

Unconscious Aesthetics in Financial Public Management: Political Science on a Ubiquitous, Deceivingly Uninteresting Topic

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*In commemoration of the 150th
anniversary of the birth of
Sigmund Freud on 6 May, 1856*

ABSTRACT

Financial public management (FPM) is ubiquitous in modern governance, but tends to maintain some degree of invisibility because of its technical appearance and the analogous nature of much of the associated research. This study seeks to encourage intellectual interest in this topic from a political science perspective that incorporates the research traditions of the aesthetics of the unconscious, which in turn builds upon selected psychoanalytic ideas. First, FPM is considered in terms of its spatial aspects, including 'accounting entities' and 'quasi-markets', both of which reflect the fashionable forcing of public sector organisations to conform to idealised forms of business despite the fact that this has been questioned even by accounting scholars. Second, there is a focus on the sight and visibility aspects of FPM, including 'accountability', which is characteristically modelled according to business and economic ideals. It nevertheless engenders problematic side effects, including the psychological circulation of shame by political decision-makers and business companies towards public sector organisations and their professionals. Third, FPM is examined in the light of certain acts that take place in and through language, namely perlocutionary speech acts. This is addressed in the article with special reference to the frequent FPM substitution of the rhetorical economic root figure 'oikos' for the generic and venerable political root figure 'polis'. This, in turn, entails simulated rivalry for the sheer preference for competition to take place between newly designed public sector units and between the individuals working in them. Fourth, there are FPM procedures that are downright humiliating, such as forced 'self-evaluations' preceding the ruthless external imposition of accountability, although fortu-

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nately, this is not the whole truth about self-evaluation. One can also perceive the appearance of more auditable and evaluable subjectivities in public organisations with the support of a particular version of the aesthetic ‘sublime’, made up of progressive measurement indicators, and quantification. Finally, FPM in its present shape is best able to offer elements that support necessary collective defence against the psychic anxiety that abounds in public sector organisations in so far as they turn out partially tailored mass services. Conversely, it risks being counterproductive when individual tailoring, let alone genuine creativity, is called for.

1. Towards Politically More Interesting and Relevant Research on Financial Public Management

Financial public management (‘FPM’) is ubiquitous in modern governments and a key ingredient in their reforms. This has been so at least since the rise of the now outdated NPM, or ‘New Public Management’. There are many ways of looking at FPM, and many disciplinary alternatives for addressing a variety of audiences. Here, the assumed audience comprises political scientists and other social scientists leaning towards the study of institutional aspects of public governance and public organisations.

Although there are important exceptions (Rose 1999, 197-273; Pollitt and Bouckaert 2004; Hood et al. 2001, 2004), political scientists often take an arrogant attitude towards FPM and tend to lack the technical command or the interest to study it.² Scholars who have the technical mastery and the interest frequently turn out studies that are descriptive and normative, and therefore less intellectually stimulating, as Power (1997, xi) complains. This study joins selected previous studies in bridging the gap between intellectual challenge and technical command.

The fact that certain political scientists consider FPM technical and uninteresting suggests ignorance of relevant work carried out in accounting research. Political research on accounting is not non-existent (Cooper et al. 2005; Gallhofer and Haslam 2003; Leuz 2005). “The ambit of accounting is first of all administrative and political,” writes Porter (1995, 93) on business companies, and this applies twofold in FPM and government accounting. One of the accounting scholars with many contacts in political research, Peter Miller (1998, 190), writes: “Accounting is ... a form of *bricolage*, an activity whose tools are largely improvised and adapted to the tasks and materials at hand.” If accounting is *bricolage*, FPM is “*bricolage of bricolage*”. It is a complex phenomenon engaged in an incessant rhetorical-political struggle for definition and redefinition, which makes it fall too easily into philosophical essentialist traps.³

² According to the FPM survey conducted by van Helden (2005), only Pollitt and Hood rank as political scientists worth citing. This also holds true among business and accounting scholars, who also frequently refer to institutional sociologists and organisation theorists, the latter being less frequently cited by many scholars in Public Administration.

³ This resembles the situation of ‘New Public Management’, which, contrary to claims made by numerous authors, remains beyond conclusive definition (Skelley, 2002). The solution of having an FPM community define it, which might work in established scientific and professional fields (Porter, 1995), is ruled out because there is no such FPM community. The essentialist traps have two dimensions: to propose a definition is an implicit political statement that entails an effort to exclude other definitions on the one hand, and on the other, each definition is contestable by other rhetorical-political actors.

This study complements previous research that has aimed to transcend the limits of technical, descriptive and normative approaches to accounting in general, and to FPM in particular (Power 1997, 2003a, 2003b; Tinker 2005; Van Helden 2005). The inspiration comes, first of all, from aesthetics understood in the wide sense of having a key role in all cognition (Welsch 1997, 48-51, 84-94), from economics rhetoric (Kesting 1998; Klamer 1990; McCloskey 1994a), and from the linguistics (Riahi-Belkaoui 1995) and the poetic elements (Crowther et al. 2006) of accounting.⁴ The focus on aesthetics places the study among those that have taken analogous directions, albeit so far only in other research fields (Guillet de Monthoux 2004; Linstead and Höpfl 2000; Strati 1999; Taylor and Hansen 2005).

As understood here, “aesthetics” in broad terms “has to do with the senses” and not only with “beauty” and its gradations, which makes it one of the fundamental disciplines of all cognition (Welsch 1997, 30-31). This is aesthetics transcending the boundaries between aesthetic judgment and cognition, and between these and ethical and emotional aspects (Welsch 1997). There is not one single aesthetic orientation that is relevant for all practical purposes, and theoretical selection is therefore necessary (Young 2005). This study considers FPM from the perspective of the aesthetics of the unconscious, and draws upon selected psychoanalytic ideas. Such ideas are no novelty in research on business, organisation and politics as such, and the application goes back decades. The aim in this study is therefore to make a novel contribution with an approach that has not been tried so far. The focus is on five aspects of FPM: spatial aspects, aspects of sight and visibility, the economic rhetorical figure of ‘home’ stemming from the Greek ‘oikos’, the ‘performative’ speech acts of shaming or humiliation, and FPM as a collective defence against psychic anxiety. These five aspects were chosen in the interests of research economy as they were considered to provide a sufficient, although by no means comprehensive, coverage of the phenomenon.

2. The Genre, Method and Sources of the Study

Empirically, this study entails a meta-analytical systematic review of previous research that considers FPM from the perspective of the aesthetics of the unconscious, with particular attention given to selected political aspects. Although the formal guidelines for meta-analysis cannot be applied, the procedures must be observed as far as possible (Petticrew and Roberts 2006). Some of the prior research referred to is utilised in the form of mini case studies to suggest, prove or illustrate the points that are being made. In terms of methodology, the study conforms to Max Weber’s construction of ‘ideal types’ with ‘einseitige Steigerung’ that abstracts away the aspects that are not being studied (Weber 1973, 400-426). As a result of choices made by the researcher, this study cannot conform to the expectations of all audi-

⁴ Welsch (1997, pp. 46-47) reminds us that the emphasis on the aesthetic foundations of all cognition was spelt out in the work of Immanuel Kant. However, it is not present in his basic aesthetic work *Kritik der Urteilskraft* (1996), but it does feature in his ‘transcendental aesthetics’, which is included in his earlier work *Kritik der reinen Vernunft* (1986).

ences, such as those expecting FPM studies to indicate what FPM should do, how its techniques could be improved, what it actually delivers in terms of regularity, economy, efficiency, effectiveness and the empowerment of citizens or managers, or whether its reforms generate benefits or losses in net terms (cf. van Helden 2005).⁵ However, this does not rule out the indirect practical exploitation of the results to combat frequent FPM deficiencies.

