

The background of the slide is a photograph of the neoclassical facade of the German Bundestag building in Berlin. The image shows a series of tall, fluted columns supporting a pediment with statues. A large bronze statue of a woman holding a glowing orb is prominent in the foreground. The sky is a clear, bright blue.

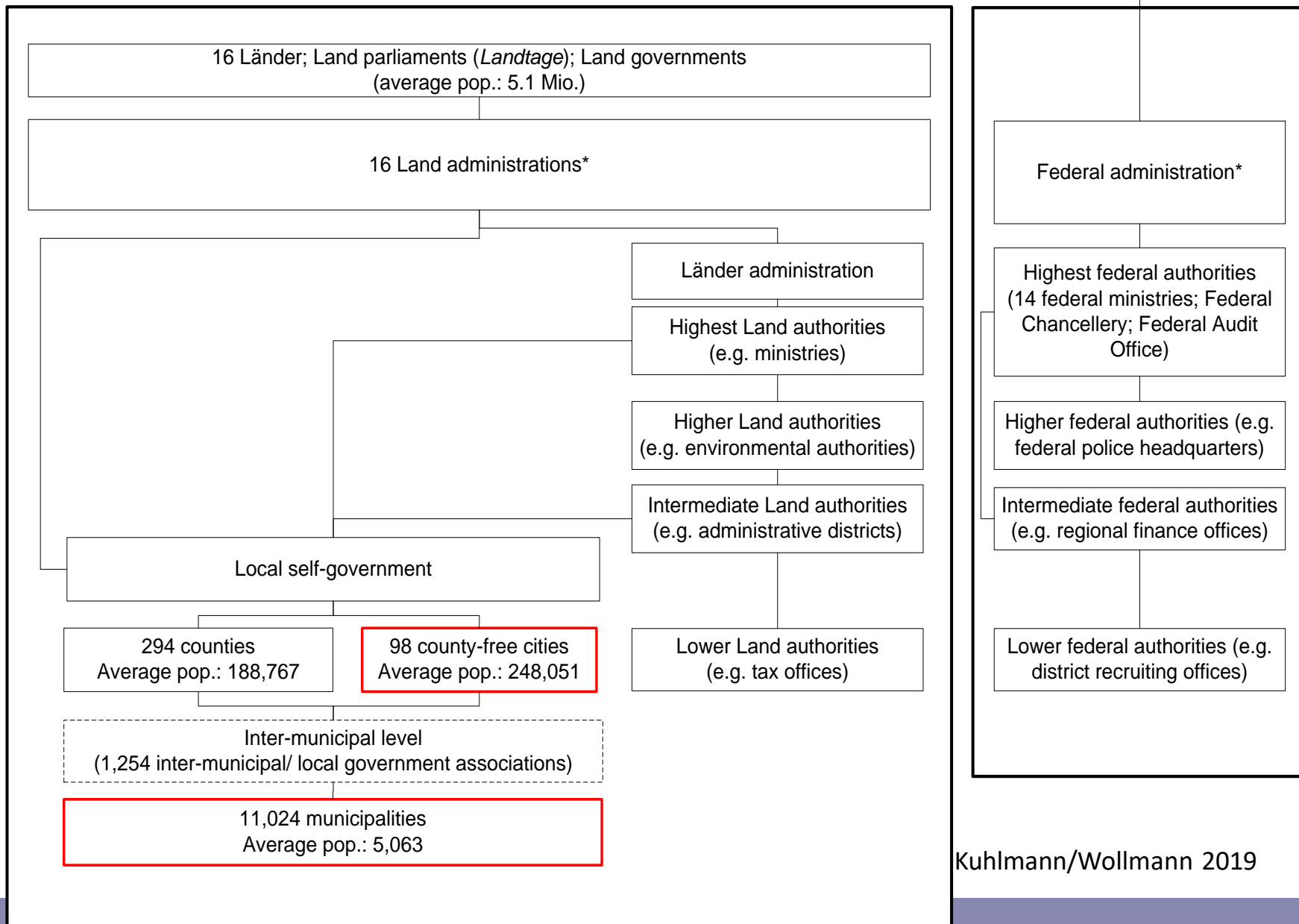
Back to Bureaucracy? The Advent of the Neo-Weberian State in Germany

