Wolfgang Drechsler, "The Re-Emergence of "Weberian" Public Administration after the Fall of New Public Management: The Central and Eastern European Perspective", Halduskultuur, 2005, vol 6, pp. 94-108.

The Re-Emergence of "Weberian" Public Administration after the Fall of New Public Management:
The Central and Eastern European Perspective

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After the Fall of New Public Management (NPM) in general and specifically in Central and Eastern Europe (CEE), in a world, a Europe and a region where we see the fundamental shift of emphasis from efficiency to effectiveness in Public Administration (PA) practice and discourse, we are aware of the need for capable State structures more than ever before.[1] Such State structures, however, require – indeed, to a large extent consist of – quality PA, and this in turn requires – and again to a large extent consists of – quality Civil Service (CS), all of which does not come for free, or even cheaply. It is, in the end, the model of "Weberian" PA, the *bête noire* of the NPM. The Weber label so given is highly problematic, as NPM presents a caricature of it, and thus builds up a paper tiger (Samier 2001, p. 237, incl. N4), which is why "Weberian" is put into quotation marks here. Max Weber himself did not even particularly like the model of PA so described; he only saw it, rightly, as the most rational and efficient one for his time, and the one towards which PA would tend. The fact that this is by and large still the case 80 years later if one looks at the model rather than at its caricature, is something that probably would have surprised him quite a bit.

To put it very briefly, for Weber, the most efficient PA was a set of offices in which appointed civil servants operated under the principles of merit selection (impersonality), hierarchy, the division of labor, exclusive employment, career advancement, the written form, and legality. This increase of rationality – his key term – would increase speed, scope, predictability, and cost-effectiveness, as needed for an advanced mass-industrial society. (Weber 1922, see esp. pp. 124-130) Why is it that this set of criteria appears exceedingly close to almost all of the recent principles of PA reform agendas worldwide, including the European Administrative Space's main standards of reliability and predictability, openness and transparency, accountability, and efficiency and effectiveness (SIGMA 1998, pp. 8-14)? In order to find out, we first need to look at NPM and its fall.

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[1] This essay is based on several of the theoretical parts of an earlier draft of 'Lessons for Latin America and the Caribbean in Managing Public Sector Restructuring: Public Sector Downsizing and Redeployment Programs in Central and Eastern Europe', study for the Inter-American Development Bank, Regional Policy Dialogue, Public Policy Management and Transparency Network (RPD-PMTN), 2003, which is downloadable as a pdf file at http://www.iadb.org/int/DRP/ing/Red5/Documents/Drechsler12-03eng.pdf; Spanish version at http://www.iadb.org/int/DRP/esp/Red5/Documentos/Drechsler12-03esp.pdf. The essay reflects the state of research at the time of the conference, Spring 2004, which means that it does not yet include references to the 2nd edition of Pollitt & Bouckaert 2000, published in Fall 2004, which constitutes a significant contribution to the present discussion along the lines of the present argument.

1. New Public Management in General

NPM is the transfer of business principles and management techniques from the private into the public sector, symbiotic with and based on a neo-liberal understanding of State and economy. (On the definition, see Drechsler 2003; also König 1997, p. 219) In advanced PA scholarship itself, this view is completely on the defensive by now; the question is more whether one favors post-NPM (anti-NPM) or post-post-NPM.

As important and, though more rarely, as successful as several NPM-inspired reforms of the public sector might have been and still may be, what one notices first when looking at the public and private spheres is the difference, not the similarity.[2] The State is denoted primarily by its monopoly of power, force, and coercion on the one hand and its orientation towards the public good (to use a shorthand concept) on the other; the business world legitimately focuses on profit maximization. The use of business techniques within the public sphere thus mistakes the most basic requirements of any State, particularly of a Democracy – such as attention to regularity, transparency, and due process, rather than to low costs and speed – for a liability. (Cf. Peters & Savoie 1994, esp. p. 423)

