

Controlling Modern Government

Variety, Commonality and Change

Edited by

Christopher Hood

All Souls College, Oxford,

Oliver James University

of Exeter, UK

B. Guy Peters

University of Pittsburgh, USA

Colin Scott

London School of Economics and Political Science, UK

Edward Elgar

Cheltenham, UK . Northampton, MA, USA

@ Christopher Hood, Oliver James, B. Guy Peters, Colin Scott, 2004

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical or photocopying, recording, or otherwise without the prior permission of the publisher.

Published by
Edward Elgar Publishing Limited
Glensanda House
Montpellier Parade
Cheltenham
Glos GL50 IUA
UK

Edward Elgar Publishing, Inc.
136 West Street
Suite 202
Northampton
Massachusetts 01060
USA

A catalogue record for this book
is available from the British Library

Library of Congress Cataloguing in Publication Data

Controlling modern government: variety, commonality, and change / edited by
Christopher Hood. . . [et al.].
p. cm.
Includes bibliographical references and index.

JF135 P0165 2004
351-dc22
1947

2004047116

ISBN 1 843766299 (cased)

Typeset by Cambrian Typesetters, Frimley, Surrey

Printed and bound in Great Britain by MPG Books, Bodmin, Cornwall

Contents

<i>List of figures</i>	viii
<i>List of tables</i>	IX
<i>List of contributors</i>	X
<i>Preface</i>	xii
PART I INTRODUCTION	
1	
Controlling public services and government: towards a cross-national perspective <i>Christopher Hood</i>	3
PART II CONTROL OVER GOVERNMENT IN THREE DOMAINS	
2	
Prisons: varying oversight and mutuality, much tinkering, limited control	25
2.1	
Overview <i>Oliver James and Christopher Hood</i>	25
2.2	
Japan: hierarchically ordered mutuality in a semi-hidden world <i>Takashi Nishio</i>	37
2.3	
US federal prisons: bureau family mutuality in the 'government of strangers' <i>Arjen Boin and Oliver James</i>	42
2.4	
England and Wales: combining oversight with public-private competition <i>Oliver James</i>	47
2.5	
Germany: tinkering with oversight and mutuality in a legalistic state tradition <i>Martin Lodge</i>	52
2.6	
France: ineffective oversight in the land of <i>Inspections</i> <i>Generales</i> <i>Marie Vogel</i>	57
2.7	
The Netherlands: a professional mutuality/oversight hybrid under pressure <i>Arjen Boin</i>	62

vi	<i>Contents</i>	
2.8	Norway: a stable oversight/mutuality hybrid amid limited diversification of professional mutuality <i>Per Lcegreid and MarJoleine H. Wik</i>	66
2.9	Australia: variety in reforms to oversight alongside increased public-private competition <i>Colin Scott</i>	70
3	Higher education and university research: harnessing competition and mutuality to oversight?	75
3.1	Overview <i>Colin Scott and Christopher Hood</i>	75
3.2	The USA: little oversight, no explosion <i>B. Guy Peters</i>	85
3.3	Japan: adapting the American model to centralized oversight <i>Katsyua Hirose</i>	91
3.4	France: mutuality and oversight in tension? <i>Nicole de Montricher</i>	97
3.5	Germany: growing competition at the expense of mutuality <i>Hans-Ulrich Derlien</i>	103
3.6	The Netherlands: a mixed pattern of control <i>Jeroen Huisman and Theo Toonen</i>	108
3.7	Norway: holding back competition? <i>Ivar Bleiklie</i>	114
3.8	Australia: linking oversight to mutuality and competition <i>Colin Scott</i>	119
3.9	The UK: hyper-regulation and regulatory reform <i>Colin Scott</i>	124
4	Higher civil servants: neither mutuality implosion nor oversight explosion	130
4.1	Overview <i>B. Guy Peters and Christopher Hood</i>	130
4.2	The USA: high on oversight, low on mutuality? <i>B. Guy Peters</i>	138
4.3	Japan: where mutuality reigns supreme? <i>Takashi Nishio</i>	145
4.4	France: high mutuality, some randomness, weak oversight <i>Nicole de Montricher</i>	151
4.5	Germany: village life becoming more complicated <i>Hans-Ulrich Derlien</i>	155

	<i>Contents</i>	vii
4.6	The Netherlands: edging away from pure mutuality? <i>Theo Toonen and Frits M. van der Meer</i>	161
4.7	Norway: managerialism and parliamentary oversight in lock-step? <i>Per Lcegreid</i>	168
4.8	The UK and Australia: two Westminster-model states compared <i>Christopher Hood and Colin Scott</i>	170
	PART III CONCLUSIONS	
5	Conclusion: making sense of controls over government <i>Christopher Hood</i>	185
	<i>Bibliography</i>	206
	<i>Index</i>	217

1. Controlling public services and government: towards a cross-national perspective

Christopher Hood

1 INTRODUCTION: FROM FOLK TALES TO STRUCTURED COMPARISONS

Schoolteachers in England swapping stories about the 'reign of terror' inspection system that was introduced in that country in the early 1990s often come up with an apocryphal tale that begins with a school gearing up for its fouryearly inspection, and going through the usual processes of frantic redecoration, clean-ups and strategy committees working late into the night drafting documents in what is hoped to be the latest and most acceptable educational Jargon.