The focus is rather on the more general question concerning relationships between concepts and practices. As an accounting scholar, Power (2003a, 390-391) articulates the general question in a surprising way:⁶

Credibility and common sense are to be explained, rather than truth or efficiency. ... In this way one can avoid what Bourdieu calls the 'legalistic illusion': i.e., the assumption that formal and apparently well-formed concepts, like 'risk management' or 'audit' refer to anything. The relation between these terms and a set of practices which such terms are regarded as describing is something to explain rather than to assume.

In its structure this study entails three rounds of elaboration. The first one appropriates the roots of the particular aesthetics of the unconscious that is being applied. The next considers the five selected research foci in the light of that particular form of aesthetics, and then the five foci are projected onto FPM phenomena. The final five sections take up each of the focal themes in turn, and enrich them with secondary analysis of available research and further interpretations.

3. The Roots of the Aesthetics of the Unconscious

There is no single ruling psychoanalytic theory: on the contrary, many more or less conflicting theories started to emerge during Freud's lifetime one hundred years ago. As an act of the researcher's choice, the roots of the aesthetics of the unconscious are derived here from Freud. His views could primarily be compared with those of Kant (1996, § 1-22), who derived aesthetic experience from feelings of pleasure that are unrelated to desire. Freud (1961a), on the other hand, derived the pleasure from the very domain of desire, and more exactly from sexual impulses that are inhibited in their aims and adapted to the 'reality principle' that modifies the full application of the 'pleasure principle'. Through its indirect sexual origin, the aesthetic domain derives from the 'life instinct' ('libido' or 'eros'), which drives humans to reproduce, as opposed to the 'death instinct' ('thanatos') that promises human beings rest and peace, including the extreme peace of death. (Freud 1955a)⁷

According to Freud (1961a, 82-83), "'beauty' and 'attraction' are ... attributes of the sexual object", and "beauty seems...to match to certain secondary sexual characteristics" (see also Segal 2004, 74-84). Freud adopted Kant's (1996, § 28) notion of the 'sublime', and derived creativity, including its aesthetic variant, from

⁵ For examples of the other types of studies, utilised if possible in suitable parts of this study, see Johnsen 2004; Talbot 2004; Adcroft and Willis 2005; Modell 2005; and Connolly and Hyndman 2006.

⁶ Power does not give a detailed reference, but it is to be found in Bourdieu 1977, p. 29.

⁷ See McMahon (2001, pp. 232-235) on the definite 'pleasure principle tradition' in aesthetic theory.

the ‘sublimation’ of sexual energy. He believed (1955a) that sexual intercourse was the deepest pleasure available to human beings, and that aesthetic pleasure was a form of diluted, sublimated pleasure: for the “aesthetic attitude ... offers little protection against the threat of suffering... [but] ...can compensate a great deal”. (Freud 1961a, 82)⁸

This study goes beyond Freud, and draws on what has been regarded as ‘British psychoanalytic aesthetics’. The first direct proponent was Hanna Segal, who followed up the work of an earlier immigrant to Britain, namely Melanie Klein. (Klein 1988, 1990a; Segal 1988, 2004) Over many decades, several other British theoretician-clinicians and authors in aesthetics proper have worked in interaction with these two authors. (Glover 2005; Gosso 2004a)⁹

Klein’s distinction between two positions in the unconscious human mind, namely the paranoid-schizoid position on the one hand and the depressive position on the other, was the starting point in the British tradition of psychoanalytic aesthetics. The former relates to ego’s reduction of anxiety – ‘paranoid anxiety’ – by splitting bad objects and good objects from itself.¹⁰ These are projected outside onto bearers, who then come to be experienced as bad persecutors or as good objects of appreciation or idealisation. The depressive position derives from ego’s reduction of anxiety – ‘depressive anxiety’ – provoked by fear arising from its experience that its impulses towards the bad object will lead to rejection or retaliation. In the infant the depressive position takes shape with the gradual realisation that the mothering ‘significant other’ is the same person it has experienced as good and as bad, in both giving the breast and occasionally withholding it, for example. The depressive position opens up the possibility of creativity through which ego mourns the imagined or the actual effects of its own destructiveness, and proceeds itself towards the possibility of reparation that will contribute to its better integration. This is different from the stalling of mourning, which exhausts the libidinal energies of the individual and threatens the onset of melancholy, or clinical depression. (Freud 1957)

There are versions of the Kleinian model that progress from more primitive and psychotic paranoid defences towards neurotic and more advanced depressive defences. Under this assumption, the creativity derives from the mourning and reparation that take place in the depressive position. Alternative versions of the model entail creativity shuttling between the two positions. In the paranoid-schizoid position, petrified formations of the unconscious are disassembled and ego is able to contain the paranoid disorder, and the depressive position continues to entail mourning and reparation. (Segal 2004, 85-100) Klein (1990b) stresses the generic importance of infantine development to the individual in his or her later life stages, and her views also refer to the possibility of infantile psychic regression in the apparently mature adult. Some but not any regression is seen as necessary for creativity.

⁸ On consolation (‘Versöhnung’) through aesthetics, see Welsch, 1997, p. 30, and on psychic healing through aesthetics, see Sayers, 2004.

⁹ Glover’s text is a grey publication, but in comparison with the original texts it is of good enough quality for the present purposes.

¹⁰ Here the style conforms to the psychoanalytic writing style. Therefore, for instance, there is no article before ‘ego’.

4. Elaborating the Five Foci of the Study

Differentiation between subjects and their internal and external objects presupposes abstract space, which gives individual psychic development the character of a spatial process. Freud's model is a spatial topographical model, with *id* as the ultimate source of instinctual impulses, *superego* representing internalised norms, and *ego* balancing between the two. (Meltzer 2004a) The abstract psychic space is a presupposition of ego's ability to project its unbearable paranoid features onto external objects of hate and its desirable features onto external love objects, and of its introjections of external objects to be its ego ideals. There are other spatial constituents of unconscious aesthetics: Bion's 'container' function of parents, managers and organisations in the anxiety regulation of children and employees, Winnicott's (1980) 'holding environment' with the mother's lap as its prototype, and 'claustrum' as the basic concept in Meltzer's (2004b) aesthetic psychoanalysis – referring to our pre-natal intra-uterine situation and its life-long aftermath. There is also Winnicott's 'potential space' of mutual understanding between individuals, which is based on the prototype of the mother-infant dyad.¹¹

Welsch (1997, 247-251) suggests that sight and visibility are more aesthetically detached than the other senses in terms of what they deliver. However, looking is not necessarily detached. Individuals look at themselves in mirrors for self-appreciation or depreciation, and they also look into the eyes of others, checking their expressions of feelings; they are also looked upon by others, or they may feel ignored by others who fail to look at them. Since their earliest childhood, they develop unconscious feelings related to looking, being looked upon and being ignored, and through unconscious psychic transference, these feelings influence their entire lifespan. (McAuley 2003; Winnicott 1980) Aspects of sight and visibility have been explicitly connected to the study of organisations, including FPM mechanisms of auditing, quality assurance and risk management. (Cooper and Lousada 2005, 59-82; Kernberg 1998, 122-139)¹²

Research on organisational models has connected them to root metaphors. (Morgan 1996) Analogously, rhetorical root figures could be mentioned, including the Greek root of 'home', 'oikos', which is the etymological root of 'economic'. From the perspective of the aesthetics of the unconscious, the figure 'home' includes aspects of the prenatal habitat of the individual in the womb, which is also the prototype of 'house', 'home', 'room', 'bed', 'couch' and 'settee'. (Brotheridge and Lee 2006; Meltzer 2004a) 'Womb' also has connotations such as Winnicott's 'holding environment' and the more abstract visual 'scope of the mother's gaze' as she observes the infant, allows it increasing discretion but continues to intervene as long as its limited coping capacity leads it to distress (Mahler et al. 1975, 76-108). Winnicott's related concept of 'container' was also mentioned above. Finally,

¹¹ Cf. Hernes (2003) who, although not studying unconscious aspects, considered the organisation as the evolution of space.