This low-cost and speed imperative must not be confused with the alleged NPM panacea, efficiency, because this is invariably defined too narrowly in NPM – perhaps, this misunderstanding is even a definition of, and systemic to, NPM. Efficiency is a relative concept that is based on context and appropriateness: it is efficient to achieve a certain effect with a minimum of resources. But this effect, in the case of the State, is denoted by several conditions such as the ones mentioned above (e.g. reliability); it never is profit maximization. Here, this misunderstanding of the concept of efficiency and the entire depolitization that comes with it are typical symptoms of technocracy and bureaucracy, which NPM professes to oppose but which, as Eugenie Samier has brilliantly demonstrated, it rather fosters. (2001)

But even by the standards of business efficiency criteria, NPM cannot be said to be successful from today's perspective. We have no empirical evidence that NPM reforms have led to any productivity increase or welfare maximization. (König 1997, p. 214) At best, one may say that 'Several years of attempts and experiences of public management reforms in western Europe and other OECD countries give evidence of relative failure rather than success'. (van Mierlo 1998, p. 401; see Verheijen & Coombes 1998 for all respective case studies; Manning 2000, section 'Did it Work?' on global evidence along these lines) But admittedly, this is difficult to judge, because of conceptual problems and a lack of comparative PA research. (Löffler 1997) And as 'trade-offs and dilemmas are exceedingly common in administrative change, so that the achievement of one or two particular ends might well be "paid for" by a lowered performance in other respects' (Pollitt & Bouckaert 2000, p. 7), this uncertainty is predictable.

But so are the problems with NPM, partially because it is not based on genuine

[2] On the difference between the two spheres, the problem of transfer from one sphere to the other, and the use of badly understood or obsolete economic models, see the mid-1990s classics, Wilson 1994; Mintzberg 1996; König 1996; Kickert 1997b; also Edeling, Jann & Wagner 1998.

economics, so that, for example, quasi-markets were created within administrative organizations in order to create market behavior. However, as any market theorist knows, such behavior can only develop in genuine and not in quasi- (i.e. pseudo-) markets. For example, if there are product monopolies and no free consumer choice, then there cannot be a free market, either – or its beneficial consequences. (See König 2001a, pp. 6-7)

To continue, considering genuine economic theory, it can also hardly be doubted by now that people do not maximize profits but, at best, perceived benefits.[3] They are not, and cannot act, the same everywhere; economic performance is culture-specific – the *homo oeconomicus* does not exist. Yet, NPM reforms 'represent assumptions that one style of managing (whether in the public or the private sector) is best, and indeed is the only acceptable way'. (Peters 2001, p. 164)

2. The State and "Weberian" Bureaucracy

Contrary to what is usually implied in ideology prone to NPM, the State is neither dead nor incapacitated, as is perhaps more visible now than a decade ago. Globalization is a challenge to State structures, widely understood as structured human consociation in space and time, rather than legalistic or in a specific sense such as the Modern European Nation State; it does not make them obsolete, but rather more necessary than they ever were. (See Wehler 2001) Furthermore, if the 1990s have shown anything, it is its remarkable resilience, even if one defines the State more narrowly. Indeed, since 1989, we have more states than ever; the breakup of the Soviet Union and Yugoslavia, as well as of Czechoslovakia, are striking examples from the wider CEE region. What one thus has seen, at least in part, is the re-emergence not only of statehood, but even of the nation state.

Moreover, the EU – paradigm for times to come not only for CEE – is a State structure. There is a complex discussion about the legal "stateness" of the EU (see, e.g. Folz 1999, esp. pp. 36-51), but it certainly is a state if one uses our functional definition, which is what matters for PA – and the recent movement to create its own Foreign Minister attests to that fact even by more traditional definitions. What is more, the EU is a Continental "state", organized and working along Continental, *viz*. French and/or German, lines. It is not an Anglo-American structure, not least as regards its most powerful feature, the CS.

