



## International Journal of Sociology and Social Policy

New public governance and activation

Franziska Ehrler,

### Article information:

To cite this document:

Franziska Ehrler, (2012) "New public governance and activation", International Journal of Sociology and Social Policy, Vol. 32 Issue: 5/6, pp.327-339, <https://doi.org/10.1108/01443331211237023>

Permanent link to this document:

<https://doi.org/10.1108/01443331211237023>

Downloaded on: 26 June 2017, At: 06:04 (PT)

References: this document contains references to 28 other documents.

To copy this document: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)

The fulltext of this document has been downloaded 882 times since 2012\*

### Users who downloaded this article also downloaded:

(2012), "Governance of the activation policies in Europe: Introduction", International Journal of Sociology and Social Policy, Vol. 32 Iss 5/6 pp. 260-272 <<https://doi.org/10.1108/01443331211236943>><<https://doi.org/10.1108/01443331211236943></a>

(2011), "New public management: A strategy for democratic police reform in transitioning and developing countries", Policing: An International Journal of Police Strategies & Management, Vol. 34 Iss 3 pp. 419-433 <<https://doi.org/10.1108/13639511111157492>><<https://doi.org/10.1108/13639511111157492></a>

Access to this document was granted through an Emerald subscription provided by emerald-srm:474878 []

### For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit [www.emeraldinsight.com/authors](http://www.emeraldinsight.com/authors) for more information.

### About Emerald [www.emeraldinsight.com](http://www.emeraldinsight.com)

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

\*Related content and download information correct at time of download.



# New public governance and activation

New public  
governance and  
activation

Franziska Ehrler

*Swiss Conference for Social Aid and Welfare, Bern, Switzerland*

327

## Abstract

**Purpose** – The purpose of this article is to assess the emergence of New Public Management in the governance of activation policies in nine European countries. In the light of considerable diversity in the implementation of New Public Management in the different countries, the article tries to identify common patterns.

**Design/methodology/approach** – For the identification of patterns, fuzzy set theory is applied. Fuzzy sets are used to define ideal types and to measure the degree of membership in the different ideal types for every country.

**Findings** – It is possible to show that despite the substantial diversity of New Public Management approaches in the governance of activation policies, common patterns exist. The article identifies four ideal types of New Public Management within the nine countries involved in the analysis. At the same time it is shown that most countries do not represent pure models but unify different tendencies within one dominant type.

**Originality/value** – The identification of common patterns in the emergence of New Public Management in the governance of activation can provide a useful framework for discussion and further research on the implications of different forms of governance on the content and delivery of activation services in Europe.

**Keywords** Governance, Activation, New Public Management, Public employment service, Performance measurement, Fuzzy set, Europe

**Paper type** Research paper

## Introduction

All over Europe the last decades brought along a change in paradigm from passive to active welfare state policies. The emphasis is no longer on mere income protection but on the activation of clients in working age. This reorientation has demanded adjustments in institutional and organisational structures. New modes of governance were introduced to enable the implementation of activation policies. Defining governance as “public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them” (Kooiman and Bavinck, 2005, p. 17), a range of basic principles can be identified which have been adopted more or less all over Europe to meet the new challenge (for an overview see van Berkel *et al.*, 2011, pp. 18-29). This article assesses one of these main tendencies in the governance of activation, the introduction of new public management (NPM) instruments.

Comparative studies on public management reforms show that most European countries adopted NPM principles, but that the chosen approaches are far from being consistent (Pollitt *et al.*, 2007; Hood, 1991). The same diversity of reform tendencies under the common label of NPM occurs in the governance of income protection and activation. van Berkel *et al.* (2011) conducted nine country-case studies analysing the emergence of new modes of governance in activation policies in Europe. They showed



that NPM is a common phenomenon, but that kind and degree of implementation vary greatly. In the light of the immense diversity stated in the literature, this article asks for the existence of similarities. We will evaluate whether, among all these differences, common patterns can be identified and described. Therefore, it is necessary to discuss the meaning of NPM in the field of activation policies. Based on this conceptual framework, the emergence of NPM in the governance of activation in the nine European countries analysed by van Berkel *et al.* (2011) will be evaluated. The analysis focuses on the public agencies responsible for the implementation of activation policies – in most countries the public employment services (PES). The emergence of NPM tendencies in PES was analysed by Mosley *et al.* (2000), Nunn *et al.* (2009) and Weishaupt (2010), focussing on different aspects of NPM. By comparing the introduction of NPM and looking for common patterns, this article can make a contribution to the classification of the existing empirical material and to the current discussion on new modes of governance in activation policies in Europe. The identification of common patterns can serve as a starting point for further analyses about the effects of NPM reforms on the content and the provision of activation services.