¹² The visual aspects have gained the upper hand despite the etymological origin of 'auditing' in 'audire', to 'listen'.

‘home’ includes the prototype of competition between equals in ‘sibling rivalry’ – first taking place to win parental attention – and its equivalents in organisations, which incorporates subordinates’ fight for management attention, including the attention that comes with resources or ignorance that entails cutbacks.

According to Kleinian psychoanalytic theory, the infant first experiences feelings of shame in its early developmental interactions with its psychic objects. It comes to feel that its aggressive impulses have harmed the mother figure. If at the same time it feels that the mother figure is ignoring it, this triggers shame as if it had deserved to be ignored by having the adverse impulses. Shame entails the individual’s emotional questioning of his or her very being up to feeling shattered into pieces that are beyond reformulation into a whole that could ever meet the eyes of others with dignity (Ikonen and Rechartdt 1993). Avoidance of shame belongs to elements in the formation of the individual’s unconscious superego. Scheff (2000) writes that there are both overt and covert types of shame, and that social interaction may camouflage the latter in various guises. There have also been studies on entire ‘shaming systems’ in couples, families and institutions. (Natanson 1987)

There has been awareness of the political and societal implications of shame since antiquity and the renaissance (Palonen 2003; Skinner 2002; Tarnopolsky 2004).¹³ The analysis in this study focuses on shame and humiliation as they activate shame in FPM contexts. For this, let us utilise the analysis of speech acts, which Austin (1962) calls ‘performatives’. The analysis of performatives and performativity has become common research practice, the main interest lying in perlocutions. (Gaines 1979) These typically occur with a proliferation of side effects that may jeopardise the intentions of the language users or produce other problematic side effects. The latter may include psychic pain of shame in the addressees, and contribute to his or her political, social or economic subjection. Austin considered perlocutions that generate effects through chains of influence that make people alarmed, startled, humiliated or scared. He also analysed those that convince people of something, persuade them to believe in something and incite them to do something. Scholars conducting perlocutionary analysis have a good deal of previous research to draw upon in social psychology (Guerin 2003), literary theory (McDonald 2003), political theory (Palonen 2003; Skinner 2002), other political science (Feldman 2005), feminist theory (Butler 1997), economics (McCloskey 1994b), organisation theory (Sahlin-Andersson and Sevón 2003), public administration (Learmonth 2005), accounting and auditing (Van Peursen et al. 2005), and specialist subjects such as corporate governance (Davis 2005) and project management. (Hodgson 2005)

¹³ Skinner develops and Palonen expands on and elaborates further a model according to which a succession of effective political concepts evolves through the mediation of the rhetorical figure of *paradiastole*, defined two thousand years ago in classical rhetoric. This entails the successful calling into question by a political actor another political actor’s moral worth. In other words, we are dealing with the ‘shaming’ and ‘humiliation’ of the latter actor. Skinner gives the example of Machiavelli, who suggested that numerous actors superficially subscribing to Christian values were hypocrites who only deserved shame. The shaming, indeed, hit the target; for a long period the Catholic Church included Machiavelli’s works in its list of prohibited books.

The theme of organisations as a collective defence against anxiety derives from Freud (1955b), was developed by Elliot Jaques (1955), Isabel Menzies-Lyth (1959) and Bion (1961; cf. Gould 1997), and was later continued by others. (Anderson and White 2003; Kernberg 1998) There have been elaborations that take into account the fact that different organisations are embedded in different environments in which different collective defences against anxiety may come into play (James and Clark 2002). There has also been a focus on the borderline between the paranoid-schizoid and the depressive domains in the modern constitution of collective organisational defences. This is the organising theme in the book written by Cooper and Lousada (2005), who also directly deal with several FPM practices, procedures and techniques.

5. Focusing Unconscious Aesthetics upon Selected Aspects of Financial Public Management

Spatial unconscious aesthetics could be related to the FPM definition of accounting 'entities' in the public sector, with its conceptual borrowing from economic theories of the firm, accounting theories (Nowak 2003), and theories concerning business companies that operate in fully-fledged financial-securities markets. (Davis 2005) The consequences of such a definition have included the governmental introduction of double-entry accrual book-keeping, techniques of internal cost accounting, and systems of internal control, including risk management. (Lüder 2001; Power 1997, 2003b) Where previous hierarchic public bureaucracies have dissipated, amidst the newly defined accounting entities, new simulated aesthetic spaces of 'quasi-markets' have frequently been opened with quasi-price systems and simulated quasi-demand and supply. (LeGrand and Bartlett 1993; Power 1997, 2003b)

Second, there are unconscious aspects of sight and visibility that relate to the FPM emphasis upon 'accountability'. There are also efforts to reveal preferences, including the 'hidden action' of 'agents' serving 'principals' as depicted in economic agency theory, according to which the principals' ignorance of the hidden action is a problem to be remedied through the better design of incentives given to the agents. (Miller 2005) Agency theory is particularly relevant to the FPM context in that, since the 1980s, its direct New Zealand applications have been seen as exemplary by a good many reformers in other countries. (Boston et al. 1996) Sight and visibility are also emphasised in the related phenomenon of 'transparency', which is connected to combat against fraud and corruption. (TI 2006) Formerly a neutral and technical word, 'accountability' (Normanton 1966) became a buzzword in public sector reforms in the 1980s, and not without moralistic undertones, but it also preserves its neutral philosophical, anthropological and psychological denotation as the responsibility of any 'accountee' to render 'accounts' of his, her or its dealings to an 'accountor'. (Douglas 1992; Lerner and Tetlock 1999) Accountability may be imposed from the outside but it could also emanate from the inside through super-ego and its possibly strict demands on the individual, which has not gone unobserved in writing on accounting and auditing. (Lehman 2005; originally Freud 1961b)

Third, the unconscious aesthetics of 'home' is relevant to the analysis of FPM, given the rhetorical root figure of 'oikos' in economics and the FPM emphasis on the definition of accounting entities. Political theory sheds further light upon oikos: in a tradition deriving from Aristotle (Arendt 1958, 237), it is the opposite of 'polis', which is a community of formal, adult equals. Regardless of the models of 'corporate citizenship' that have been proposed, equality is hardly an issue inside oikos, which is a community with fundamental asymmetries between its members. (van Oosterhout 2005) The oikos figure in FPM relates to the phenomenon of 'managerialism' (Terry 2005), which from the perspective of unconscious aesthetics entails the conviction that positional asymmetries guarantee the organisation's success with the delegation of most of its members to the infantine status of minors under the fatherly or motherly figure of a 'manager' or 'leader'. This is a resurrection of the notion of 'Führerprinzip' in the development of organisation and administration theory, a notion that has been juxtaposed with 'Kollegialprinzip' since the 19th century, and discredited since the 1930s-1940s in the German-speaking world. Managerialism has been introduced in FPM and other governance functions without acknowledged continuity of its problematic heritage, and it has been strongest in Britain, in other countries that originally followed the Westminster system of governance, and in the intellectual satellites of the Anglophone world. (Hood and Lodge 2004)

Fourth, the unconscious activation of shame by means of humiliation has been explicitly connected to the FPM functions of auditing, quality assurance, inspection and evaluation, and to their reform. (Pollitt and Bouckaert 2004, 185-186; Hood 2002) The institutionalisation of accountability and the revelation of hidden action institutionalise the possibility of humiliation. Although some degree of potential humiliation is likely to support the survival of any organisation, its institutionalisation facilitates the discharge of sadistic impulses by individuals who are in a position to control others. (Kernberg 1998)

Finally, FPM is not an *en bloc* collective defence against anxiety. It must therefore be analysed by type of organisation, taking account of the differences in the unconscious aesthetics that relate to collective defence mechanisms.