Further, the State is not only as capable to act and as necessary as it ever was (see Weiss 1998), but the key economic and development issues of today – sustainability, dynamic markets, innovation, and technology – actually foster the role of the State for economic growth. (See Reinert 1999) The Schumpeterian innovation-based world cannot be imagined without a capable State actor. (See Burlamaqui 2000; also Echebarría 2001, p. 2) But even in more traditional spheres this is so. After a careful survey of policies and data, Ha-Joon Chang's *Kicking Away The Ladder*, winner of the 2003 Myrdal Prize, comes to the conclusion that the 'plain fact is that the Neo-

[3] See the excellent summary by Falk (2003), who concludes that there is 'evidence of controlled laboratory experiments which clearly indicates that contrary to the standard assumptions, reciprocity and fairness are central motives of human behavior'. (172)

Liberal "policy reforms" have not been able to deliver their central promise – namely, economic growth' – and that the developing countries grew better under the "bad" policies of 1960-1980. (2002, p. 128) 'The direct correlation between the capabilities of government and countries' development … is based on vast historical evidence. The most powerful nations' strength and ability to create and distribute wealth cannot be explained without acknowledging the central role of public institutions'. (Echebarría 2001, p. 1)

This is not limited to the "First World". Ever since the study by Evans & Rauch of 35 developing countries (1999), we also know empirically that '"Weberian" characteristics [of the PA] significantly enhance prospects of economic growth'. (p. 748; see also Rinne 2000; cf. Payne & Carlson 2002, p. 1 N1; Echebarría 2001, p. 3) Merit selection is the key of these characteristics (p. 37); that there is a correlation between merit selection and a low corruption rate hardly needs pointing out anymore.

3. Fashion and Rhetoric

Why, then, the apparently overwhelming power of NPM until a few years ago? Naturally, NPM is more than a fashion; it is a genuine ideology (or at least some form of it) of the neo-liberal creed, in the sense that ideologies are reduced perspectives of reality, reified by their believers because they cannot handle the complexity of the latter. (See Kaiser 1984, esp. pp. 27-28) But the power of fashion likewise should not be underrated in this case, and as has been rightly said,

> Public sector reform is in fashion and no self-respecting government can afford to ignore it. How a fashion is established is one of the most intriguing questions of public policy. Part of the answer lies in policy diffusion brought about by the activities of international officials (whose zeal for administrative reform mysteriously stops short at the door of their own organizations), by meetings of public administrators, academics, and the so-called policy entrepreneurs. (Wright 1997, p. 8)

Indeed,

> the international vocabulary of management reforms carries a definite normative "charge". Within the relevant community of discourse the assumption has grown that these things … *are* progress. To be progressive one has to be seen to be doing things to which these particular labels can be stuck. … Suggesting, for example, that an existing or new activity would be better placed within an enlarged central ministry or as a direct, State-provided service, becomes an uphill struggle – it is "beyond the pale", not the done thing. (Pollitt & Bouckaert 2000, p. 190)

In PA, the problem is that on the one hand, experts are hired both on the basis of fashionability and of their capacity to suggest change, not to say that things should remain as they are – the main reason why international consultancy has gone strongly for NPM. On the other hand, for politicians it is very practical to turn to experts, because it alleviates them from the pressure to, first, find out what the proper decision should be and, second, to implement possibly unpopular measures. NPM specifically returns decision-making to the allegedly expert bureaucrat, under the cloak of efficiency, therefore removing political control, and that also means politi-

cal responsibility, from the political sphere. 'It may be convenient for politicians to hide behind the smoke-screen of managerial decision and autonomy, but this hardly adds to the democratic quality of decision-making'. (Wright 1997, p. 11)

For many a politician, at the same time, the safest and most attractive move is to follow fashion. These are '*the symbolic and legitimacy benefits* of management reform. For politicians these benefits consist partly of being seen to be doing something. … They may gain in reputation by associating with "modernizing" and "streamlining" activities'. (Pollitt & Bouckaert 2000, p. 6) An IDB (Inter-American Development Bank) study has pointed out the other aspect of this rhetoric, as rhetoric becomes a part of reality, too: such statements 'have a great symbolical and rhetorical value as expressions of the will to change on the part of society and State'. (Oszlak 2001, p. 43) This goes both ways, of course: rhetoric is what satisfies the demand as well; it does not mean that one has to do anything. The problem is only that at some point, the public will realize that there are delivery problems, and public trust will erode even more. (Pollitt & Bouckaert 2000, p. 189)

So, the concept of fashion allows one to understand the phenomenon of NPM and its success on a general level. Bearing this in mind, we now look at the CEE region.