To identify different patterns of NPM, fuzzy set theory will be applied. Fuzzy sets are used as a typology building tool which can be helpful in studying reform diversity. More specifically, it allows to access differentiation in both degree and kind of the introduction of NPM (Kvist, 2006, pp. 171-5). In the first part of this article, the concept of NPM and its different dimensions will be outlined. In the second part, the methodological approach and the data in use will be described. In the third part, the identified patterns of NPM will be presented and the results will be discussed.

### **New public management in activation**

NPM is not a consistently defined concept. However, referring to Dunleavy and Hood (1994, p. 9), it may be understood as a “summary description of a way of reorganizing public sector bodies to bring their management, reporting, and accounting approaches closer to (a particular perception of) business methods” with a change from input to outcome orientation as a main aspect of NPM reforms (Schedler and Proeller, 2009). In accordance with van Berkel *et al.* (2011), this article uses the concept of NPM in a narrower sense, thereby emphasising the principles guiding the ways in which national governments steer public agencies and manage their conduct. More specifically, the focus is laid on the shift from input or output (e.g. number of places for clients) to outcome control (e.g. successful activation trajectories) and its implementation within the PES. In accordance to this definition, three dimensions of NPM can be identified. The first dimension concerns the introduction of a performance measurement system, also called “management by objectives” or “management by results” (Ritz and Sager, 2010). The second and third element emphasise the implementation of outcome control by looking closer at the division of the strategic and the operational level. On one hand, the analysis of this division addresses the steering by contracts as a means to separate strategic decisions from the implementation level. On the other hand, it addresses the discretion left to the operational units to enable them to choose instruments to achieve the expected performance (van Berkel *et al.*, 2011, p. 27; Pollitt, 2001, pp. 10-11). However, the three dimensions cannot be treated equally, as the introduction of a performance measurement system (first dimension) is constitutive for the other two dimensions. In the following, the three dimensions will be outlined in detail.

---

*Performance measurement system*

Starting point for the introduction of performance steering is the definition of strategic goals. To mark the beginning of outcome control and performance measurement, the defined goals need to stress results and performance instead of procedures and resources (Schedler and Proeller, 2009, p. 138). The stated goals then have to be transferred into operational objectives measuring the effect of programmes without missing the link to the broader context of a policy. They should not only stress output and efficiency, but outcome and effectiveness (Sager *et al.*, 2010). Subsequently, the performance level has to be measured against the defined objectives. This is a two-stage process. First, a continuing monitoring of performance targets is necessary to generate real time information enabling agencies to intervene in case of bad performance. Second, performance has to be assessed thoroughly through the superior level at the end of a defined period (Mosley *et al.*, 2000, p. 4). A last integral part of a performance measurement system is the setting of incentives for translating performance objectives and accountability onto the staff level (Pollitt, 2001, pp. 10-11). Incentives are an economic policy instrument that makes “it cheaper or more expensive in terms of money, time, or effort, and other valuables to pursue certain action” (Vedung, 1998, p. 32). In this article the focus is on monetary incentives. Incentives can be individual bonuses on staff level, bonuses at the unit level, or one-line budgets. One-line budgeting contains the overall allocation of financial means and the definition of framework conditions. The concrete resource allocation is in the responsibility of the operational unit (Schedler and Proeller, 2009, p. 169).