Although many FPM phenomena are dealt with in this study, many more are only touched upon or not considered at all. Thus, there is no specific focus on international and national standards of accounting, auditing, evaluation, risk management and quality management (Hepworth 2003; Virtanen and Laitinen 2004), 'control of control' to enhance 'base' controls (Power 1999, 2003b; Wagner and Dittmar 2006), or analogous 'metaevaluation' (Schwandt and Halpern 1988), for example, and no analysis of ethical questions to do with FPM and other accountability issues. (Fleming and McNamee 2005)

6. An Analysis of Financial Public Management Accounting Entities and Quasi-Markets

Some modern FPM procedures and practices are older than the ones they supersede. The academic research field of accounting is conceptually conservative, and its own 1980s-2000s theories have typically existed for decades. Academic research on

accounting borrows heavily from economics, institutional sociology and organisation theories (Hopwood and Miller 1994; Miller 1998, 2001; van Helden 2005; Power 1997, 2003a, b, 2004). Many FPM techniques offered as novelties were introduced in U.S. industrial conglomerates in the 1920s and 1930s, and even earlier. The notion of ‘accounting entity’ also has a long history in business despite its recent introduction throughout FPM (Monsen and Näsi 1999). One of the key features of modern FPM accounting, namely double-entry accrual book-keeping, which enables the preparation of result statements and balance sheets at the end of each accounting period, has a conceptual history going back to 1494 and the publication of *Summa de Arithmetica, Geometria, Proportioni, et Proportionalita* by Luca Paccioli of Tuscany.

FPM is built upon a small number of recent intellectual breakthroughs. Professional accounting scholars have called into question not only its intellectual but also its practical merits. (Adcroft and Willis 2005; Connolly and Hyndman 2006; Monsen and Näsi 1999; Power 1997, 2003b) Common problems taken up include low measurement validity and reliability, unclear purposes, and the lack of use or misuse of the procedures. The secret of its widespread use lies elsewhere than in its novelty or performance, such as in aspects of unconscious spatial aesthetics. Let us therefore concentrate on selected themes.

Callon (1998, 30) suggests that “economy is embedded not in society but economics, provided that one incorporates in the economy all knowledge and practices, so often denigrated, that make for example accounting and marketing”. (cf. Ferraro et al. 2005) Therefore let us consider whether there is hegemonic dominance within FPM of certain ideal aesthetic forms, such as the form of business company in full-fledged commodities and financial markets with accrual accounting as its foremost information system. Among the less extreme forms is the government bureau reformed into an independent agency that concludes periodic ‘result contracts’ with its superordinate organisation. (Talbot 2004; Wettenhall 2005) The continuum of organisational forms stretches from the agency to more business-like set-ups, and incorporates stronger subtypes of public enterprise such as the ‘public corporation’. At this extreme of the continuum are organisations created as or reorganised into joint-stock companies, in which a government owns all or most of the shares, a controlling interest or a significant minority holding. Explicit government policies have been carried out in the name of ‘corporatisation’, a term borrowed from private business. (Thynne 1995) Preferences for businesslike organisational forms can be likened to Kant’s notion of a universal aesthetics, which has attracted much criticism for the last two centuries. The opposite of this would entail the utilisation of the entire spectrum of organisational forms between ‘bureaucracy’ and ‘company’ without an a priori preference for any given one. (Tenbenschel 2005)

Quasi-markets have been defined both between and within FPM accounting entities (LeGrand and Bartlett 1993), one of their features being the ‘result contracts’ referred to above. Lane (2000) holds that the notion of ‘contract’ provides a clue to a good many public sector reforms, covering contracting both within and between public sector organisations, and with businesses and voluntary organisations. The resulting contracts lack legal validity in that no law court will implement them (Williamson 1991), but in any case, we are dealing with a quasi-market

arrangement that may have substantial and real effects.¹⁴ The division of public organisations into ‘result units’ with targets and dependency – in principle, although possibly less so in practice – of future funding on the success in reaching them is another FPM business-influenced quasi-market form. Another implant from business to the public sector is the practice of ‘outsourcing’ as one already venerable solution to the generic business problem of ‘make or buy’, and ‘purchaser-provider models’ within governments could also be mentioned in this context. The quasi-market form of ‘internal transfer pricing’ – first used in 1920s U.S. conglomerates – has also been transferred to governments. The limits of transfer pricing are evident in the potentially exorbitant costs of calculating the contribution of each organisational unit, let alone each person in a complex public service body. Another example of potentially exorbitant calculation costs is ‘activity-based costing’, applied in businesses and governments alike: despite the fact that rationalist logic would advocate the calculation of the contribution of each and every function and person, this is unlikely to be feasible other than on a limited scale. (Alcouffe 2002) Basic techniques such as accrual accounting have also been found to entail costs that may exceed its benefits in FPM implementation (Connolly and Hyndman 2006), and the advantages of substituting accrual accounting for cameral accounting have also been questioned more generally, in terms of whether the latter could or should have been improved instead. (Monsen and Näsi 1999)

What do the definition of the new accounting entities, the managerial discretion allowed, and the quasi-market elements between and within these entities entail in terms of unconscious aesthetics? The proclaimed official goals are one thing, and the present focus on conceivable unconscious side effects is another. Cooper and Lousada (2005), also referring to Power (1997; see also Samuel et al. 2005), suggest that there is massive depoliticisation with the externalisation of responsibility away from decision-makers who have a political mandate – parliaments, governments, political nominees – to individual public managers, the organisations they manage, and ultimately to subordinate employees. The last-mentioned may ultimately be laid off in the name of increasing ‘productivity’, and possibly without the shedding of tasks that may then have to be carried out by the remaining employees. There is also a related trend to replace earlier professional accountability – e.g. of MDs, university professors and other educators – with generic managerial accountability borne by management professionals or people presented as having that professionalism, and helped and supported by the enhanced professions of accounting, auditing, evaluation and consulting. (Cooper and Lousada 2005; Deem 2004; Kurunmäki 1996; Power 2003b; Samuel et al. 2005) However, there may be special country cases in which strong professionals such as MDs absorb FPM knowledge – e.g. on accrual bookkeeping, cost accounting and economics applied to health – to the extent that

¹⁴ This must not be confused with employment contracts, which public managers may conclude with public administrations to the effect that if the public administrations break them, they risk losing their case in court. The contracts Williamson means, and which are meant here, are concluded by legal persons between their superior and their subordinate parties to the effect that, despite conceivable contrary appearance, they are, in effect, dictated by superior parties.

they avoid being overwhelmed by the new accountability professions. (Kurunmäki 2000)

The proliferation of FPM techniques remains inexplicable without reference to *prima facie* credibility of the quasi-market schemes, the multitude of quantitative FPM indicators, and the ensuing claims of improved efficiency, economy, effectiveness, quality and empowerment. (Hummel 2006; Porter 1995; Power 2003b; Rose 1999) In pursuance of a deeper understanding, let us first go back to the example of result contracts between a superordinate and a subordinate public organisation, assuming that both are part of the same legal entity such as a national or local government. This kind of contract is a mere fiat by the superordinate organisation without necessary attention to what is feasible in the subordinate organisation, let alone to the possibility of legal recourse by the latter should its superior organisation shirk. The success or failure of the subordinate organisation in achieving its dictated targets may be a sheer artefact of the fiat of the superordinate organisation's management that the subordinate organisation's management has been forced to underwrite.