Then (the tale runs) it turns out that the teachers and students will have to deal with more than one set of inspectors, because the conduct of the inspection is itself to be inspected by a higher-level set of central inspectors. And shortly afterwards the school's harassed pupils, teachers and support staff learn they are to face scrutiny from yet another source. A team of academics based at a neighbouring university has been commissioned by the central ministry of education to question students, teachers and school administrators as part of a study designed to explore behaviour during school inspections when the inspectors are themselves being inspected. At the same time, it turns out that an international educational non-governmental organization (NGO) has asked to send two observers to monitor the process and ask some questions as part of an international appraisal of different national systems for quality control in education. As the inspectors and the various meta-inspectors arrive, a television crew also descends on the long-suffering school to film the observers observing the inspectors inspecting the inspectors inspecting the teachers and students, and to talk to the various inspectors and inspected.

Folk tale? Urban myth? Probably. The story certainly tells us something about the evaluation-obsessed social context in which it originated, which led observers such as Michael Power (1997) and Onora O'Neill (2002) to

conclude that the UK and other comparable countries were turning into a low-trust 'audit society' that seemed to approach a form of neurosis. But how far does the folk tale point to a general trend in the governance or control of public services and executive government today? Opinions differ. Some writers stress similarities in the way public services have changed in the recent past across different countries, with apparently common trends developing in governance and control processes. Indeed, Roger Wettenhall (2000) has even written of 'the New Public Management State', and there is a minor academic industry devoted to explaining, criticizing or justifying what is often seen as a general drift to 'managerial' controls in public services. But whereas some observers see common types of control spreading everywhere, others see a different picture. They point to the variety of historical starting points from which public service structures and processes have developed and the stickiness or path-dependency of processes of control and governance. From such a viewpoint common fashions in vocabulary in the internet age are one thing, but deeper institutional change is another.

Each of these views has turned into a well-worn cliché of the conference circuit. They live by taking in each other's washing and no doubt both are partly true. So the aim of this book is to go beyond the folklore and the a priori claims. We want to find out just what was common and different about the control of three public service domains across eight different countries embracing very different state traditions and how those controls changed in each case over a generation.

Making such comparisons work effectively is far from easy, for at least three familiar reasons. First, most comparisons of changes in public services are disproportionately present focused. They tell us a lot about what has happened lately but tend to be much hazier about the various points of origin. That is like comparing different travellers on a road journey by looking only at the recent odometer readings of their cars. Without knowing where the various cars started from or the route they took, we cannot make much sense of their journeys or tell which is in front or who is behind.

Second, what is considered to be 'control' can be problematic, because the word (and others like it) carries different freight in different languages and state traditions. *Contrôle* in French and *Kontrolle* in German traditionally mean accounting checks or authorization systems, in contrast to the broader sense of the word in English. We use the term here in its broader sense, but we need to avoid defining governance or control too narrowly to fit the assumptions of anyone state system.

Third, while some writers distinguish broad 'state traditions' as encompassing very different assumptions about how government systems work and how they are to be controlled, others claim that particular domains of public policy - such as defence or education - often have more in common with their

counterparts in other countries than with other policy sectors in the same country. So we need to examine different domains of the public sector as well as different 'state traditions' to explore how far changes or trends are uniform across different public services even in anyone country.

That is what this book sets out to do. It seeks to compare control of government across time, across policy domains and across countries. It examines what happened to control systems (in a broad sense) for public services over a generation or so, in three different domains of government and public policy within eight different state traditions. The three domains are prisons, higher education and the conduct of senior civil servants, and the eight different traditions comprise Australia, the USA, Japan, France, Germany, the UK, the Netherlands and Norway.

In the final section of this chapter we explain why we selected those particular cases and what their significance is. But before coming to that issue, we need first to explain what we mean by 'control' and why it matters for the understanding of contemporary government. Accordingly, the next section sets out a four-part analytic framework for comparing control across time and among government systems, and the following one explains why change in control or governance in the public sector is important for the various and disputed interpretations of public management reform in the contemporary world.

2 GOVERNANCE AND CONTROL OVER THE PUBLIC SECTOR: A COMPARATIVE FRAMEWORK

Control in the sense used in this book is a synonym for steering or governance. Put abstractly, control is whatever keeps the state of any given system within some desired subset of all its possible states. To evaluate the existence or extent of control in that sense always involves judgement, and the existence of control can never be induced from indices of input or activity.

In orthodox constitutional theory, the two classical institutional mechanisms for making executive government accountable and keeping it under control in liberal-democratic states are oversight by elected representatives and legal adjudication by an independent judiciary. These two classical control mechanisms are normally held to have replaced the controls over government associated with earlier monarchical structures (including royal auditors, censors or procurators, inspectors or commissioners).

Such institutions vary in their independence from executive government and in the way they work, and that variation across the different state traditions in the developed democracies has often been commented on. For example, the ability of the US Congress to 'micro-manage' the federal civil service and

share control with the presidency is often contrasted with the more limited opportunities for detailed intervention in the state bureaucracy by other legislatures. Moreover, the way the two classical control mechanisms operate is likely to depend on how socially close or distant legislators and judges are from those they oversee (something that is known as 'relational distance' in the socio-legal literature (see Hood et al., 1999: 60-65)). In some countries, such as Germany, the legislature is heavily drawn from career public servants (meaning that relational distance between legislators and the public service tends to be low), while in others such as the UK there has traditionally been a sharper distinction between political and bureaucratic careers. The same distinction applies to judicial office: for instance, the French administrative court system, with its traditional domination by bureaucrats within the *Conseil d'Etat*, contrasts with the more 'external' judicial review process in the UK where judges and civil servants often come from different professional worlds.