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Structure of the Presentation

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2. NPM Failures, Weberian Legacies, Other-than-NPM
3. NWS as Comeback of the Public
4. NWS as Re-Hierarchization & De-agencification
5. NWS as De-escalation in Performance Management
6. Crisis Challenges and “Over-Weberianization”?
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NPM-driven Modernization Trends

- Germany as NPM-latecomer (mid 90s); NSM as German version of NPM, mainly as a voluntary bottom up reform;
- LGs most active, Länder to a lesser degree, federal adm. reluctant
- Internal and external NPM dimensions
- German NSM more focused on **internal** dimension (less pol. contested)
- Initially, voluntary (local) reform movement towards complementing rule-oriented, input-based Weberian model by managerialism
 - Example: 1435 voluntary benchmarking clubs until 2016 (51 active in 2023)
- Beginning of 2000s: legally binding financial management reforms
 - Performance-oriented reforms boosted by Länder legislation
 - 60% of LGs changed from cost-based to accrual accounting
 - 90% of LGs in NRW with product catalogues
 - mandatory performance comparisons through *Länder* auditing of LGs (no sanctions, enabling of learning and exchange)



NPM-driven Modernization Trends

- **External** NPM reforms: triggered by EU liberalization and fiscal crisis
- Germany an “eager outperformer” of EU liberalization requirements → minimizing
- Privatization revenues: 1.9 bill. DM in 1970; 4.4 in 1980; 31 in 1995; 53 in 1998 → Germany as “market-radical” NPM-modernizer (national level)
- Outsourcing/asset privatization of local utilities and social services
- 50% of municipal employees in outsourced companies (2000)
- 40% of MOE co-owned by private shareholders
- 40% of social services delivered by commercial providers (63% in long-term care); municipal share shrank towards 0; NGOs (traditionally strong) 55%
- No other European country has privatized (local) hospitals to such as extent as Germany did and still does (Schulten and Böhlke, 2009)
- 1991: 46% of hospitals public, 15% private; 2015: 30% public; 36% private

Yet: No paradigm shift from Weberian bureaucratic model to NPM



NPM Failures, Weberian Legacies, Other-than-NPM

Overly diminished public service workforce (11%) lower than most OECD countries

Impacts of performance management on steering/ budget deliberations limited; no performance targets, no political relevance of performance information

Other-than-NPM reforms in line with Weberian model; even strengthening Weberian principles; endogenously driven

Weberian-style hierarchical steering decreased while paramunicipal satellites and fragmentation grew

Drop outs from benchmarking circles; PIs irrelevant for budget deliberations; no financial management reform at federal level; generally less “agencifiable”

Intergovernmental and structural reforms: streamlining, trimming, concentrating sub-national PA ; dismantling meso-level

Growing management and control problems, transaction costs, transparency deficits, negative welfare effects, sometimes quality losses

Maintaining of a highly legalistic PA where management tools are less frequently used than in most other European countries

Territorial and functional reforms: terr. rescaling decentralization, enhancing functionality/robustness of Weberian bureaucracy

- Move away from the economization logic in response to NPM failures and crises
- Partial return to the Weberian model & hybridization of “old” and “neo” elements



NWS as an analytical concept and reform model

- NWS as a reversal trend towards a partial comeback of the Weberian model and new combination of elements of different ideal-type PA models (old and „neo“ elements; Bouckaert, 2023)
- NWS-trend prompted by failures/ dysfunctionalities of managerialism, market-type mechanisms in PA and crises
- Two understandings of NWS (Pollitt and Bouckaert 2017):
 - NWS as analytical tool/empirical description of specific NPM characteristics (particularly in Continental European & Nordic states in contrast to radical Anglo-Saxon NPM approaches)
 - NWS as normative reform concept leading to synergy of Weberian & “neo” elements; renounces radical NPM reforms, promises pragmatic combination of "old" and "neo" elements (e.g. in Central/Eastern Europe NWS as model for PA reforms)



NWS as hybridization of old and „neo“ elements

„Old“ Weberian elements

- Central role of the state in solving new complex problems
- Important role of representative democracy for legitimization
- Importance of administrative law in relations between the state and citizens
- Ensuring equal treatment, legal certainty and control of state actions
- Civil service with specific regulations (work cond. etc.)