4. Specifics of Central and Eastern Europe

4.1. The Transition Experience

In all CEE, the reform impetus of 1989-1991 has subsided by now, and not only as regards State matters. Yet, one of the fundamental challenges to CEE is still that 'these countries do share … an insufficient development of the concept of State. While quite successfully introducing market reforms, it has often been forgotten that market economy does not function without a well-functioning state'. (Randma 1998, p. 17) Many if not most of the problems faced by CEE right now are in fact related to questions of what the State is or should be.

This is the main reason behind the central CEE problem, which does not lie in structures, which are formally easy to replace, but in people, who are not. As has been said about the Baltic states, but as is certainly true about all CEE, 'If the proverbial "wishes were horses", that is, going on the basis of their CS statutes alone, [they] have indeed enacted administrative systems reflecting the state of the art in Western European democracies. Of course, laws, while a first vital step, are but institutions which bec[o]me realities only upon their successful implementation'. (Vanagunas 1997; see Verheijen 2000, pp. 24-26) The main problem in CEE, in other words, is the lack of well-qualified, motivated civil servants.

The problem is that good PA, a high-quality CS, and a good State concept are interdependent: if one element is bad, the other two will suffer as well. (Drechsler 2000, p. 5) PA requires a special virtue – loaded though that word is – on the part of its main protagonist, the civil servant, in order for the system to function well or even at all. This virtue cannot be created artificially and is highly dependent on tradition. How, then, to get a good CS if there is neither good tradition nor ethos, which after all is generally the CEE situation? High CS pay would be an answer, but in most of CEE, the consensus seems to be that this cannot be afforded – or that the CS

is paid far too well anyway. Thus, the State must offer what the State can offer best: the classic virtues of security, honor, stability, civility, and fulfillment – the opposite of NPM measures. If the State does this, it will in turn become more prestigious to work in PA. Ideally, this would lead to a greater general faith in the State and the emergence of a decent State concept, which again will result in a higher CS prestige – and so on, and so forth.

This leads to the main transition conundrum in CEE CS study, the question of carryover vs. legitimacy. One position claims that one of the key features in CEE is the strong illegitimacy of the old PA. For example, Rose has observed, 'The unique problem of East European governments is that they cannot draw lessons from their experience of the past four decades, because post-Communist regimes are founded on a rejection of a Soviet style regime'. (1993, p. 112) And in fact, during the first years of transition, high mobility and the de-emphasizing of formal qualifications were the rule. (Randma 2001, pp. 128-129) The other position is well exemplified by Kotchegura's claim that the continuity of bureaucrats, including the top *nomenklatura*, and of bureaucratic practices in CEE (and CIS), is as strong as had been feared. (1999, p. 10; see generally Vanagunas 1995). This is also empirically verifiable (for Germany, see Catenhusen 1999, pp. 39-40; Schikora 2002, pp. 82-83).

Both views are very often heard; it is rarely realized, however, that the implied parallel existence of the complete deligitimization of PA and of the continuation of Soviet *nomenklatura* is oxymoronic: if it is not legitimate, how can there be a carryover? One solution might be that much of the reform and deligitimization is mere rhetoric, and that the old cadres are continuing to function within the PA. The matter is also highly country-specific: in Estonia, for example, only about a quarter of the current civil servants served during Soviet times, while in Hungary, pre-Communist traditions actually were able to continue under Soviet dominance. And finally, within given countries, the question was institution-specific; not infrequently, some dismissed all civil servants, some none at all.

But not only in this respect is CEE PA not homogeneous; indeed, there are those who say that the differences are larger than the similarities. (Szabó 1999, p. 90; Verheijen 1999b, p. 89 on the CS) Part of the difference is due to the type of regime. (Szabó 1993, pp. 89-90) The difference is, for instance, very substantial as regards trade unions. While overall they are very weak in CEE, sometimes to the point of insignificance, they were quite strong in Hungary and of course Poland, especially during the very first years of transition. (Cardona 2000, pp. 12, 15; Samorodov 1989, p. 368) The other difference has been Eastern Germany, where the old and still very powerful Western German trade unions were able to come in and corner the market. (See the study referred to in FN 1, p. 47)