To bring out variety across state systems, we needed an approach to control that was institution-free, that could accommodate formal and informal control, intentional and unintentional control, and could include a range of supplementary or alternative forms of control and governance beyond the classical pair that we noted above. Any number of different ways of classifying controls over government have been put forward. For example, various authors such as Schick (1966), Schultze (1977) and Thompson (1993) have identified neo-market alter-

natives to 'command' systems of administration. Some have broken down the dimensions of control into the cybernetic trio of detectors, directors and effectors (see Hood et al., 1999). And one of the best-known distinctions of control styles comes from the rational choice stable in the form of McCubbins and Schwartz's (1984) well-known distinction between legislative strategies of 'police patrol' (more or less systematic review) and 'fire alarms' (concentration of attention on problem cases) in control over bureaucracy.

Most of those distinctions will be drawn on later in the book, but our starting point, following earlier work (see Hood, 1996, 1998; Hood et al., 1999), is to distinguish *mutuality*, *competition*, *contrived randomness* and *oversight* as forms of control over individuals operating in public institutions and organizations. These four basic types are summarized in Figure 1.1.

Mutuality denotes control of individuals by formal or informal group processes, whether by deliberate design or otherwise. Institutional mechanisms that make individuals answerable to a group or require them to accommodate the preferences of others are a common feature of public organizations. Processes of mutual influence can be institutionalized in various ways, from shared work space or common meal arrangements, through conventions of consultation, group decision-making processes like the Japanese *ringi* system described later in the book (in which civil servants arrive at decisions through a consensual round-robin procedure), committee or

<p>Contrived Randomness</p> <p>Works by unpredictable processes! combinations of people to deter corruption, or anti-system behaviour</p> <p><i>Example: selection by lot, rotation of staff around institutions</i></p>	<p>Oversight</p> <p>Works by: monitoring and direction of individuals from a point of authority</p> <p><i>Example: audit and inspection systems</i></p>
<p>Competition</p> <p>Works by fostering rivalry among individuals</p> <p><i>Example: league tables of better and worse performers</i></p>	<p>Mutuality</p> <p>Works by exposing individuals to horizontal influence from other individuals</p> <p><i>Example: pairing police officers on patrol</i></p>

Figure 1.1 Four basic types of control over executive government and public services

board structures or their equivalents, to Madisonian systems of separated institutions sharing powers that require mutual accommodation among the various players.

Mutuality is often said to be central to control over government. For instance, mutual rating and collegiality among a like-minded elite was argued by Hecllo and Wildavsky (1974) to be the central force that regulated the conduct of the British senior civil service in the 1970s, forming a controlling mechanism far more important (they claimed) than the formalities of parliamentary oversight, judicial review or ministerial supervision. Control by mutuality is familiar in the sociological literature on informal organization and the way it affects work norms (as revealed by the famous Hawthorne experiments of the 1920s (Mayo, 1949)), but as we shall see, it can work through various mechanisms and at different institutional levels. So a comparative study needs to assess the strength of traditional 'mutuality' forms of control across different state traditions and parts of the public sector, the forms those controls took and how they changed.

Competition denotes control of individuals in the public sector by processes of rivalry. Many contemporary government reformers write as if competition as a method of controlling government had only just been discovered (by

them) and as if monopoly power and a sheltered life were normal features of traditional public services. But in fact rulers of all kinds have long used mechanisms that pit individuals and their organizations against one another to exert control over their executive apparatus and public service systems.

For instance, bureaucrats have traditionally been obliged to compete for appointment, reappointment, bonuses or merit pay raises, honours or medals, promotion to higher positions, even valued positions after retiring from or leaving the bureaucracy. And those who head government organizations likewise typically have to compete for good-quality recruits, budgetary allocations, valued office locations, major policy responsibilities, corporate awards or league-table rankings, reputation, prestige or position in the pecking order. Indeed, presidents and prime ministers often deliberately follow Franklin Roosevelt's classic tactic of controlling the government apparatus by making the division of tasks ambiguous and sharing responsibilities among several rival organizations. So we need to assess the strength of the competitive forces to which bureaucracies were traditionally exposed in different countries and policy sectors, the forms that such competition took, and the ways in which it has changed.

Contrived randomness denotes control of individuals in government and the public sector by more or less deliberately making their lives unpredictable in some way, as in the classic example of election or selection of public officeholders by lot. The aim or effect of such unpredictability is to make the payoffs of anti-system and self-interested behaviour (or 'rent-seeking' activity more generally) uncertain. Ways of making careers unpredictable constitute one key mechanism of this type of control, for example, by posting staff around organizations. That is a practice often adopted to limit corruption and local sympathies in traditional bureaucratic structures, and still widely used today in multinational corporations.

Other mechanisms in the 'randomness' family include random selection processes (as in jury selection) and unpredictable patterns of audit, inspection or authorization (linking randomness with oversight). Though some may see the policy environment as inherently prone to produce a large measure of randomness - in the uncertain process of agenda selection, in apparently capricious public 'mood swings', in unexpected scrutiny of dark corners of the bureaucracy by media and politicians - some elements of deliberate unpredictability are frequently found as mechanisms of control over bureaucracy, often in association with other controlling processes. Again, we shall be looking at the extent to which such controls operated in the past and what form they took in our eight countries and three policy domains, as well as exploring changes in this method of control.