Aesthetically, the definition of the new accounting units with more managerial discretion situated in quasi-markets, and also involving internal quasi-market elements, involves four things. First, the institution of quasi-markets is a device that enables more managerial fiat in relations between decision-makers with a political mandate and subordinate public organisations, and between the organisation's managers and its employees. The latter relations are easier to sacrifice symbolically to pacify public opinion that is looking for objects of negative psychic projection, triggered by perceptions of substandard, insufficient, too expensive or regionally or otherwise badly distributed public, semi-public or government-regulated services. Second, the quasi-markets set up inside public organisations enable management to issue fiats within their organisations covering subordinates, although this is not to say that such fiats *necessarily* ensue. At the extreme, if one set of indicators does not suffice to subdue dissenting subordinates, it might be possible to try with another set. There is also a short-term psychic benefit to managers in reformed public organisations – both those with a political mandate and career managers – in that they no longer have to resolve many of the difficulties faced by their subordinates as these can now be more easily dealt with through lay-offs. Third, there is the awe of people facing the particular version of the aesthetic 'sublime' in the apparently immense contribution of human cognitive capacity that is articulated in the frequent multiplicity of FPM indicators and the intricacies of the procedures. (Hummel 2006; Miller 2001; Porter 1995, 2003b)¹⁵ From the perspective of the aesthetics of the unconscious, this entails narcissism, or the turning of the libidinal energies of a subject towards the self-admiring subject him- or herself. Fourth, insofar as alleged 'private sector' successes and related techniques are offered as solutions to 'public sector' uses (e.g., Terry 2005), it entails the internalisation of alleged private-sector features as ideal objects in the minds of people who receive certain narcissist satisfac-

¹⁵ Cf. Kant (1996) on the 'sublime' and the related self-admiration of the human mind in mastering procedures of mathematical calculation.

tion from it. (cf. Barschack 2000) Being unconscious, these ideals are immune to correction by means of empirical reality testing.

Why do many public-organisation professionals and other employees stay despite the conceivable FPM fabrication of uncertainty and the possibility of rampant managerial fiat? Cooper and Lousada (2005) suggest that for many of them, elements of 'holding environments' persist in their organisations. Even when the professionals are no longer 'held' by their organisational superiors turned generic managers, collegial peer support may not dissipate at once. There is also the possibility that where profession-run organisations used to exist, the circumstances might have been far from ideal, which may decrease the nostalgia of the members in the new FPM circumstances.

7. An Analysis of Financial Public Management Accountability

In the field of accountability, FPM applications of agency theory abound with prototypes such as those regarding relationships between parliaments and political top executives. (Miller 2005) A landmark original application introduced by Niskanen (1971; cf. Mueller 2003, 359-385) predated agency theory. With rhetorical skill, he utilised standard formal tools of economic analysis and created *prima facie* evidence of the improper influence of self-interest among political executives in terms of the legislature and the related prediction of bloated public budgets. Niskanen's analysis is a case in point of mathematical language adding rhetorically to the credibility of arguments. (Guerin 2003, 256-257; Hummel 2006; Porter 1995, 2003) This could also entail psychic projections of enemy figures, such as the political executives in Niskanen's case.

Accountability procedures and methods may be susceptible to utilisation by anybody who can impose them upon others. This concerns superordinate managers and leaders, including those with a political mandate, who may try to impose accountability on subordinate managers, and subordinate managers who may try to impose accountability upon subordinate employees. Reference was made above to the possibility of managerial fiat, which could entail the construction of accountability schemes and changes in them to serve any purpose that their masters may have. Apparently neutral instrumental rationality may turn into sheer administrative evil. (Dillard and Ruchala 2005) Less extreme adverse effects may emanate from the imposition of strict financial accountability upon public administration and public administrators, contexts in which features such as loyalty, commitment and calling continue to count. (Jos and Tompkins 2004) Carnegie and West (2005), in their analysis of Australian and New Zealand experiences, conclude that the accountability of modern public sector accounting should in itself be seen as a serious cause for concern. Hood et al. (2004, 7) consider 'contrived randomness' to be one of various conceivable FPM control strategies, but they deny its popularity among managerialist reformers. Yet the ultimate outcome of many an FPM reform may have to be checked against unintended randomness.

Aesthetically, newer types of FPM accountability should be checked against possible 'history effects' of a particular kind. Is implied 'progress', with its associated apparently well-founded change, articulate and well-thought-out practices,

replacing their apparently outdated, clumsy and haphazard counterparts, and is dynamism and generic technical-economic professionalism replacing what is claimed to be stagnation, over-specialisation and parochial prejudice? History writing of this kind may accompany FPM as a continuation of Grand Narratives (Lyotard 1979) with its analogies to the alleged Enlightenment liberation of people from scarcity and non-rational belief, as promised in both liberalism and Marxism. Substandard history writing along these lines is frequent in FPM as short-term trends are elevated to the status of irrevocable longer-term history.¹⁶ Despite being substandard, this kind of history may be very efficient in shorter-term political persuasion. Consequently, it may be hard to attain sufficient rhetorical efficiency to reveal its deficiencies and the true intentions of those who push it, to alienate its true believers, and to outwit its proponents in political-rhetorical games. (Compare, for example, the altercation between Lane 2006 on the one hand and Gaebler and Miller 2006 on the other.) From the perspective of unconscious aesthetics, such Grand Narratives reveal a tendency towards psychic regression and the desire among most organisational members to return from adulthood to an infantine status in so far as they fall under newly empowered managers. There may indeed be official policies that explicitly empower the managers to decide upon the mission, the strategy and the direction of their public organisations, and on recruitment practices. (Terry 2005, 430-431) This gives further support to their unconscious self-image as assumed parental figures.

Unconscious aesthetics of FPM accountability also lie in the paranoid projections triggered by persecutory anxiety. Those who project may be politicians who find it increasingly difficult to carry the responsibility for developing the economy and running the government in a financially and technologically globalising world, businesspeople who wish to lighten the burden of uncertainty they encounter and their own lack of technical and psychic capacity to deal with it, and citizens who find it hard to sustain and adapt. (Cooper and Lousada 2005)

On the empirical level, public policy and programme evaluation more than other fields of FPM show evidence of political-rhetorical games of accountability with the commissioning of evaluations by organisations in order to put on public display their most successful aspects and to consign to silence their weaknesses. Super-ordinate organisations may also commission evaluations of their subordinate organisations in an effort to subdue subordinates and opponents. Precautionary evaluation and quality assurance also occur. In order not to become a target of external evaluation or the external imposition of quality criteria, an organisation may proceed visibly on its own initiative. A recent, ongoing or imminent evaluation, audit or inspection may save an organisation from the external imposition of accountability. The intra-organ-

¹⁶ Many practical and pseudo-academic texts on FPM juxtapose the proposed novelties with stereotypes of what they should supersede. The same tendency can be detected in public policy evaluation. (Guba and Lincoln 1989) On this tendency see also Adcroft and Willis 2005; Connolly and Hyndman 2006. For better FPM history writing, see, e.g., Kelly 2005: the author considers over 170 years of U.S. government budget reforms and suggests that, rather than a unilinear trend, there are long-term cycles between emphases upon private-sector values of efficiency and cost control on the one hand, and public values of programme effectiveness on the other.

isational introduction of guidelines for internal evaluation, quality management, quality assurance, internal control, and risk management may serve the same ends in displaying the organisation's voluntary accountability. These are aspects that have been ably analysed by Carol H. Weiss (1997) among the evaluation classics, and Power's (1997; 1999; 2003a, 2003b) later studies have comparable implications with regard to performance auditing and inspection.