„Neo“ Elements

- Citizen-centred external orientation of employees
- Introduction of a new professional quality and service culture
- New forms of consultation and direct citizen participation
- Stronger focus on results in resource management rather than solely compliance with rules
- Professionalization of the public service: public servants not only legal experts but also professional managers



NWS as Comeback of the Public

- Re-regulation, re-municipalization, asset buybacks, re-insourcing
- Political values shifted in favour of public control over city works
- Local referenda against privatization & pro re-municipalization
- Municipal companies as key actors in energy transition (renewables)
- Yet, pendulum swing back with variance across sectors and levels
- National level: “decline of the entrepreneurial state is likely to be permanent” (Mayer 2006); ongoing privatization in health sector
- Municipal level: utilities increasingly re-insourced, grid buybacks, termination of concession contracts, rising market shares of municipal energy suppliers
- 700 out of 1372 municipal utilities active in energy supply/production (=10% of Germany’s electricity generation)



NWS as Re-Hierarchization & De-agencification

- Arising incompatibilities of NPM and Weberian administration → resulting in NPM-reversals and/or NPM-ruins
- Example: NSM-driven “management vacuum” due to de-hierarchization without establishing alternative steering mechanisms
- Employees returned to old routines, sidelining NPM tools → subversion of NPM
- Re-Weberianization as a (local) reaction to NSM-driven failures
- Agencification/ fragmentation: 18 types of non-ministerial organizations; 90% of federal adm. workforce employed in about 90 federal agencies
- De-agencification/consolidation driven by efficiency concerns & crises
- Selective consolidation & task-specific integration (multifunctional agencies)
 - Integration of tax & customs adm.; multi-sector super-regulators (Bundesnetzagentur)
 - Horizontal consolid.: merger of competition author. with sectoral regulators, tax adm.
 - Shared service arrangements (BVA, Dataport as multi-*Länder* body for digital services)
 - Consolidation of *Länder* meso-level administration



NWS as De-escalation in Performance Management

- Disillusioning outcomes of PRP (1997 introduced for civil servants; 2007 for public employees)
- Only 15% of an organization's civil servants eligible to bonuses,
- Individual bonuses must not exceed 7% of annual salary
- No more than 0.3% of an organization's pers. expenses allowed for bonus payments
- Low acceptance of payment differences; PRP schemes inappropriate for HRM,
- Poor possibilities for performance differentiation, no link to pre-defined targets
- Tiny bonuses distributed among all employees, no incentive effects of PRP
- PRP abolished at federal level in 2009, at *Länder* level obligation abolished in 2014
- Transplantation of performance mechanisms into Weberian PA caused defensive reactions & resistance (also with regard to benchmarking, transparency etc.)
- High transaction costs, limited benefits, much window-dressing, no use for management purposes and decision-making
- De-escalation trend in performance management