Oversight denotes a fourth generic approach to control of individuals in government and the public sector, and this approach is often linked with the

previous three control forms. Oversight means scrutiny and steering from some point 'above' or 'outside' the individuals in question. We referred earlier to law courts and legislatures, the two classical forms for overseeing government and public services in liberal democracies. But beyond these classic types a range of other secondary overseers can be found, in the form of reviewers, monitors, inspectors or regulators that are to some degree detached from line management or the chain-of-command structure within executive government organizations. Indeed, at least seven different types of oversight bodies can be identified outside the two classic controllers of government in liberal-democratic state theory, and they are summarized in Figure 1.2.

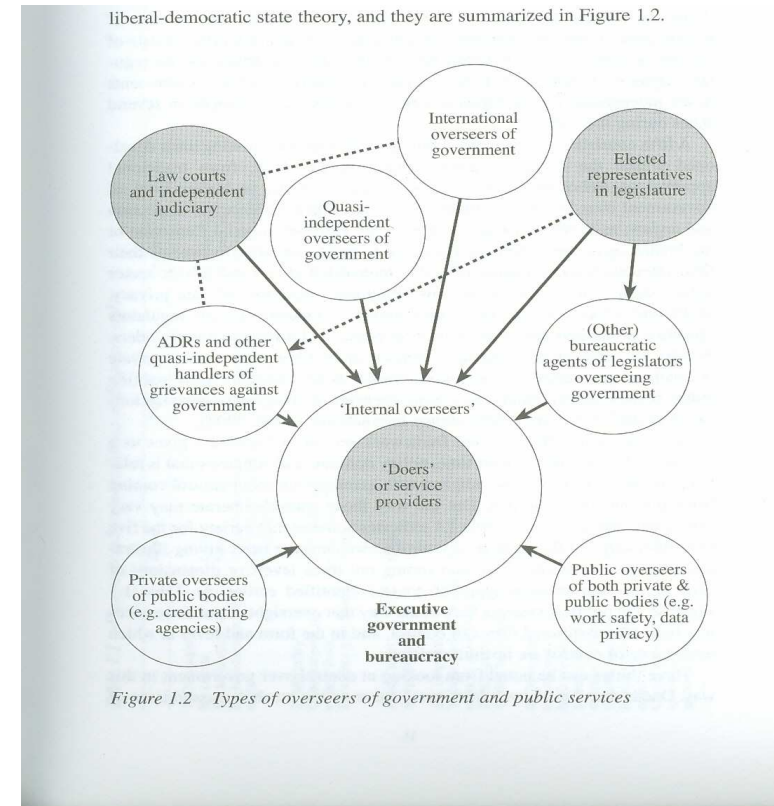


Figure 1.2 Types of overseers of government and public services

One type consists of international public overseers of government like the European Union's (EU's) fraud-busters, the World Trade Organization and bodies monitoring treaty obligations on torture and other human rights issues. A second consists of the agents of legislators, like auditors or watchdogs, or even special prosecutors. (An extreme example of the latter is the Office of the Special Prosecutor, an extraordinary office established by the US Congress after the collapse of the Nixon presidency over Watergate, to watch for any transgressions by the President. It became internationally famous through the impeachment of Bill Clinton in 1998 after the Monica Lewinsky affair, and disappeared under the George W. Bush presidency.) A third type consists of independent or semi-independent grievance-handlers and a fourth consists of officers or bodies relatively independent both of the legislature and the regular executive structure, such as bodies that police merit in public appointments or the independent commissions against corruption that developed in several states during the 1980s.

A fifth consists of arms-length monitoring and standard-setting units developed within the executive government structure itself, from traditional approval or authorization systems by central agencies or higher level of government over lower-level units (*tutelle*, in French parlance) to inspection and review, as in the classical tradition of the Chinese Imperial Censorate or the French *inspections g n rales* attached to most ministries to oversee their field services. A sixth consists of bodies overseeing public and private sector organizations alike, such as the now ubiquitous regulators of data privacy, health and safety at work, equal opportunities or industry-specific regulators operating in markets where there are both public and private sector providers. Perhaps we can even add a seventh category, in the form of the various private or independent overseers of government such as private audit firms auditing public bodies, international credit rating agencies or other rating organizations like Freedom House and Transparency International (Scott, 2002).

As noted earlier, the four-part framework set out in Figure 1.1 gives us a way of analysing controls over time, policy domains and countries that is relatively institution-free and not aligned with assumptions about control coming from anyone state tradition. But the way those controls operate may vary across state traditions, and Table 1.1 indicates some of that variety for the five most distinctive of the eight state traditions we consider here, giving illustrative examples from each case and setting out three levels or dimensions of each of the four primary types of control identified earlier. As Table 1.1 suggests, the political systems vary in the way that oversight of public services was built into traditional forms of control, and in the form and level in which other types of control are institutionalized.