*Steering by contracts*

NPM is characterized by a strict separation of the strategic from the operational level. The institutional setting to implement this separation is the introduction of agencies. Steering by contracts means the conclusion of agreements between ministry and administrative agency on expected outcomes and available resources. The aim is to skip hierarchical rules and to replace strictly defined bureaucratic procedures (Dvorak, 2004, p. 8). The agency has no discretion to define its own goals. Neither have the subunits such discretion, as the goals defined in the contract are passed in a top-down-manner to the subunits of the national PES (Schütz, 2001, p. 208). When analysing contract steering, crucial aspects of the institutional setting have to be considered: on one hand, the formal relation between PES and ministry and on the other the real role assigned to the PES and its participation in the goal setting process.

*Discretion on the operational level*

Quite different is the situation concerning the operational level, where discretion is a necessary aspect of outcome control. The PES need to be free to introduce processes and to choose instruments to achieve expected outcomes (Pollitt, 2001, pp. 10-11). The freedom to manage is implemented by the contracts defining the objectives and replacing thereby detailed rules and procedures (Schedler and Proeller, 2009, p. 156). Mosley *et al.* (2000, p. 121) name different forms of decentralization and increased policy discretion: budget flexibility, programme flexibility and the reduction of detailed rules and procedures. When analysing discretion, the level of regional and local subunits responsible for the activation policies in accordance to local circumstances has to be considered.

### Method

To identify different patterns of NPM in activation, fuzzy set theory is applied. Fuzzy sets can be a helpful approach to study reform diversity as they allow to access simultaneously quantitative and qualitative differentiation, that is differentiation in degree and kind of reforms (Kvist, 2006, pp. 171-5). Therefore, fuzzy sets can be used as a typology building tool. They are, on the one hand, used to identify ideal types based on theoretical concepts and, on the other hand, applied to measure the set membership of a case in an ideal type (for the use of fuzzy sets as a typology building tool, Kvist, 2006). In the following, two basic principles of fuzzy sets allowing its use in sophisticated ideal type analysis will be discussed, before the application on NPM reforms is outlined.

#### *Difference in degree: partial membership*

The basic idea of fuzzy sets is to allow for partial membership of a case in a set. This implies that a case is part of different sets at the same time. In our example, a country under consideration may be member in the set of countries which have introduced NPM. At the same time, the country may belong to the set of countries which did not have introduced NPM. To measure the degree of membership in one or the other set, a scale of membership scores has to be introduced. This is one of the most salient aspects and, at the same time, one of the crucial points of fuzzy set theory as it signifies the linkage of verbal concepts and quantitative analysis (Kvist, 2006, p. 171). A fuzzy set can be seen as a continuous variable calibrated through the use of theoretical knowledge which is used to specify qualitative breaking points (Ragin, 2009, p. 90). How many breaking points will be set depends on the situation. This article uses a four value fuzzy set with the numerical values 0 (fully out of the set), 0.33 (more out than in), 0.67 (more in than out), and 1 (fully in the set). A fuzzy set calibrated this way is useful if a substantial amount of information about cases exists, but without identical evidence across cases (Ragin, 2009, p. 90).

#### *Difference in kind: the construction of ideal types*

However, this article is not only supposed to address the degree of membership in the set of countries that adopted NPM in activation. Instead, it is the aim to differentiate between patterns of NPM. Therefore, we rely on the second fundamental element of fuzzy set theory, namely the configurational or holistic approach. Cases are, in line with qualitative case-oriented research, seen as configurations of aspects (or sets), so that a difference in one aspect may constitute a difference in kind and not just in degree. If fuzzy sets are used for ideal type analysis, it is this combination of aspects which constitutes the analytical construct: the ideal types (Kvist, 2006, pp. 179-80).

In summary, fuzzy sets allow for the identification of both quantitative membership (degree of membership in one ideal type) and qualitative membership (membership in one kind of ideal type) (Kvist, 2006, p. 181).

### **Ideal type setting and data**

For the analysis of ideal types in NPM in activation, the different aspects of NPM have to be defined. According to the dimensions of NPM as identified in the previous chapter, three fuzzy sets will be created (performance measurement system, contract steering, operational discretion). To measure the degree of membership within each fuzzy set, we use different criteria which are qualitative in nature. To find the qualitative breaking

points for each fuzzy set, we rely on the definition of the three dimensions. Table I summarises the fuzzy set calibration for all three dimensions.