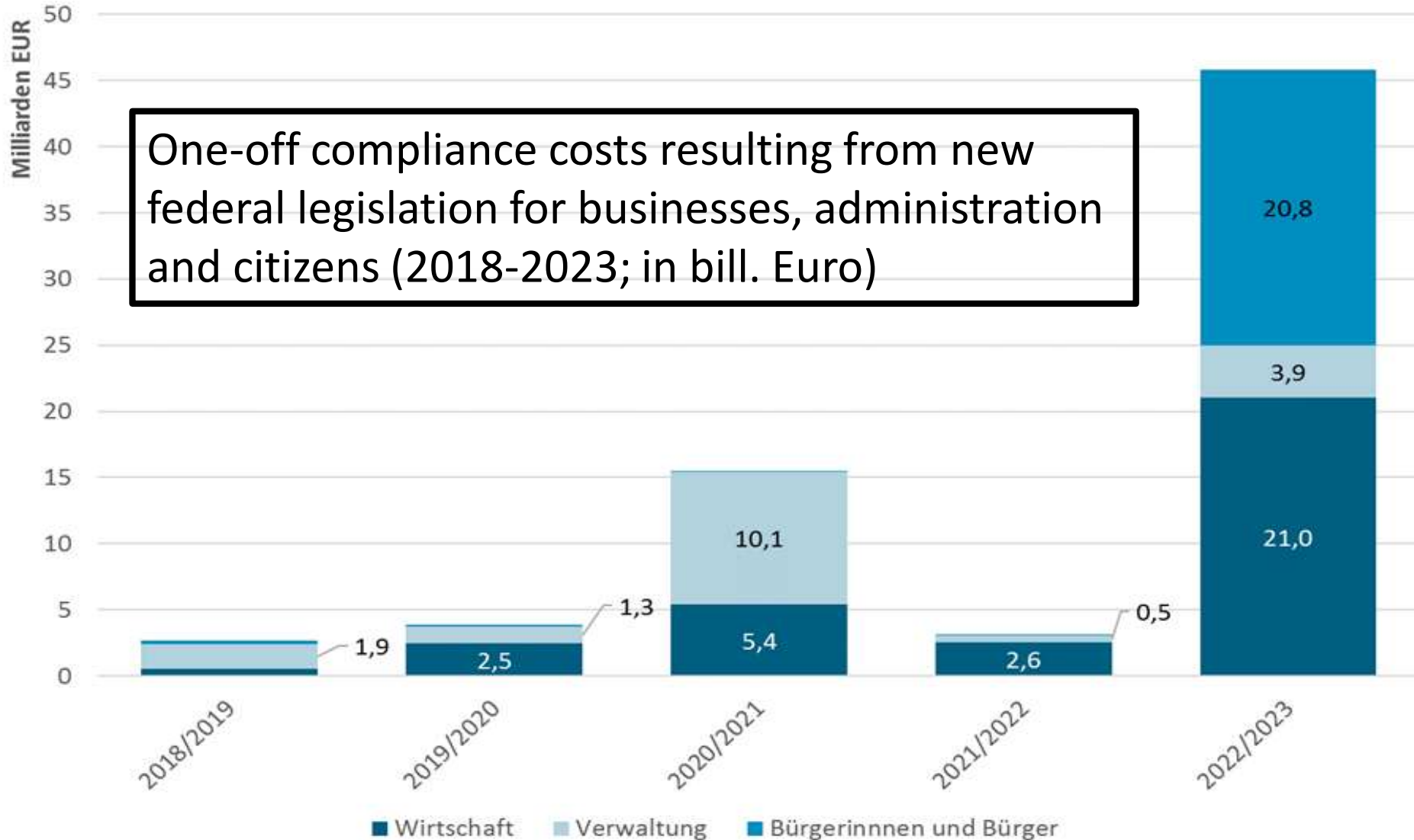


Crisis Challenges and “Over-Weberianization”?

- NPM not as an appropriate response to acute problems
- Reevaluation of the public good and public services in polycrises
- Problem: tendency towards over-bureaucratization, over-regulation, (temporal) over-centralization → peak in compliance costs/red tape
- Growing regulatory density and compliance costs due to increasing state intervention into society to respond to crises;
- Sometimes even excessive reactions of an “invasive state” (suspension of fundamental rights during the pandemic)
- Result: bureaucratic over-perfection, growing regulatory density, “Over-Weberianization”?