Three things can be noted from looking at control over government in this way. One is that it gives us a fresh perspective on the much discussed issue of

Table 1.1 Five selected state traditions and control styles

	Japan	France	Germany	UK	USA
1. Oversight					
By courts	Low	Hybrid	Medium/high	Low	Very high
By legislature	Low	Low	Medium/low	Low	High
By bureaucratic units	Medium, inc. <i>tutelle</i> and administrative guidance	High, including <i>tutelle</i> and inspections	Low (no <i>tutelle</i> , few inspectorates)	High, including <i>tutelle</i> and inspections	Low
2. Mutuality					
Constitutional or system level	Low (only one veto player)	Low	High (multiple veto players)	Low (only one veto player)	High (multiple veto players)
Executive govt level	High	High	Fairly high	High	Generally low (government of strangers)
Policy level (corporatism)	High	Variable	High	Variable	Low
3. Competition					
Tiebout rivalry (among units of government)	Fairly low	Low	Medium	Low	High
Public-private	Low	Low	Medium	Medium	High
Within bureaucracy	High	High	Fairly high	High	Medium to low
4. Control by randomness					
Multiple-key features of top decision structure	Low	Variable (can be high in periods of cohabitation)	High	Low	High
Definiteness of institutional and const. rules	Variable	Variable	High	Low	High
Career unpredictability in executive government	Low	Fairly high (quasi-lateral entry)	Variable	Medium	High

'state traditions'. 'State tradition' is a term used by Dyson (1980) to denote different 'traditions of state philosophy' allied to different styles of public law, and the phrase is widely, though typically imprecisely, used in the literature of comparative politics. But as Table 1.1 shows, we can also fruitfully compare state traditions as constituting different approaches to control over government, notably in the form and institutional level in which they deploy mutuality, competition, randomness and oversight.

Second and relatedly, as Table 1.1 suggests, the conclusions we may reach about how different state traditions reflect the four modes of control may depend on what institutional level we look at (the importance of institutional level has been stressed by many authors, notably Weaver and Rockman, 1993). For instance, if we look at controls that operate at system-wide level as a result of constitutional or quasi-constitutional structures, we can conclude that the USA government structure is one characterized by high mutuality whereas that of the UK (in its traditional form, at least) is characterized by low mutuality. That is because the USA constitutional structure of multiple veto players (Tsebelis, 2002) builds mutuality in with the constitutional bricks in a way that did not traditionally apply to the UK system, with its single veto player. But we would come to the opposite conclusion if we looked instead at mutual controls operating within executive government, since the traditionally cabinet-centred and 'Athenaeum club culture' that is conventionally said to have produced high reciprocal influence among the various players in Whitehall stands in sharp contrast to the 'government of strangers' (Heclo, 1977) that is often said to operate at the upper levels of the executive structure in Washington. And if we go down another institutional level, to that of particular agencies or policy systems, the control profile can be different again, as we shall see later. This analysis shows that we have to be wary of grandiloquent broad-brush characterizations of state traditions, because we cannot take it for granted that the control pattern operating at one institutional level is repeated at other levels.

Third, state traditions that score high on one dimension of each of the four types of control do not necessarily score high on the other ones. Indeed, there are strong signs of compensating effects and control hybridity in each of the five major state traditions analysed in Table 1.1. Thus it is noticeable that the states with substantial 'administrative' oversight systems tend to be those where oversight of government is weak at legislative level, though that compensatory relationship does not seem to apply to oversight by courts in all cases. In the French state tradition, for instance, weak legislative oversight of government is accompanied by its famous tradition of *inspections generales*, which were formed to monitor the ramified field administration structure as part of an early nineteenth-century oversight explosion. That pattern was also introduced in the Netherlands, with its Napoleonic state inheritance, and was

palely imitated for some public services in the UK a generation later in the 1830s. The functional equivalents in Germany are the courts of account which also originate in the absolutist state but became advisory to the state and federal legislatures from the 1970s, showing that the boundary line between court, legislative and bureaucratic controls can be hard to draw or easy to cross.

However, precisely for these reasons, the use of our four-part analytic scheme can help us to push beyond the commonplaces of 'state traditionism' in comparative analysis. And equally, applying that framework to a set of different states and policy domains gives us a chance to explore hybrids and variations of the four-part structure, and we shall be summing up what we found in the final chapter.

3 WHAT COMPARATIVE ANALYSIS OF CONTROLS OVER GOVERNMENT CAN REVEAL

In applying the analytic framework set out in the previous section to control over three domains of the public sector in eight different countries, we aim to answer three questions. First - going back to the issues we raised at the outset - how far can we identify general trends across developed countries in the way that individuals in the public services are controlled? Can we find truly crossnational trends, or only particular styles? Second, what light can a comparative study throw on doctrinal arguments about how to control the public sector? Can it help us to establish the scope and limits of fashionable doctrines such as 'enforced self-regulation' and more 'managerial space' in the delivery of public services? Third, what exactly was the 'old public management' like? Should we think of a single 'traditional model' of public service provision or something more varied?

(a) Oversight Explosions? Distinguishing Cross-National Trends from Particular Control Styles

We began this chapter with a story about English school inspection that drew attention to the growth of oversight over schools and teachers in the 1990s. And several UK-based observers have written about an apparent 'oversight explosion' at that time. As we have already noted, Power and O'Neill have diagnosed the development of a putative 'audit society' obsessed with checking-up rituals on every domain of activity and undermining trust in once self-governing professionals. Michael Moran (2003) has argued that the UK saw a dramatic shift from 'club government' to formalized regulation over that period. Rather earlier, Patrick Dunleavy (1991) argued that public service

reform in the UK was dominated by 'bureau-shaping' strategies on the part of senior civil servants who wanted to be released from direct management responsibilities, producing a trend towards a fragmentation of formerly monolithic bureaucracies into elite policy or oversight units standing at arm's length from service-delivery units. Christopher Hood et al. (1999) put some numbers on such developments. They showed that formal arm's-length overseers had doubled in size and real-term resources over two decades when the UK civil service was cut by more than 30 per cent and local government by about 20 per cent - an observation that recalls Northcote Parkinson's (1961) famous correlation between increasing numbers of clerks in the British Admiralty with declining numbers of battleships in the navy. At a time when the rhetoric of public service reform tended to stress entrepreneurialism and greater managerial freedom, a steadily expanding (though bureaucratically divided) army of waste-watchers, quality police and sleaze-busters was applying and monitoring ever more codes and procedural guidelines. Such observations have prompted discussion as to whether new public management, UK-style, far from amounting to a decisive move away from 'rules-based, process-driven' approaches to administration (the spin put on public management reform by Osborne and Gaebler, 1992), in fact amount to a more rules-based, process-driven style of executive government than ever before.