In a second step, we identify the theoretically relevant ideal types resulting from the three dimensions. Accordingly, we have to consider the hierarchical order of the dimensions. The first dimension is a precondition for the second and third dimension. If a country has not implemented a performance measurement system, the other two dimensions are irrelevant. Table II provides an overview of the ideal types deduced from the theoretical concept. For a detailed description of the construction of ideal types and the calculation of membership scores, Kvist (2006).

The first ideal type comes closest to private sector management, since it represents countries with a high developed performance measurement system, a strict division of the political from the operational level, and high discretion for the operational units. It is therefore called business type NPM. Even though the following three types also represent countries with highly developed performance measurement systems,

Performance measurement system	Contract steering	Operational discretion for implementing actors (local/regional PES)	Fuzzy membership scores	Verbal labels
Performance assessment is accompanied by financial incentives directly linked to unit or individual performance	Strict division of political from operational level (PES is organised as a formal agency and strictly steered by contract)	High discretion with regard to budget allocation, processes and instruments	1	Fully in the set
Objectives are reported and assessed regularly	Division of political from operational level but decentralised	Discretion related to processes and instruments, but not with regard to budget allocation	0.67	More in than out of the set
<i>Ex ante</i> definition of goals and setting of objectives emphasising outcome and effectiveness	Limited division of political and operational level due to missing organisational division or limited scope of contract	Limited discretion in the choice of instruments in individual cases	0.33	More out than in the set
No performance measurement system	Self-governing model without high-level contract	Implementation guided by strict rules and procedures	0	Fully out of the set

**Table I.**  
Translation of the three dimensions into fuzzy membership scores

Performance measurement system	Contract steering	Operational discretion	NPM ideal type
High	High	High	Business type NPM
High	High	Low	Centralized NPM
High	Low	High	Self-governing NPM
High	Low	Low	Procedural type NPM
Low	–	–	Traditional administration

**Table II.**  
Definition of ideal types

they differ on the other two dimensions. Countries of the centralized NPM type have high-level contracts with a strict division of the operational from the political level, but with limited discretion on the operational level. Accordingly, political and operational decisions are centralized. The opposite is true for the self-governing NPM. In countries of this type the political and operational levels are not strictly separated and the operational units and subunits dispose of high autonomy. The procedural type introduced NPM, but the implementation remains in the traditional perspective, relying on rules and procedures with no or limited contract steering and low discretion for the operational units. This ideal type comes closest to the fifth type, which represents countries without or with minor attempts to introduce NPM in activation policies.

Based on this methodological construct, the emergence of NPM will be analysed for nine European countries representing different geographical regions and traditions of welfare states. The nine countries involved are the Czech Republic, Finland, France, Germany, Italy, The Netherlands, Sweden, Switzerland, and the UK. Subject of the analysis are the PES, since, in all countries under investigation, they are key players in the provision of activation services for unemployment benefit recipients. In addition, the PES play an important role in the activation of social assistance clients. A somewhat special case is The Netherlands, because the activation trajectories initiated by Dutch municipalities outnumber the ones initiated by the PES (van Berkel and de Graaf, 2011, p. 211; Ehrler and Sager, 2011, pp. 236-7). When analysing The Netherlands, this article therefore considers the municipalities as well as the PES, while for the eight other countries under investigation, only the PES are analysed.

Starting point are the case studies realised and presented in van Berkel *et al.* (2011). Besides the research results by van Berkel *et al.* (2011), empirical data from other existing case studies (Mosley *et al.*, 2000; Nunn *et al.*, 2009; Schütz, 2001, 2009; Weishaupt, 2010), national reports and analysis (PES Monitor, 2011; Barbier, 2007) are used.

### **Patterns of NPM**

In the following, the empirical evidence for every dimension is discussed separately before the results are brought together in order to identify and discuss the findings related to ideal types.