8. An Analysis of the Rhetorical Figure of 'Home' – 'Oikos' – in Financial Public Management

The 'oikos' vs. 'polis' distinction in classical political theory is between sole rule by 'oikosdespotes' – the despot or the sole ruler of the oikos – and common polis rule by all to their common benefit. In countries with service-intensive public sectors, modern FPM has tended towards the dispossession of previously autonomous public service experts. This may also relate to the eroding of the influence of unionised experts, their unions, and collective bargaining. These features are discussed, for instance, in Cooper and Lousada (2005), and, more mildly but at the same time in a more focused way, in studies on health-care FPM (Kurunmäki 1996; Samuel et al. 2005) and higher education FPM. (Deem 2004)

I will now outline two alternative organisational models. In the first one, FPM calculation and accountability are minimal, and the discretion of experts is wide with an emphasis upon calling, professionalism, collegiality and professional tenure. The second model incorporates accounting entities, quasi-markets, accountability imposed in financial terms, and generic managerial expertise overruling professionalism and questioning the previous status of trust that the professions and their members enjoyed. The dilution of trust here may be camouflaged by explicit calls to trust and efforts to build and rebuild it by the very same actors who first shattered it. (Power 2003b, 190; Jos and Tompkins 2004) Under this model, managers are invested with the equivalent of unconscious paternal authority. At the same time, external criteria, including financial accounting criteria, are substituted by professional criteria in the assessment of activities. Once applied, these criteria reduce the emphasis upon the 'maternal' 'container' and 'holding' functions of managers in the organisation. This should not be concealed by the conceivable externalisation of some of the maternal functions to new experts and purveyors of professional guidance, counselling and occupational health.

Catchphrases such as the 'empowerment of managers' and 'enabling managers to manage' have not infrequently been heard and read about since the 1980s. (Terry 2005)¹⁷ Let us take up two related dimensions. First, there is a need to consider phenomena such as higher compensation for generic public managers and their enhanced status in terms of the definition of a 'senior executive service' (earlier in the United States, later in the Netherlands and in the mid-2000s in Finland), and the greater discretion these managers are allowed. Second, there is a need to consider

¹⁷ A recent example is the United Nations (2006), which calls for the 'empowerment of managers to select their own staff'.

the trends, if there are any, towards stricter selection criteria for public sector managers, particular requirements for before-service and in-service management training, explicit and efficient public accountability, and definite and strict measures to be taken in the event of failure to perform. Responses to the two questions reveal to what extent the notion of 'public manager' involves ideological camouflage in terms of only improving the position of selected individuals (if only the criteria in the first dimension are satisfied), only implementing stricter criteria towards those in managerial positions (if only the criteria in the second dimension are satisfied), or of achieving some degree of balance between the two.

Increasing emphasis on 'oikos' leads to questions concerning the multitude of oikos units that may arise when numerous autonomous accounting entities are established in the public sector. From the perspective of unconscious aesthetics, this involves the equivalent of simulated 'sibling rivalry', with the risk – although by no means the certainty – of destructive envy of others building upon underlying feelings of worthlessness. (cf. Klein 1990c) One consequent risk in FPM is the possibility that the reformers will experience destructive envy that reaps havoc instead of efficiency-boosting healthy competition.

There is a particular model that has lent itself to FPM applications, namely the model of the industrial conglomerate or industrial group of companies, strikingly called 'Konzern' in German and also occasionally known as 'concern' in English. Organisational research on the mimetic pressure to imitate existing national or globally prevalent forms of organisation would be a relevant starting point in discussing this model. (DiMaggio and Powell 1983; Sahlin-Andersson and Sevón 2003) We could also refer back to the preference for businesslike aesthetic forms expressed by FPM reformers and their political masters.

There are many influences on FPM application from the industrial conglomerate model. First, the concept of 'governance' became popular in public sector governance in the early 1990s. Although this type of governance may continue to appear to be different from governance in business companies, 'corporate governance' ('CG') and its models, principles and suggested guidelines have also become widespread in the public organisations of many countries. Second, the OECD (2004) has actively advocated the extensive utilisation of CG concepts across business boundaries, and in the public and the third sectors. Third, whereas hegemonic business concepts feed public sector reforms, governments may consider themselves in terms not only of 'governance' but also of CG concepts. Reference has indeed been made to the rhetorical efficiency of the CG concepts in business research (Davis 2005; Enrione et al. 2006), and a corresponding hypothesis should be tested in FPM research. (cf. Fleming and McNamee 2005)

What empirical evidence is there that federal, state, national and local governments consider themselves in terms of concepts that abandon over two millennia of polis concepts and redefine themselves in terms of the oikos concepts of the industrial conglomerate?¹⁸ Let us refer to the Finnish national government's self-concep-

¹⁸ Oikos and polis presupposed each other in many and complex ways in classical Athenian antiquity, including the works of Aristotle. (Roy 1999)

tualisation since the 1990s as 'konserni', made up of the apex of Parliament and the government, which in turn is made up of its ministers, the ministries and their subordinate agencies with the regional and local extensions that many of them have, public corporations, joint-stock companies with a government interest, and special-purpose organisations under the government such as the central bank and the national pensions institution. (see VM 2006) 'Konserni' has also become a frequent catch-all phrase in Finland's 400-plus local governments.¹⁹ Examples of the 'Konzern' model are also to be found in the German Land of Bremen and in many German towns that see themselves as 'Stadtkonzerne'. (Eisner 2004, 79-80)

What does the preference for the 'oikos' model of the industrial 'Konzern' entail from the perspective of unconscious aesthetics? First, as already mentioned, it involves the abandonment of the 'polis' model as recorded in political traditions of over two millennia. Second, the oikos-Konzern model involves the introjection of the assumed ethos of the foremost international business companies and their top management in the ego ideals of the 'political class' and their civil servant and consultant advisors. Third, it remains to be analysed to what extent features of corporate-governance models, according to which the management works to increase stock market value by means of measures such as massive layoffs, have been transferred to public sector governance. In technical CG terms, the layoffs are a sign of management effort to increase productivity, and it is therefore relevant to determine whether the same practices have mimetically caught on in public sector productivity-enhancement efforts. This indeed appears to be the case, at least in Finland in the mid-2000s.²⁰ Fourth, we must also analyse the broader context into which the 'political class' applying the oikos-Konzern model puts the government. The abandonment of the polis model suggests that the context is that of the international economy, including the international monetary and financial markets, in which a government massively reducing its numbers of employees, its taxes and expenditures receives better equivalents to stock-market ratings, such as good ratings as a target for direct foreign investment. Such a government positions itself in the global inter-oikos competition of economic nationalism. (Helleiner 2005) It remains to be seen how, if at all, it will shed its remaining polis features such as its dependence upon its citizens in periodic political elections.

9. Shame and Humiliation in Financial Public Management

Cooper and Lousada (2005, 72) refer to how fear and anxiety may arise among those who become targets of FPM procedures as they are meticulously observed, checked, audited and evaluated, especially in so far as there is a crisis declared by the masters who impose the accountability. Terry (2005, 428-429) studied how political leaders

¹⁹ These conclusions on Finland are substantiated by an amplitude of national and local government publications, available almost entirely only in the Finnish language.