Are those 'oversight explosion' developments just a reflection of what is often seen as British administrative idiosyncrasy or exceptionalism, or are they observable in other countries as well? Those 'cultural' explanations that link the rise of an 'audit society' to a supposedly broad post-materialist pattern of declining deference to middle-class professionals in more educated and affluent societies, or growing distrust of big organizations in the public and private sector, might lead us to expect trends to rising oversight of government to be universal. But against such general interpretations, it could be argued that the growth of arm's-length regulation over public sector bodies in the UK in the 1980s and 1990s either amounted to a late catch-up with states that traditionally subjected their bureaucrats to more formal oversight (as with the French *inspections generales*) or to a substitute for the more effective formal oversight of state bodies elsewhere by courts and legislatures (as in the German or US traditions). So we need to explore how far the UK was extraordinary or typical in experiencing general regulatory growth over government during the New Public Management era by secondary overseers beyond the two classical forms noted above.

However, even within the UK, that growth of oversight does not seem to have been experienced to the same extent by all parts of the public sector. Though it did not escape entirely, the high bureaucracy, with its strong mutuality tradition of peer-group rating, was rather less exposed to a growth of formal oversight than the executive parts of the central state structure or delivery agencies at the local level such as schools, universities, health and

social care, and the 'oversight explosion' also made less ground over police and security agencies. The political interpretation of such differences is that exposure to increased oversight was linked to the power of different parts of the public sector, while the technical interpretation is that activities like the achievement of test scores by school students are inherently more 'auditable' than the quality of policy advice in the high bureaucracy. Probably a mixture of politics and technical factors was in play. But to explore such developments cross-nationally, we need to compare what happened to different parts of the public sector in different countries.

(b) Assessing Doctrines of Control over Government in Comparative Perspective

If one reason for this study is to explore similarity and difference in controls over government across different societies, another is that control is central to contemporary doctrines about good governance. But those doctrines are contested in at least three ways.

One is the debate about how effective oversight, in the sense used in the previous section, can be as a way of controlling public services. Most descriptions of how government and public organizations are controlled tend to begin with an account of the formal oversight arrangements, but how far those arrangements deliver 'control' in the broader analytic sense defined above is much more debatable, and the equation of control with oversight can often be seen as a basic fallacy in the study of public administration and public law. Among those who are sceptical about the efficacy of oversight as control are James Q. Wilson and Patricia Racha (1977), who concluded nearly 30 years ago that government could never regulate itself as effectively as it could regulate business. Another is Michael Power's (1997) view of the UK's 'audit explosion' as providing only a precarious 'reassurance' while potentially undermining an ethos of professional self-regulation. On the other hand are those who are enthusiastic about the potential of formal oversight and regulation in the public sector. Those enthusiasts include the World Bank (1999) in its claim that formal oversight regimes over the public sector are one of the critical success factors for the civil service reform efforts the World Bank sponsored over the 1990s.

That debate is connected to the debate about the feasibility and desirability of managerialism in the conduct of public services. The term 'managerial' is used in many different ways, often as a term of vague rhetorical abuse, but it is understood here to mean arrangements in which those who head public organizations have direct responsibility and some discretionary decision 'space' over the services they provide. From a control perspective, making public services more 'managerial' in that sense means relaxing process

controls and *ex ante* oversight in the form of authorization, with a corresponding increase in *ex post* oversight focusing on results. Many (such as Savoie, 1994) see *ex post* control in exchange for discretion as the central theme of managerialism.

So how far and how widely has such a transformation in control arrangements taken place? For instance, how far has a reduction in some process rules (over hiring, pay, grading, contracts, financial virement, for example) meant an increase in other process rules (over matters like conflict of interest, transparency in reporting, discrimination, favouritism or bullying, or other potential managerial corner-cutting activities)? How far attempts at more 'managerial' approaches to public service provision involve a reduction in some kinds of controls and rules, and increases in others, or whether they unintentionally produce a 'double whammy' pattern in which new process rules and overseers are added without a substantial reduction of the old ones, is central to the theory of contemporary public management. Scholars like Light (1993: 17) and Hood et al. (1999) suggest that the 'double whammy' pattern is much more than a theoretical possibility.

The failings or pathologies of business regulation have long been discussed (for example, by Sunstein, 1990, and Grabosky, 1995). Commonly noted failings and pathologies include regulatory capture and accommodation, information asymmetry between regulator and regulatee, and bureaucratic-behaviour styles that lead regulators to focus on what is doable or winnable, often hitting peripheral 'soft targets' at the expense of balance or substantive goals. The perceived inability of regulators to balance the social benefits of expansion in regulatory demands against the extra compliance costs imposed on regulatees by such expansion has also attracted much debate and criticism in the context of business regulation. In principle, all these familiar problems apply equally to the oversight of government as to regulation of business (see James, 2000). Yet their analogues in the oversight of the public sector have been little discussed, and the same goes for the three other generic forms of control that we discussed in the previous section - mutuality, randomness and competition.