#### *Performance measurement system*

Most of the countries involved in the analysis have introduced performance measurement systems within the PES. The analysis showed that Finland, France, Germany, The Netherlands, Sweden, Switzerland and the UK have introduced performance measurement systems in the governance of activation policies. All these countries define goals emphasising outcome, set quantifiable objectives, and monitor and evaluate these objectives on a regular basis. Apart from Sweden, Germany and Finland, the performance assessment is linked to financial incentives to assure compliance. We can distinguish two kinds of financial incentives. Whereas in France and the UK the performance is honoured on the staff level, financial incentives in Switzerland and Finland depend on unit performance (PES Monitor, 2011). The Czech Republic started an attempt to introduce performance measurement in 2004, but the defined objectives focussed on input and output measures and evaluations did not take place (Sirovatka and Winkler, 2011, p. 259). Italy knows no performance measurement in accordance to the missing steering function of the national government (Borghini and van Berkel, 2007, p. 100) (Table III).

Cases	Fuzzy scores	New public governance and activation
CZ	Attempt to introduce performance measurement in 2004, but targets emphasised input and output measures and were not evaluated (Sirovatka and Winkler, 2011, p. 259)	0
FI	Management by results system introduced in 1992; objectives emphasis outcome and are reported regularly (monthly monitoring and annual assessment), bonuses on unit level (PES Monitor, 2011; Nunn <i>et al.</i> , 2009, pp. 94-6; Mosley <i>et al.</i> , 2000, pp. 17, 24)	1
FR	Performance management system introduced in 1990 (Mosley <i>et al.</i> , 2000, p. 17). Goals and quantifiable objectives are defined in advance and monitored and assessed regularly (Mosley <i>et al.</i> , 2000, p. 77). However, Barbier (2007, pp. 18-21) says that the evaluations were not transparent. Since 2004 individual bonuses are linked to the results obtained in relation to the operating strategic targets (PES Monitor, 2011)	1
GE	Performance management in the PES was introduced in 2004, since 2006 a goal setting process and a controlling system were implemented within the jobcentres (ARGE), including a monthly monitoring (Schütz, 2009, p. 170; Nunn <i>et al.</i> , 2009, p. 100). Agencies receive financial means according to their performance, but no indication for the use of one-line budgeting or bonuses is given (PES Monitor, 2011)	0.67
IT	Italy introduced no performance steering system (Mosley <i>et al.</i> , 2000, p. 17; Borghi and van Berkel, 2007, p. 100)	0
NE	The Netherlands introduced the performance measurement system in the PES in 1991. Every implementing institution (PES, municipalities) has its own monitoring system (PES Monitor, 2011). For the PES subunits the performance is assessed and reported quarterly. Financial incentives are provided by individual based performance pay (Mosley <i>et al.</i> , 2000, p. 24)	1
SWE	Performance measurement is from importance since 1996. Goals and operational targets are defined; monthly monitoring and final summing ups once a year take place. Performance pay schemes did not play a role until 2000 and financial allocation is not linked to the performance of the previous year (Mosley <i>et al.</i> , 2000, pp. 59-67). None of the more recent sources indicates a change concerning financial incentives	0.67
SWI	Switzerland introduced performance measurement in 2000. Quantifiable objectives are defined and the performance of the regional PES is monitored and assessed regularly (PES Monitor, 2011). Financial incentives are given in the form of one-line budgets per unit (Ehrler and Sager, 2011)	1
UK	In the UK performance management has been introduced in 1991. Targets are defined and a well-developed controlling system with weekly monitoring and performance assessment exists. Unit performance assessment also has important consequences for individuals since it is one basis for performance pay differentials (Mosley <i>et al.</i> , 2000, p. 46; PES Monitor, 2011)	1

333

**Table III.**  
Empirical evidence regarding the introduction of performance measurement systems

### *Contract steering*

Looking at the remaining seven countries, the dividing line between strategic and operational level is drawn quite differently. Agency-type contracts are common in five out of the seven countries. Sweden and Germany have no high-level contracts or only for a limited group of recipients. In Finland and Switzerland the contracts are implemented in a decentralised manner. In the UK and France the contracts are concluded between the ministry and the PES and implemented within the PES in a top-down manner. However, in France the contracts are not as comprehensive as in the UK. Also in The Netherlands a high-level contract is concluded between the ministry and the national PES (Table IV).