²⁰ In 2005, the Finnish government first came out with statements that up to one half of the positions falling vacant due to people retiring or leaving their jobs for other reasons would not be filled over a period of about five years. However, by 2006, some of the cutback targets had been reduced to 10-20 per cent.

portray societal crises as ailments to be remedied by means of public-governance reforms. This could be seen in the light of Bion's (1961) findings that even people with solid mental health may collectively act in insane ways in crisis situations, and accept solutions imposed by those who have the boldness to suggest them.

Some FPM procedures are outright humiliating, such as the forced data gathering, euphemistically called 'self-evaluation', that sometimes precedes the announced imposition of external accountability. This should definitely be seen as different from genuine organisational phenomena that are equivalent to the venerable imperative 'Gnothi seauton', 'Know thyself'. This makes relevant what is known of the vulnerability of confessional procedures to the false ascription of guilt and the consequent humiliation of innocent victims. (Kassin and Gudjonsson 2004) Some targets are likely to be more vulnerable than others in cases in which FPM ignores its side effects. Porter (2003b, 193) suggests two examples: 'Social work and psychoanalysis are examples of contested knowledge systems that are prey to the logic of audit'.

Reference was made above to authors who have analysed speech acts and their role in the rise of new subjectivities. Miller (2001; cf. Hopwood and Miller 1994), analysing pragmatic practices of business accounting, shows how these practices constitute subjectivities up to the literal reduction of expert employees and managers to a single periodic performance figure accompanied by strict performance-related pay schemes. Kurunmäki (1996) makes related observations on Finnish, and Samuel et al. (2005) on British health care, and Adcroft and Willis (2005) and Olssen and Peters (2005) comment on British, and Modell (2005) on Swedish higher education. Power (1997; 2003a, 2003b) considered the constitution of auditable and inspectable subjects in his analysis of FPM: organisations, parts thereof, and individuals. 'Evaluability' is an analogous concern in FPM-related practices of public policy and programme evaluation, and 'evaluability assessment' is one of the related standard practices. (Chen, 2005; Smith 1989)

Power (2003b, 199) investigated the rise of a particular subject in FPM, and in business accounting and auditing, namely the 'auditee': this is a person who is simultaneously devious and depressed, skilled at games of compliance but exhausted and cynical, nervous but collusive with auditing, frustrated with the auditors' mediocrity but regretting their powerlessness to get the 'really bad guys', and loathing the rituals of auditing and inspection but complying with them. New unconscious ambivalences have appeared in this new psychic 'borderline' within FPM.

The frequent reference in FPM texts to 'Weberian bureaucracy' stresses the role of perlocutions and their unconscious aesthetic dimensions. It should not be necessary for social scientists to stress the ideal-type character of Weber's (1985, 220) model of bureaucratic administration and its officials. Lately, even World Bank (2006) parlance has come to include appreciative reference to the possibility of a 'neo-Weberian public administration'. However, in FPM parlance, which social scientists share, unconscious aesthetics prevail and 'Weberian bureaucracy' remains the target of regressive unconscious projections that have nothing to do with Weber's ideal type. Those who aim to do away with undesirable features and the resulting painful feelings therefore project onto an imaginary 'Weberian' object. Reference was also made above to Niskanen's (1971) public-choice economics model and its

potential to trigger similar psychic projections of negative objects. Another frequent projection within FPM has given preference to ‘cameral accounting’ over ‘accrual accounting’, despite the fact that the merits of the latter over the former have been debated by accounting scholars. (Monsen and Näsi 1999)

We could look for cases of psychic projection in the motivational political rhetoric of FPM reforms. Wholesale attacks on the ‘public sector’, the ‘state’ and ‘government’ that have been made since the late 1970s go beyond their use as mere psychic ‘containers’ of the occasional temper tantrums of citizens, politicians, business companies, interest groups and their spokespeople. (Hoggett 2006) They go beyond rational economic argument on efficiency or the grounds of macroeconomic stability, but strongly hostile unconscious projections abound. The FPM language of calculation and quantification may wittingly be used for manipulative purposes (Craig and Amernic 2006), and quantification may also escape its original purposes and turn into an icon of credibility detached from the argumentative contents it conveys. (Hummel 2006; Porter 1995) There is a related tendency for FPM reforms to erase preceding history in an effort to bring it into disrepute with the support of projected objects such as ‘Weberian bureaucracy’ and ‘cameral accounting’. Few may care or dare to step forward as the bearers of an organisational memory to speak of. (Pollitt 2000; Spicer 2004; Terry 2005) From the perspective of the aesthetics of the unconscious, this destroys the potential of psychic step-by-step mourning and constructive reparation, which in turn adds to the humiliation of those concerned by depriving them of their history: professionals being reduced in status is a case in point.

Power (1997, 2003b), Cooper and Lousada (2005) and Davis (2005) suggest that organisations and people in them, including managers and employees, do not simply and innocently fall victim to the unexpected accountability imposed upon them in FPM. People and organisations may learn to take precautionary steps, from ‘window washing’ to the strategic concentration of the accounts they render and the activities they take on in order to please the accountors. However, learning how to live in faulty institutions does not make them easier to defend or healthier. For instance, when university scholars are made accountable in terms of the volume of refereed articles, they may split their work into small units, each giving only a limited contribution, and ignore larger-scale scholarly publications, the preparation of teaching and the supervision of student work. (Power 2003b) Samuel and others (2005) analysed a case in health care, in which the industrial-engineering definition of diagnostic categories triggered commodification, which in turn led to the marketisation of services offered on the principle of cost minimisation by the provider organisations despite the deficiencies of the categories from the medical point of view of enhancing health. Jos and Tompkins (2004) suggest that accountability imposed in terms of quantitative performance indicators effects tendencies for public services to focus on easy targets and ignore those with more performance risk. Moreover, although FPM reformers frequently foresee such criticism and claim that precautions are in place, their effectiveness remains a strictly empirical matter.

Referring back to Skinner (2002) and Palonen (2003), we could say that shame mediated by perlocutions connects to historical change in so far as that which first involves only the rhetorically skilful utilisation of language turns out to be materially influential. Because the effects of perlocutions are contingent and therefore not

fully under the control of those who accomplish them, we have at best only tentative explanations of why public policies and public administrations may change even fundamentally through the diffusion of FPM ideas and related institutions, procedures and practices. We cannot assume that the stereotypical rationalist ideal of reforms, in other words rational learning by policy and FPM reformers with the gradual adaptation of the innovations that are transferred to the domestic circumstances, comes true historically more often than occasionally. There may also be occasions when external pressure is exerted (e.g., by the OECD, the World Bank, the EU, or by certain domestic institutions), or at least when a domestic policymaker claims it has to yield to such pressures. There may be occasions when domestic initiatives imitate reference countries and business companies on the principle of institutional isomorphism. There may be cases in which cognitive heuristics, with the simplified muddling-through application of innovations with the aid of simple rules of thumb, leads to historical change in politics and FPM despite the fact that the evidence on the likelihood of the intended effects may be patchy (for alternative explanations see Weyland 2005; cf. Campbell and Pedersen 2001; Enrione et al. 2006). However, none of the above suffices to explain exactly why those changes are started, and this stresses the potential of the Skinner-Palonen explanation.