Nor do we know much about the conditions under which formal and external oversight can be linked to internal or immanent controls in organization. Some leading regulatory theorists, notably Ayres and Braithwaite (1992), argue for a strategy that they call 'enforced self-regulation' of organizational behaviour. But applying that sort of linkage to the public sector may be more problematic than Ayres and Braithwaite allow, because enforced self-regulation requires several quite demanding conditions to be present. It assumes a culture that can accept substantial discretion on the part of bureaucrats (a condition not present in the US federal government, according to Light, 1993). It assumes a culture that can accept substantial discretion by quasi-independent regulators over the use of enforcement powers (a condition that in the past

has rarely applied to any kind of regulation in Europe). It assumes a culture in which 'big stick' threats at the top of the enforcement chain are credible because political lobbying cannot stop the sanctions escalator at that point. In earlier studies of regulation in the UK public and private sector with other colleagues, we have found all those basic conditions to be absent (Hood et al., 1999; Hall, Scott and Hood, 2000), but we lack clear cross-national comparative evidence on this point.

Our study cannot resolve all these doctrinal issues, but it can help to establish how widespread the 'oversight explosion' has been across different countries, how widely managerial approaches to control have developed, what kind of 'pathologies' or shortcomings are to be found in the four basic modes of control that we identified earlier and how far hybrids like enforced self-regulation are possible and effective.

(c) The Old Public Management and the Pattern of Change

Third, our comparative analysis of how controls over executive government change or remain over time is designed to add to our understanding of what 'old public management' was like in different countries and what exactly is the nature of the system that has replaced it. As already noted, a conventional story told by many exponents of the idea of a general 'paradigm shift' in contemporary public sector management is that old public administration was everywhere 'rules-based' and 'process-driven', while new variants are more 'output-based' and 'results-driven' (see Ba'rzelay, 1992; Osborne and Gaebler, 1992). While that characterization may usefully represent some of the dynamics of contemporary public management, a more subtle and varied approach may be needed to describe some of the different jumping-off points, or what precisely constituted 'old public management' in different contexts.

In some cases, as with the higher echelons of the British civil service (and several other specimens within our set), many of the key rules of the traditional system tended to be indefinite and often not formally enacted or written down at all. Examples included what exactly counted as conflict of interest and how it should be handled, just who had to be consulted over what, what were the limits of loyalty to superiors or Ministers, even apparently clear-cut matters like what counted as entitlement to a public-service pension. Rather, the culture was one that relied heavily on elite socialization and reciprocal peer-group control through 'mutuality' for such matters rather than a thick manual of enacted rules (Moran's (2003) 'club government'). The system could certainly have been said to be 'process-driven', but many of the key rules were neither enacted nor definite. A similar culture could have been found in the upper reaches of the universities, the medical world and, arguably, in business and finance too. To the extent that such structures have been

replaced, it has been in the direction of writing down the rules of the game and setting up more formal structures for applying them.

Instead of the 'rules-based, process-driven' stereotype, a more plausible way of portraying the controls operating over many UK bureaucracies in the 'old public management' period was as a mix of the four generic control types introduced in the first section - a combination of mutuality, oversight, rivalry and unpredictability - not a single one. And what characterized the emerging structure, particularly at the top of the public service, was an increased emphasis on formal arm's-length oversight and new forms of competition being laid on top of traditional ones (like competition for recruitment and promotion). Whereas the older public service structure placed more emphasis on a mixture of mutuality (particularly for the top elites) and contrived randomness (particularly for the field staff and those who handled money), contemporary reforms have placed more emphasis on a mixture of oversight and competition.

As that example shows, looking carefully at the changing patterns of control over public bureaucracies may reveal patterns of historical transition that are both subtler and more varied than the conventional stereotype of old public management allows for. The aim of this inquiry is to characterize and compare those transitions across different state traditions and forms of organization.

(d) Overall

What these three issues show is that a comparative examination of controls over executive government is not a quirky or offbeat enterprise, but can illuminate some of the central contested or unanswered features of contemporary public service reform. Some of those issues relate to the direction of historical change in different societies. Some of them concern the entailments of different conceptions of how public servants are to operate. Some of them are questions about the effectiveness or otherwise of different ways of controlling government. These issues cut to the heart of contemporary interpretations of governance reforms - what they involve, how much commonality there is across different state traditions and what the effect is of received doctrines of governance. Moreover, while undoubtedly challenging to explore, the issues are not riddles of the universe in the sense of puzzles that are interesting but insoluble. Comparative analysis cannot necessarily resolve such issues beyond a peradventure, but it can certainly help to shed light on them, as we shall show.

4 THE CASES AND THE RESEARCH DESIGN

The previous sections have aimed to show that the subject of our inquiry how controls over executive government work in different states and in different

public sector domains - raises many empirical questions that have not yet been answered. Some particular sets of overseers (notably auditors and ombudsmen) have been comparatively mapped to some extent, but not the more general picture. Nor do we have a clear comparative picture of the points of departure from which different states entered the contemporary era of public management reform.

We approached this inquiry as if it were the kind of quiz show or parlour game in which players have to choose a few questions that will produce the highest yield of information in identifying a mystery object. So our focus is selective rather than general. And, to pursue the analogy with participating in a quiz show, we needed to pose questions that were open-ended and did not beg the question by assuming anyone particular answer (see Fischer, 1970). Accordingly, we set out to compare change or stasis in control over government across eight countries embracing different state traditions, in three different institutional or policy domains.