Cases	Fuzzy scores
FI In Finland the ministry contracts the 15 regional PES in absence of a national PES; targets are negotiated between the regional PES and the ministry. The divide of target definition and implementation is only partially given and in a decentralized manner (PES Monitor, 2011)	0.67
FR In France agency-type contracts are concluded between the national PES and the ministerial level for a four-year period, but the PES is subordinated to the ministry in a strict hierarchical order, it is not at all an executive agency in the Anglo-Saxon understanding of agency. And important decisions taken during the contract period were not integrated into the contract, although the contract could have been expanded theoretically (Barbier, 2007, p. 17f). “[...] French contractualism has been essentially formal” Eydoux and Béraud (2011, p. 78)	0.33
GE The national PES is a self-governing body with high autonomy. Until 2008 the ministry could steer the national PES only through negotiation. As the ministry tried to introduce quantified targets the PES refused the agreement. A change in legislation in 2008, that allowed the ministry to issue targets to the national PES if no agreement is obtained, was revised and reduced the ministerial targets to broader “framework targets” (Weishaupt, 2010, p. 13). The targets set by the national PES are translated into regional and local objectives. A little bit different is the situation concerning the long term unemployed which are served in jointly run institutions by the PES and the municipalities (Jobcentres). Here the ministry contracts the national PES as a delivery agency (Weishaupt, 2010, p. 15)	0.33
NE The PES functions as a formally independent agency of the ministry steered by a contract. The contract specifies performance targets on an annual basis and it is concluded between the PES and the ministry (van Berkel and de Graaf, 2011, p. 203)	1
SWE Swedish PES is formally organised as an agency model but without a high-level agency contract (Schütz, 2001, p. 211). The Swedish PES is traditionally a highly autonomous institution, passing resources to geographic labour market areas and formulating its own aims and guidelines (Minas, 2011, p. 279f; Schütz, 2001, p. 211)	0
SWI In Switzerland the Cantons act as executive agencies for activation policies and are contracted by the ministry. The contract in form of a service agreement defines the objectives and financing mechanisms. Thus, strategic and operational levels are separated through agency-style contracts applied in a decentralized manner due to the strong Swiss federalism (Ehrler and Sager, 2011, pp. 230-3)	0.67
UK The national PES has no policy-making authority, it is organised as an executive agency. Its structure, resources and operational budgets and targets are set by the ministry and the PES is bound by an agency-type contract (Weishaupt, 2010, p. 19; Mosley <i>et al.</i> , 2000, p. 18)	1

**Table IV.**  
Empirical evidence  
regarding the  
introduction of contract  
steering

#### *Operational discretion for implementing actors (local/regional PES)*

Empirical evidence shows that the operational discretion concerning budget allocation is high in Swiss PES and Dutch municipalities, as they both dispose of one-line budgets. Rather free in the allocation of budgets and the chosen instruments are Germany and Sweden. In Finland the introduction of outcome control was also accompanied by a reduction of detailed rules and procedures. In contrast, France and the UK are still dominated by hierarchical forms of control (Table V).

#### *Ideal type analysis*

Before conducting the ideal type analysis, the fuzzy set membership scores of all three dimensions are recapitulated in Table VI. The Czech Republic and Italy only score