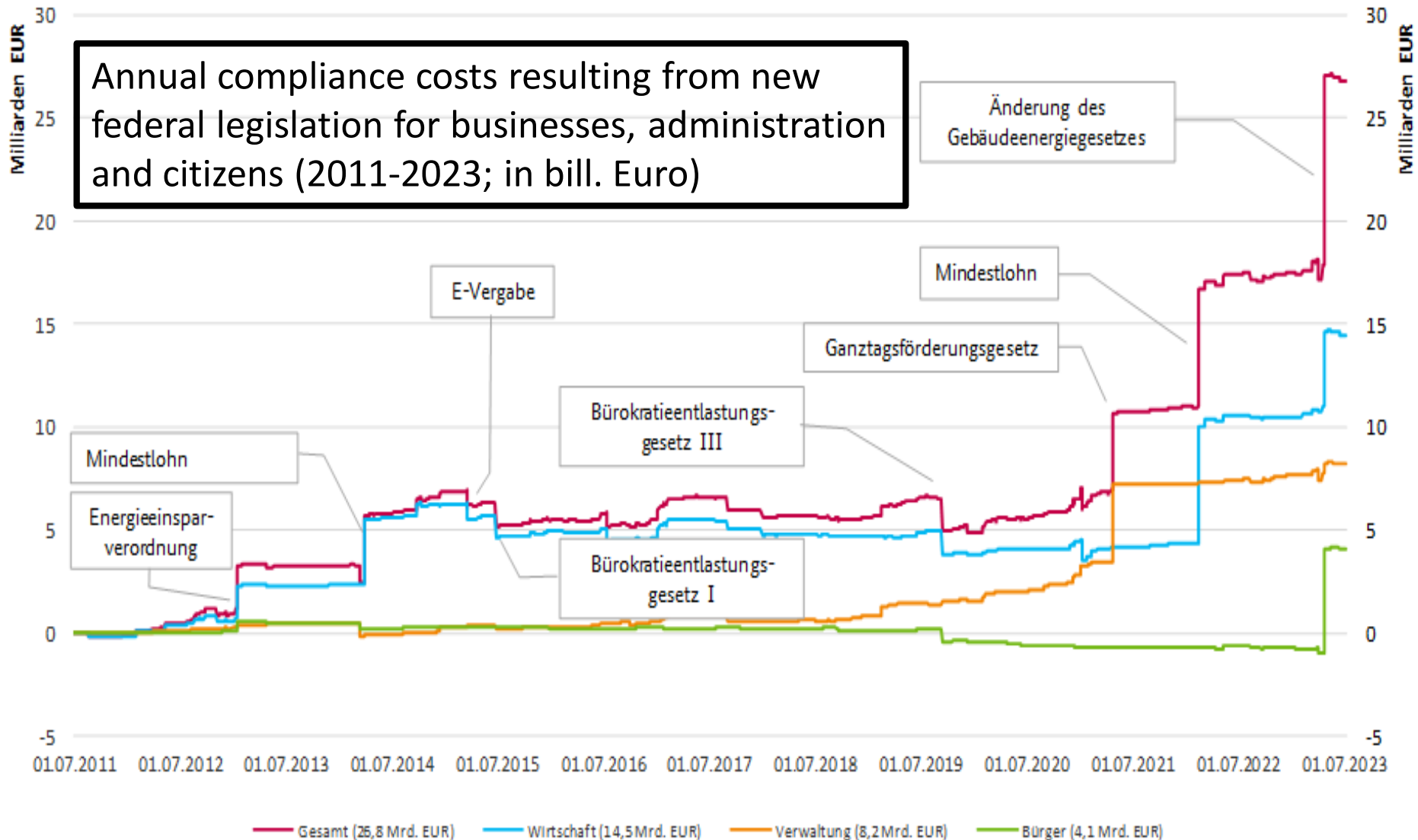
Crisis Challenges and “Over-Weberianization”?

One-off compliance costs resulting from new federal legislation for businesses, administration and citizens (2018-2023; in bill. Euro)



Crisis Challenges and “Over-Weberianization”?

Annual compliance costs resulting from new federal legislation for businesses, administration and citizens (2011-2023; in bill. Euro)





Conclusions: NWS as the “best of all worlds”?

- NWS involves various reform trajectories → varying degrees of functionality
- On the one hand, some improvements: fruitful new combinations → examples:
 - Re-municipalization, re-hierarchization/de-agencification → more public control over service delivery + citizen orientation + stronger focus on performance while keeping high standards of legal quality, professionalism etc.
- On the other hand, negative effects of hybridization/dysfunctional mixtures of “old” and “neo”; misfit of legalistic and managerial control → examples:
 - Only formal introduction of performance tools; no changes in bureaucratic routines
 - Weakening of hierarchies → leading to a “management vacuum”
- Thus, functionality of NWS is not a normative but an empirical question
- Influence of different contexts (sectors, levels, PA models, implementation modes)
- NWS in general more suitable as an analytical construct than a reform model
- NWS as reform model will lead to varying institutional “creations” and country/sector-specific “translations” → “welcome to variety” (Pollitt)

감사합니다

Thank you very much for your attention