

A New Way forward for the Danish Public Sector?

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A group of scholars in public management and political science have suggested a new governance model for the public sector. The scholars come from all Danish universities – and it is to be noted that such a collaborative effort amongst Danish social scientists has never been seen before.

They have produced a manifesto for a new modernization policy for the public sector, and called for a general public debate. Notably, maybe also a chance for the Social Democratic lead government to engage in a new policy effort, that could break with the dominating ideas of the past 20 years of public sector reform. While the dominant paradigm of the past decades has been the neo liberalistic so called New Public Management (NPM), these scholars propose a different recipe.

NPM has focussed on the public monopoly in producing public welfare goods as the main problem and recommended the cure of privatization, marketization and the import of management principles from the private sector. There are merits of NPM and past reforms that should be recognized. However, the dominant belief in competition, contracts and notably control and evaluation as the solution, has been challenged. NPM has not produced the expected benefits but rather increased both transaction costs and demotivation among the employees. Public employees are spending far too much time on paperwork and monitoring rather than service production.

With reference to past experience and their research in public sector reform the group recommend that future public sector reforms should be based on:

- Trust rather than mistrust
- Collaboration rather than competition
- Political leadership rather than invisible hands (the market mechanism)
- Professional employees and leadership rather than systems of control
- Decentralization, autonomy and discretion rather than central decision making
- Networks rather than hierarchies
- Innovation rather than rationalization

These antithetic statements represent, of course, a simplification of the arguments. Collaboration, for instance, imply cooperation between public agencies, private firms and voluntary associations as well as within the different parts of the public sector. Thus, collaboration does not exclude the private sector contributions to the modernization of public service provision.

The financial crises in the 70'er and 80'es and now again in recent years has resulted in a centralisation of the public sector. The on-going focus on efficiency and short-term gains has ended up in a situation where neither the public sector nor the private sector has been able to create the innovative solutions that are required. New forms of collaboration are needed and the cooperation between public sector institutions, voluntary organizations and citizens as well as private sector companies must be improved.

The group recommend the above views at the same time as they recognize and emphasize the importance of strict budget constraint and performance management.

While this is indeed a new venture in Denmark such initiatives have been known before. In the early 1970's a group of mostly American researchers tried to retrieve what they termed public values. Their endeavours were termed the New Public Administration (New PA). Similarly, in the early 1980's a group of scholars created the so-called Blacksburg Manifesto. Neither initiative made an enduring impact. At least not anything compared to the American version of NPM, namely the reinventing government reforms of the 1990's and 2000's.

Researchers in public management and political science sometimes tend to think that New Public Management is in a process of being replaced with a new paradigm called the New Public Governance (NPG). It can undoubtedly be debated whether NPM has already been replaced or if NPM is just re-creating itself as a second generation NPM. However, the burning platform for existing ways of governing is clear and the initiative of the Danish researchers might be what we need to grab into the ideas from NPG and pave a new way for the public sector in Denmark.

The initiative has given rise to much interest already. Notably, by the unions organising the public sector employees but also among public CEO's. Any debate started among academics at universities is at risk of being a theoretical project and another large- scale research project in disguise. However, the manifesto is a starting point for a debate and it will be interesting to see if the contribution of the Danish initiative will be as insignificant as was the fate of the American manifestos.

Reforming the public sector and finding new ways of governing is not solely a Danish agenda. Almost all countries are struggling with similar challenges. It could be hoped for that the so-called Danish welfare state model, e.g. the flexicurity mo-

del and the relatively self- and independent employees could pave the way for yet another particular Danish mode of doing things. This time perhaps as a particular way of bridging New PA with NPM and NPG coupled with the Danish welfare model!

For the time being we must welcome the initiative of generating a more nuanced public debate about the fate and future of the public sector.

You can see and follow the initiative here: www.forvaltningspolitik.dk