems generated by some governments' response to the crisis have been blamed to, on the one hand, the dismantling of some relatively autonomous agencies, such as the office for global health security and biodefense in 2018 by President Donald Trump (Friedersdorf, 2020); and, on the other hand, to the power accumulated by some relatively autonomous agencies, such as Sweden's Public Health Authority (*Folkhälsomyndigheten*), and the philosophy of "let the experts decide" (Hinnfors, 2020). In sum, the debates surrounding the core elements of NPM discussed in this Issue—incentivization, competition, and disaggregation—are being intensified with the discussions on how governments should respond to Covid-19 crisis. Future research should pay particular attention to them.

So far, the success of NPM reforms explored in this Issue cannot be isolated from the administrative context in which these reforms take place. In this sense, this Special Issue contributed to the line of scholars who note the importance of contextual characteristics to understand the success of the adoption of private sector practices in public organizations (Andrews & Van de Walle, 2013; Blom et al., 2018; Jiang, Lepak, Hu, & Baer, 2012; Wright, 2004). And, probably, the most remarkable example may come from the experience of the Nordic countries. As the NPM reforms in Nordic countries, and mostly in Sweden, discussed in here show, the success of their implementation critically depends on the robust institutional underpinnings in which reforms take place. In particular, the historical legacy of an impartial nonpoliticized administration has allowed the adoption of modernizing reforms. Consequently, the key of what The Economist (2013) referred to as "the next super model"—that is, the Nordic model of governance—may lie in being both very Weberian and very NPM at the same time.

In other words, the Nordic cases show that respecting core public values like impartiality and equity not only is not incompatible with incorporating managerial values like efficiency and efficacy, but they may be complementary. This is in line with the findings by Ongaro (2009) who observed a process of sedimentation in Southern European countries whereby newer managerial reforms complement older administrative traditions already in place. NPM reforms may indeed have been less fundamental or revolutionary than initially expected (or feared), and managerial reform has found its place within the framework the traditional state apparatus (Pollitt & Bouckaert, 2017). With transparency (instead of hiding, e.g., contracts with service providers) and with political consensus (instead of, for instance, rejecting managerial reforms for ideological reasons), one can have the best of both worlds: an impartial administration that treats all citizens (and providers) equally, and, at the same time, an efficient delivery of public policies. There is similar evidence elsewhere, for instance when the contributions to this issue found that checks and balances make PPPs successful, or that managers with a private sector background bring new managerial innovations, yet do so with respect for traditional public values.

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