What is generally true for CEE as well, and of great importance for the phenomenon of the absence of public sector downsizing, is that its countries 'find themselves in the curious position of having too much and too little bureaucracy at the same time'. (King 2002, p. 2) CEE PA was a cadre administration before the 1989/91 revolutions; members of the cadre 'were professional administrators, but with politically and ideologically defined qualifications'. (König 1997, p. 215; see Glaeßner 1993, p. 67; Schikora 2002, pp. 44-46) That means that their experience was and is not necessarily valid, and their competence might have been low. In ad-

dition, many fields of administration – from fiscal to municipal – were generally lacking. So, the question was not only, or even primarily, one of downsizing, but rather one of building, instead of reforming, a functioning PA system, which is invariably costly. (Verheijen 2000, p. 41)

4.2. Towards the European Union and Classical Civil Service

In addition to the transition experience, the EU trajectory is the second key feature for the countries selected, as well as for all other accessing and accession countries (excepting East Germany, which became EU territory immediately via Reunification). The significance is twofold. Next to the State character of the EU mentioned *supra*, the crucial point is that the increase of "administrative capacity", that is, PA reforms geared towards high quality, is primarily EU-driven in CEE. It may well be that this administrative capacity of the CEE states *vis-à-vis* EU requirements is still highly deficient, and that 'the EU has been far from consistent in the signals it has sent to the candidate states'. (Verheijen 2000, p. 41) But to the extent that CEE PA looks as good as it does, this is overwhelmingly due to the EU trajectory.

Even before EU accession became realistic, however, the self-chosen PA models for CEE were often Germany and Sweden, not so much the United States, and certainly not Britain. (Rose 1993, pp. 113-144) Therefore, it was not surprising to see that 'Classic continental career systems appear to be the main source of inspiration for Central and Eastern European states. The German model is emerging, at the current time, as a dominant influence in most states. … In general …, there appears to be a clear tendency to return to the "continental roots" of pre-1945'. (Verheijen 1999c, pp. 330-331; see p. 335) Thus, often 'the foundations are being laid to build an administrative elite shaping a weberian-style [sic!] bureaucracy under the authority of elected politicians'. (Cardona 2000, p. 3)

After what has been said about the power of the NPM creed, and seeing the frequent rule of neo-liberal governments in CEE states, this requires some explanations. First, while PA reform in CEE was promoted by various international organizations, what made the difference was and is that SIGMA, the unit of the OECD to advise CEE on administrative reform and the most important agency dealing with the topic in the region (far more ubiquitous than the World Bank), took a critical perspective towards NPM from the beginning. Therefore, in spite of pressure from other organizations and the understandable urge by consultants and by those CEE people engaged in reform who had learned about NPM in summer schools and training seminars in the "West" and thus wanted to tout it, the classical perspective could usually prevail. (See Speer 2001, pp. 85-86)

Yet today, even more important is the explicit preference of the EU for a classical PA. (Verheijen 1999c, p. 337) As was mentioned already, the European Administrative Space is essentially "Weberian". Both the very direct demands and the trajectory of acceding into a self-satisfied, well-paid, working classic CS of enormous proportions with all the advantages and drawbacks this would indeed make NPM reforms rather a waste of effort and money, even if it would be desirable or desired.

5. Central and Eastern European New Public Management

But other than these outside reasons, there are specific inner ones why NPM is particularly unsuitable for CEE, and these lie in the transition experience more than in the EU trajectory, especially so, but not only, if one looks at those countries with a genuine tradition. (See Relevance…' 1996) As Hesse puts it, 'the introduction of business approaches in PA, as advocated by NPM concepts, may well prove disastrous in systems based on a continental European tradition in which either the preconditions may not be in place or where they may be rejected due to their inherent logic'. (1998, p. 176) NPM is particularly bad if pushed upon transition and development countries because if it can make any sense, then it is only in an environment of a well-functioning democratic administrative tradition. After all, deregulating 'the public service may not be viable before there is a set of values that will permit government to operate in an accountable and noncorrupt manner without the existence of formalized controls'. (Peters 2000, p. 167) Thus, 'the lessons drawn from Western experience seem of little immediate use in trying to improve implementation in CEE. Western analyses have mostly focused on implementation in comparatively stable environments, whereas the normative frameworks in CEE are, of course, still undergoing a process of dynamic change'. (Hesse 1998, p. 175)