Cases		Fuzzy scores	New public governance and activation
FI	The implementation of the performance measurement system was accompanied by increased policy discretion and a reduction of detailed rules and procedures for local units (Mosley <i>et al.</i> , 2000, p. 121)	0.67	<b>335</b>
FR	The annual performance objectives are implemented within the PES between the national PES and the 22 regional units in a top-down-manner (Schütz, 2001, p. 211). The introduction of a performance measurement system was accompanied by increased policy discretion in terms of budget and programme flexibility but without a reduction of rules and procedures (Mosley <i>et al.</i> , 2000, p. 121)	0	
GE	Strategic targets set by the national PES are applied to the subunits in a top down manner, with high discretion on the operational level regarding budget allocation and the priorities of the instruments in use (Weishaupt, 2010, p. 12)	1	
NE	The municipalities as main actors for the activation of social assistance recipients dispose of annual one-line budgets, what implies considerable discretion on the operational level (van Berkel and de Graaf, 2011, p. 202)	0.67	
SWE	The regional and local subunits of the PES are steered by rules, laws and guidelines, but they are rather free to choose appropriate measures in individual cases (Minas, 2011, p. 280). In Sweden the performance measurement system was accompanied by a reduction of detailed rules and procedures for the local units (Mosley <i>et al.</i> , 2000, p. 121)	0.67	
SWI	The introduction of one-line-budgets in 2002 to run the institutions of the cantonal PES and in 2006 for the organisation/purchase of activation measures lead to a considerable increase of discretion for the implementation of activation. Cantons obtained much more freedom in the contracting of suppliers of activation measures (Ehrler and Sager, 2011, p. 232)	1	
UK	The ministry has the legal authority to intervene in PES operations and “the PES itself is a highly centralised organisation in which national targets are allocated to the regional and lower levels of the organization in a more-or-less top-down manner” (Mosley <i>et al.</i> , 2000, p. 46). The PES is still dominated by hierarchical forms of control (Schütz, 2001, p. 211)	0	

**Table V.**  
Empirical evidence regarding operational discretion

	Performance measurement system	Contract steering	Discretion
CZ	0	–	–
FI	1	0.67	0.67
FR	1	0.33	0
GE	0.67	0.33	1
IT	0	–	–
NE	1	1	0.67
SWE	0.67	0	0.67
SWI	1	0.67	1
UK	1	1	0

**Table VI.**  
Fuzzy set membership scores

in the dimension of performance measurement systems, because this dimension is preliminary to the other two dimensions. These two countries can therefore be identified as part of the group of countries which remain within a traditional view of public administration.

For the other seven countries, Table VII shows the membership scores in the four stated ideal types. Each country can belong to more than one ideal type but to

**Table VII.**  
Ideal type analysis

	Business type NPM	Centralized NPM	Self-governing NPM	Procedural NPM
CZ	0	0	0	0
FI	0.67	0.33	0.33	0.33
FR	0	0.33	0	0.67
GE	0.33	0	0.67	0
IT	0	0	0	0
NE	0.67	0.33	0	0
SWE	0	0	0.67	0.33
SWI	0.67	0	0.33	0
UK	0	1	0	0

a varying degree. First, the highest scores for every country are interesting, since they show which ideal type it represents in general. The analysis shows that every ideal type is represented at least by one country. Finland, Switzerland and The Netherlands, with contracted agencies disposing of considerable discretion, are examples for the business type NPM. The UK represents the centralized type of NPM to the full with an agency strictly steered by contract and with only limited discretion for the implementing units. The opposites are Sweden and Germany representing the self-governing type NPM. France can be assigned to the procedural type of NPM with only formal contract steering and limited discretion.

Analysing the degree of membership in other ideal types, an even more differentiated picture can be drawn. Obviously, the UK is the only country that purely represents one ideal type. All other countries represent more than one ideal type. Finland scores as the only country on all ideal types. Looking closer at the smaller membership scores, differences between countries of the same NPM type become visible. The Netherlands and Switzerland represent the same ideal type as Finland. However, Switzerland, sharing the decentralized manner of contracts with Finland, is also partially member in the self-governing NPM, whereas The Netherlands belong together with Finland as well as France to a limited extent to the centralized NPM. Finally, Germany and Sweden represent the self-governing type of NPM, but also with different tendencies. The German NPM consists of business type NPM elements, whereas Sweden tends more towards the procedural type of NPM.

The grouping of nine European countries in four different ideal types shows that patterns of NPM in the introduction of activation policies exist. At the same time the results indicate that nearly every country unifies elements of different types of NPM. These findings are in accordance with Pollitt (2007). His analyses compare general NPM reforms relying on a broader definition of NPM and are therefore only indirectly comparable to our results. They distinguish the NPM “marketizers” from the continental European “modernizers”. The first group concerns the Anglo-Saxon countries, which see a large role for private sector methods and dispose of a highly individualist culture. This group covers among others the UK with its highly centralized administration which represents also a separate ideal type in our analysis. The group of the continental European “modernizers” emphasises strong statehood. But he states also differences within the second group in relation to the moment of reform and the orientation towards citizens. Furthermore, Pollitt *et al.* (2007, p. 24) argues that there is no convergence in the implementation of NPM, the European countries rather seem to have chosen only parts

---

of the NPM package and adapted them to the national context. Our findings underpin this last hypothesis by Pollitt, as we have found that countries represent different ideal types at the same time and to a different intensity.