10. Financial Public Management as a Collective Defence against Anxiety

Cooper and Lousada (2005, *passim*.) connect the rise of new FPM and comparable procedures to perceptions of new anxiety-provoking risks and consequent efforts in organisations to contain those anxieties. Those who see the risks include business leaders who face ever-progressing globalisation, and politicians who perceive crisis symptoms in various public services, also feel challenged by globalisation, and feel that there are general and FPM tools that apply in the public sector. Cooper and Lousada (2005) and Power (1997, 2003b) stress what they perceive as the substitution of generic financial management and other rationalistic generic management criteria for professional criteria in the governance of public organisations. Authors who apply psychoanalytic ideas to organisational research have perceived risk-related paranoid mechanisms in their efforts to undo psychic pain by externalising the risk and projecting it onto external objects. For instance, politicians and their reform advisors may project bad risky objects onto public service professionals, who may consequently appear to fail. (Sievers 1999 and works cited therein)

Cooper and Lousada (2005) take up the 'borderline' model to characterise newer, restless and unstable interfaces between public service professions, political decision-makers, generic public managers, citizens and other stakeholders. Despite tendencies among political decision-makers to externalise responsibility to new types of public sector organisations governed at arm's length and steered by public managers with more discretion, the instability entails decision-makers falling back on micro-management and the re-regulation of the details of public service provision. There may also be related political measures of juridification, which is visible for instance in recent Swedish and Finnish developments. The juridification grants citizens the subjective protected right of certain public services irrespective of the financial viability of their provider governments. 'Borderline' instability also entails

the possibility that there may be no unitary declining trend in the public service professions, but new professions appear in some fields, such as in countries in which the more recent introduction of academic degrees in nursing and social work has led to the gradual rise of some of the graduates and their educators to positions as influential public managers, consultants and senior academics. Reference was also made above to the enhancement of the professional roles of accountants, auditors, inspectors and evaluation specialists in government and in service provision externalised by governments.

In this study, the starting point for analysing collective defences against anxiety in organisations was Freud's (1955b) writing on the army and the church. There is continuity between Freud on the one hand and Bion's (1961; Gould 1997) typology of basic assumptions in organisations on the other. Bion analysed the 'fight or flight' assumption, the 'dependency' assumption and the 'pairing' assumption. The first is the collective psychic situation in an army combat unit, while the second could be connected to phenomena in religious organisations insofar as their members are dependents and the men and women employed by the organisations or occupying roles as decision-makers have paternal and maternal functions. The third assumption relates to situations in which two organisational members join forces and stand out as potential saviours in the view of the other members. How could we connect these elements of analysis to modern FPM? Situations of quasi-market competition between different public organisations working in the same field, or result units within a single public organisation, could be likened to those of fight or flight on occasions of accountability – e.g. comparative performance measurement – and situations of crisis – such as cutbacks, suddenly announced external evaluations, or imminent changes in the criteria for performance-related funding. In so far as the 'Führerprinzip' is strengthened in public organisations or their result units, the path towards the dependency of common organisational members on the managers may be opened up, although there may be some who remain independent or organise themselves into anti-management cliques. Saviour pairs may also turn up in FPM contexts in newer versions of the traditional cooperative pairs of a prime minister and a finance minister.

James and Clark (2002) set out a typology of organisations distinguished by function, the shape of the organisational environment and its collective defences. From the FPM perspective, the first type entails organisations in the mass production of services, such as mass instruction in a school or a university (although real-world educational institutions may not thus constrain their activities), a statistical office that puts together standard statistics and disseminates them and, as the purest example, a mass transit organisation. According to James and Clark, in such cases, anxiety would be contained by standard operating procedures, rules and norms, and ensuing dependability, reliability and predictability. The second type is exemplified by organisations with the large-scale production of partially tailored goods or services, such as basic academic degrees at a university (but noting that real-world universities may also turn out individually tailored Ph.D. theses and refereed research publications), surgical operations carried out *en masse* to relieve common ailments, or social work to relieve the direct effects of sheer poverty by giving means-tested cash payments. Jameson and Clarke suggest that anxiety containment in the second

case builds upon managerial efficiency accounting, management-by-objectives, quality-assurance systems, and project, programme and policy evaluation, or on some of the very typical FPM tools.

The third type is represented by organisations that turn out relatively numerous output units of fairly individualised goods or services, such as refereed academic articles for international journals in academic fields in which these are turned out in large quantities, such as medicine, as opposed to qualitative social-science branches, the production of PhD studies in larger-scale academic programmes, or the provision of more individualised social-work services, shorter-term psychotherapeutic advice or longer-term intensive hospital care, possibly including more complex, more demanding and more risky surgical interventions. Jameson and Clark include in anxiety-containment procedures external evaluation by professional peers, the paternal-maternal authority of seniors over juniors, and collegiality between peers. The fourth type is exemplified by the craft and workshop production of highly individualised goods and services, including education in fields such as architecture (Ochsner 2000), the theatrical arts and dance as opposed to, say, law or accounting. It incorporates the tedious process of accomplishing unique scholarly books or PhD dissertations in areas in which the best products can be likened to works of art and longest-term psychotherapies, including those of future therapeutic practitioners. According to Jameson and Clark, here the containment of anxiety takes place through organised professionalism, collegiality, and the tacit knowledge that can only be learned gradually and cannot be taught.

As we move from the above ideal-type constructs towards real-world organisations, we may perceive many of them as mixtures of elements of two or more of the constructs. In so far as there are anxiety-containment mechanisms that work well, we might also expect them to be mixtures. For instance, take a real-world university department, a ward in a university hospital or a differentiated municipal social-work office. In each case, we could expect to encounter a mixture of the mass provision of services, services with some individual tailoring, services with a good deal of tailoring, and also those that presuppose creativity. Hoggett (2006) points out that complexity may be considerably higher in such real-world public service organisations than in most business companies, including those of a large size, although this is not to say that pure businesses could not run complex services provided that their distribution to consumers according to their ability to pay is no problem.

Countries differ in terms of both the type and shape of public service provision and with regard to FPM. Public sectors differ in many respects. There are different roles in producing services or enhancing them, there are differences in the relative numbers of employees, and in the context, the implementation and the mix of FPM tools, practices and institutions, and the historical logic of change in all of these aspects may be far from historicist determinism that leads to universal homogeneity. (Hood et al. 2004) As a consequence, the unconscious aesthetic aspects of FPM, including those related to anxiety containment, will differ from country to country, and there will also be differences in public policies between sectors and between parts of a federal or unitary state, and there will be differences in the various trajectories of change.

What happens if an FPM doctrine, spurred on by a political ideology, leads to

the introduction of practices, procedures and arrangements that, in terms of anxiety containment, represent only a narrow sample? What happens if such schemes are forcefully implemented while others are rooted out or ignored? In that case, the major anxieties arising in public service organisations cannot be contained, even if some can be contained more effectively than ever. In such circumstances some organisational tasks will be more difficult to accomplish, and may become marginal whether or not officially abandoned. According to what is known of FPM procedures, they are best suited to supporting the provision of partially tailored mass services, but are increasingly counterproductive as we move to services that require individual tailoring let alone unique acts of creativity. (Adcroft and Willis 2005)²¹ This is both an explanation of the perceptions and observations of FPM-related problems put forward by Cooper and Lousada (2005) and Power (1997; 2003b), and a suggestion for a viable approach, as long as the researcher wishes neither to praise FPM uncritically *en bloc* nor to give it outright *en bloc* condemnation. (cf. Power, 2004) The former is commonplace in FPM studies with a technical or normative orientation, while the latter is visible where FPM is subsumed under catch-all phrases such as ‘New Public Management’, especially when the latter is seen as an essential part of ‘neoliberalism’. (Olssen and Peters 2005) Both extremes involve unconscious operations to be avoided: the former introjects an assumed good object that is mistakenly idolised, and the latter projects an assumed bad object that is mistakenly demonised *en masse*.

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²¹ Adcroft and Willis (2005, p. 386) write on one particular FPM aspect: ‘The most likely outcome of increased usage of performance measurement regimes in the public sector is the commodification of services which will be delivered by an increasingly deprofessionalised public sector workforce.’

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²² Despite the appearance, this is not a 2nd edition of a book but rather a new book by the author bearing the title that also includes the expression '2nd edition'.