This is seen within CEE as well. A study based on interviews with civil servants in several CEE countries concluded that NPM 'is also known for its tendency to re-establish political control over CS, which is exactly the opposite of what 100% of interviewees of this study considered desirable for their countries. So, in at least one very important aspect, i.e. the relations between CS and government, the NPM approach appears to be highly unsuitable, given the current needs'. (King 200, p. 4; see also 'Relevance…' 1996) And as the keynote speaker of the last but one NISPAcee conference, CEE's premier PA forum, has stated, NPM has led to very negative consequences in CEE, 'perhaps going as far as creating roadblocks in the development of individuals, communities, societies and the global community as a whole'. (Debicki 2003, p. 29)[4]

As the key Democratic requirement of publicness is one of the first victims of any form of NPM (Haque 2001), 'frequently [NPM-defined] effectiveness and efficiency bring about a decrease in accountability and responsibility and in that way are "undemocratic"'. (Debicki 2003, p. 35; on other such trade-offs in CEE, Verheijen 1998, p. 415) That, however, is nowhere more problematic than in countries where the main order of the day is the establishment of a democratic State, rather than the cutting of expenses. And what we do know from empirical studies is that NPM leads to 'a general erosion of commitment in the public service'. (Samier 2001, p. 257; see Peters & Savoie 1994, p. 424)

Moreover, for CEE, the existence of a double revolution – in technology and the rise of a global innovation-based economy on the one hand, and in the political transition sphere locally on the other – is precisely what makes NPM even worse. In the current techno-economic paradigm shift, 'the managers and structures designed and

[4] See also my Alena Brunovskà Award address at the NISPAcee conference one year before that, Drechsler 2001.

acting within the tenants of the New School of Management are not and cannot be prepared to administer such a revolution'. (Debicki 2003, p. 36) The CEE lesson of the last decade is therefore precisely the necessity for a State role in economic and social affairs, not for the necessity to stay out and let well alone.

In general, 'publicness / public sphere – politics – administration … will remain, in spite of all modernization, a *culturally-founded tension*. Thus, the critique of Bureaucracy will remain permanent as well'. (Laux 1993, p. 345) At the beginning of the 21st century, in PA as a scholarly discipline, the question is therefore not so much one of Classical PA vs. NPM anymore, nor, as I would argue, one of NPM vs. post-NPM, but rather, which kind of post-post-NPM, i.e. the attempt to fuse NPM and Classical PA principles, is possible.

For this issue, it is crucial to realize that the concept of "Merit with Flexibility", which is the post-post-NPM slogan (merit standing for "Weberian" principles and flexibility for NPM ones), cannot be a mixture of the systems. Rather, it must consist of the integration of those NPM features that make sense and that do work into a "Weberian" system. Yet, with systems as heterogeneous as NPM and "Weberian" PA, most elements are not functional outside of their context, and might even destroy the mechanics of another system. Too much flexibility in a merit system, for instance, ruins its advantages. This is also precisely the problem of suggesting to CEE a '"problem-solving", even pragmatic approach' (Verheijen 1998, p. 416): Even if one starts out with "grand strategies", one usually ends up with a PA model that – via "Weberian" ideal-type theory – can and should be classified as one of the well-known basic varieties of PA.

But the main lesson from CEE regarding downsizing is indeed that one should ask the question of whether this is not an ideological concept, based on an obsolete and highly problematic creed, NPM, that has been imposed from outside and that is particularly unsuitable for transitional and developing countries alike, because both share problems in the State area and indeed a need for PA reforms very different from those of the "Western" countries for which NPM was developed.