The state traditions we aim to compare cut across what have traditionally been considered 'strong' and 'weak' state forms and the major institutional and constitutional types of developed democracies (Accordingly, we examine the principal continental European models (the French Napoleonic tradition, the German state tradition and the Dutch state model that was taken by Lijphart, 1969, as the leading exemplar of consociational democracy), the Japanese state tradition that combines Confucian ideas with institutions borrowed and adapted from western countries, the Norwegian case as an example of the Scandinavian state model, the UK (and Australian) 'Westminster model', and the US case in which (as in the UK case) the monarchy lost the civil wars that the continental European monarchies mostly won in the early modern era.

As we showed in section 1, those various state traditions embrace different mixtures of oversight, mutuality, competition and randomness in their traditional institutional arrangements. We will be bringing out some of their distinct features in the remainder of the book. For instance, the French tradition has a distinct approach to oversight in the form of the famous *inspections generales* and the accompanying doctrine that (almost) every state service should have its own inspectorate, but mixes oversight with mutuality by establishing judicial oversight of the bureaucracy in a body (the *Conseil d'Etat*) composed of civil servants themselves. The German state tradition is often regarded as an archetype of 'legalist' oversight, with administrative courts performing oversight functions that might be performed by different institutions in other states, but embodies a structure of multiple veto players that encourages mutuality at the macro-political level.

The USA shares those two characteristics, but its courts have higher relational distance from the bureaucracy than in the German case, its bureaucracy is of the agency rather than the more autonomous German type without any

distinct 'bureaucratic class' or *Beamtenethos*, and oversight of the bureaucracy is divided between the executive and legislature. The Netherlands is often regarded as a 'strong state' and a distinct hybrid of continental European state traditions, while the Westminster model UK state style (and to a lesser extent its Australian variant) contrasts with the previous ones in a traditionally lower exposure of bureaucracy to oversight by courts and judges, and traditionally embodied mutuality through a club-like social pattern at the top of the state bureaucracy, and arguably many other domains of public service. The Japanese structure has similar features, but has always been strongly influenced by German bureaucratic traditions, and has evolved within a neo-Confucian cultural tradition. Accordingly, the set of state traditions we examine cut across common-law and public-law systems, federal and unitary states, eastern and western traditions, and a different-cases design can be expected to form a sufficiently wide range of points of departure to enable us to examine how far trends in control over the public sector are truly general and uniform.

The three different institutional or policy domains that we compare are those of the control of conduct within the high state bureaucracy, the prison sector and the world of university research and higher education. These three domains are only limitedly representative of the whole range of organizations and activities within the public sector, but they do enable some degree of 'triangulation' or cross-domain inquiry. Prisons and universities are in some ways at opposite extremes as policy domains. Prisons are part of the core, traditional or defining functions of the state, involving the uniformed services of the state. They exercise the state's unique legal power to punish and in that sense apply 'sticks' rather than 'sermons' or 'carrots' as their primary policy instrument, which means that competition is possible around the edges but not in the core function.

By contrast, universities have a long history as parts of public policy (including functioning as the intellectual bodyguard of church and state in previous eras), but the instruments they employ consist more of 'sermons' and 'carrots' rather than 'sticks', (Bernelmans- Videc et al., 1998) they are far more amenable to competition and in several ways they are more akin to other policy domains that are characteristic of the modern welfare state, such as social service, health care and the rail, mail, power and water services that have been privatized in many cases in the recent past. In principle, we might expect oversight, mutuality, competition and randomness to work rather differently in those two sectors, and to produce a different kind of dynamic. We might expect traditional forms of oversight to be more visible in traditional core areas of state activity and to remain at a higher level than in policy areas characterized by services and transfers.

The high state bureaucracy in some ways comes between those two

extreme cases. It is also one of the traditional core sectors of the state, but its activity is more hybrid, embracing aspects of the uniformed services role but extending to more university-like activity as well. It is central to modern debates both about the reform of public management and about 'sleaze' and misconduct that are said to be a reflection of rising egalitarianism and declining trust in government in many developed contemporary democracies. And we might expect a wide range of traditional approaches to control of that structure.

Accordingly, this book aims to compare across time, across policy domains and across countries (a strategy in some ways paralleling that of Vogel, 1996). Between this introductory chapter and the concluding chapter that sets out what we discovered, the book is divided into three main chapters, each introduced by the editors and containing an account of what happened to control styles over a generation in that policy domain across the eight states. We begin with the case of prisons, move to the higher education sector and then turn to the control of the conduct of higher civil servants. In each case we seek to identify comparatively the nature of traditional controls operating a generation or so ago and to identify what changes have taken place since then. As we shall see, those questions are deceptively simple and raise some tricky issues of interpretation. Accordingly, in each of the three main chapters of the book the introductory part includes some indicative tables and is followed by an account of the distinctive features of each of the countries in the study for that domain, together with comments on the underlying politics and anything that is known about the effectiveness or otherwise of traditional or more recent controls.

Such questions by no means exhaust what deserves to be investigated about comparative patterns of control over government. And the questions are easier to ask than to answer, even for scholars who have spent a lifetime studying particular patterns of executive government or public services. Some of the answers are bound to be rough and ready, and some might certainly be disputed among different observers of the same country. But even allowing for those differences, as we shall show in the concluding chapter, we can come to some fairly firm conclusions about the development of oversight and other forms of control over contemporary government over the last 30 years or so.