It is not by accident that Guy Peters and Klaus König, regarded by many as the most eminent PA scholars of our times in the United States and Germany respectively, come to the same conclusion on PA reforms in transition and development countries. As Peters puts it,

> Most governments in the world face pressures, either psychological or more tangible, to adopt the modern canon of administration in the form of NPM. For [CEE and Latin America], those pressures are likely to do more harm than good. Despite the appeal of ideas such as deregulation and flexibility, governments attempting to build both effective administration and democracy might require much greater emphasis on formality, rules, and strong ethical standards. The values of efficiency and effectiveness are important but in the short run not so crucial as creating probity and responsibility. Once a so-called Weberian administrative system is institutionalized, then it may make sense to consider how best to move from that system towards a more "modern" system of PA. (2001, p. 176; see also p. 164)

König says that a lesson that East Germany can teach the other CEE countries is to have the creation of a classical continental PA system first, which answers the spe-

cific problems of deligitimization and other characteristic problems (König 2001b, pp. 195-199):

> The application of contract management in CEE makes it very difficult to build up a modern functional system of PA which contains basic qualities and ethical standards according to the Western model; negotiating and executing the contracts leads to high transaction costs… (p. 197) Only when a well-educated public service with the basic values of administrative ethics is in place and if a system of clear responsibilities prevails, so that measures for good public performance can be defined and its costs are transparent, only then are the prerequisites created for the decision into which direction a reform process should go. … It may be more important, depending on the local situation, to create legal certainty via a fixed order of responsibility, rather than to tap reserves of rationalization through simulated competition. (p. 198)

Thus, it can be repeated that we may argue about the sense – i.e. the effectiveness and efficiency – of NPM at all. But even if we would argue – wrongly, as I have tried to show in this paper – in favor of NPM generally, then it would still be wrong to install it in CEE, because the requirements there, due to transition and development features and the legacy of the past, can be better fulfilled by classical, "Weberian" PA – with the possible exception of Small States, which might have to find their own appropriate system.

The question is whether or not trust and civil involvement are seen as more important than apparent business efficiency. And 'It would probably not be overstating the case to argue that elites, perceived as legitimate, professionally experienced, or both, are a necessary, although not sufficient, condition of growing trust in institutions'. (Derlien 1999, p. 229) While there is no good reason to think that NPM can increase the business efficiency, this is a contested point. But once we say that trust and involvement are more important, then we can also say, empirically validated, that at least the merit-based CS systems work much better, *also in achieving economic growth*. (Payne & Carlson 2002, pp. 38-39) We may also recall that the 'basic principles of the CS in the constitutional State, merit and equality, are set forth in Article 26 of the Declaration of the Rights of Man and of the Citizen'. (Echebarría 2001, p. 2) And it makes sense all around, as merit fosters democracy and legitimacy as well. (Cf. also Bonifacio & Falivene 2002, p. 26)

The price for NPM reforms has been high:

> [T]he years following the Washington Consensus were dominated by reforms based on the idea that less government is better, when the correct idea would have been that better government is better. Privatization, deregulation, decentralization, and simple cessation and abandonment of entire sectors of activity because of insufficient resources, marked the reform agenda. … in more than a few cases, the result was a rickety, disjointed government, defenseless in the face of problems for which it nevertheless remains responsible to society, and whose credibility has been undermined by the ideological devaluation that accompanied reform. (Echebarría 2001, p. 2, on Latin America)

Therefore, after the first-generation PA reform wave of the 1960s and 1970s and the second-generation attempts of NPM since the 1980s and until the mid-1990s in the

more advanced countries, any current solid attempts at reform, certainly including those based on the IDB principles, must constitute third-generation reforms (post-post-NPM). Once we call that, and argue for, "Merit with Flexibility", however, we should keep in mind that this is not a combination of Classical PA and NPM, but rather a "Weberian" system into which those NPM features have been integrated that do work in general and have been assessed as likely to work in the specific circumstances and that are not alien to the "Weberian" system as a system. (Cf. Nunberg 1999, p. 265) As IDB President Enrique V. Iglesias has stated at the outset of the RPD,

> the CS … has an essential role to play by articulating one of the essential ways to return integrity to the State. A strong CS requires the training, motivation, and self-esteem of the public servants, working in a system of recruitment and promotion criteria based on equality and merit, competitive wages, and professional incentives for performance." ('IDB-Minutes' 2001, p. 3)

Such a CS, however, is clearly "Weberian". Happy Birthday from Central and Eastern Europe, Professor Weber!

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