### Conclusion

The present article has analysed the emergence of NPM in the governance of activation in nine European countries. The current literature indicates profound diversity in the introduction of NPM as a whole and also in the governance of activation policies. In the light of the stated differences, this article has asked for similarities. Using fuzzy sets as a typology building tool, it has been shown that common patterns exist. The construction of ideal types helped to describe existing patterns and it was possible to identify four different types of NPM within the nine countries involved. At the same time, it has been shown that the majority of countries do not represent pure models but unify different tendencies within one dominant type of NPM.

In conclusion, it can be stated that common patterns in the emergence of NPM in the governance of activation exist, but diversity prevails. However, the identification of common patterns can mark the starting point for more profound analyses of the political consequences of governance and the impact of different modes of governance on the content of activation strategies. The repercussion of governance on policy making is difficult to identify, but it would be interesting to show how the different types or patterns of NPM create opportunities and restrictions for the policy making process. The same is true for the effects of governance on organizational practices and the content of activation services. There are rarely any analyses on effects of NPM on the operational level and the delivered activation services in European countries. However, Considine *et al.* (2011) show for Australia that NPM reforms do not always generate the intended outcome on the street level. The patterns identified in this article could be a useful instrument to examine the implications of NPM on the content and delivery of activation services in Europe.

### References

- Barbier, J.- C. (2007), "La gestion et l'évaluation du service public de l'emploi en France dans la décennie 1990", Working Paper (2007.01), Centre d'Economie de la Sorbonne.
- Borghi, V. and van Berkel, R. (2007), "New modes of governance in Italy and The Netherlands: the case of activation policies", *Public Administration*, Vol. 85 No. 1, pp. 83-101.
- Considine, M., Lewis, J. and O'Sullivan, S. (2011), "Quasi-markets and service delivery flexibility following a decade of employment assistance reform in Australia", *Journal of Social Policy*, Vol. 40 No. 4, pp. 811-33.
- Dunleavy, P. and Hood, C. (1994), "From old administration to new public management", *Public Money & Management*, July/September, pp. 9-16.
- Dvorak, A. (2004), *Leistungsverträge sozialer Institutionen im Schnittpunkt zwischen politisch-strategischer und management-operativer Ebene*, Masterthesis Lehrgang ISMOS 5, Edition Soziothek, Bern.
- Ehrler, F. and Sager, F. (2011), "Marketization in a federal system: new modes of governance in unemployment insurance and social assistance in Switzerland", in van Berkel, R., de Graaf, W. and Sirovatka, T. (Eds), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke, pp. 219-46.

- Eydoux, A. and Béraud, M. (2011), "Accelerating governance reforms: the French case", in van Berkel, R., de Graaf, W. and Sirovatka, T. (Eds), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke, pp. 63-93.
- Hood, C. (1991), "A public management for all seasons?", *Public Administration*, No. 69, pp. 3-19.
- Kooiman, J. and Bavinck, M. (2005), "The governance perspective", in Kooiman, J., Bavinck, M., Jentoft, S. and Pullin, R. (Eds), *Fish For Life: Interactive Governance For Fisheries*, University Press, Amsterdam, pp. 11-24.
- Kvist, J. (2006), "Diversity, ideal types and fuzzy sets in comparative welfare state research", in Rihoux, B. and Grimm, H. (Eds), *Innovative Comparative Methods for Policy Analysis Beyond the Quantitative-Qualitative Divide*, Springer, New York, NY, pp. 167-84.
- Minas, R. (2011), "Decentralization and back to centralization: the Swedish case", in van Berkel, R., de Graaf, W. and Sirovatka, T. (Eds), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke, pp. 276-304.
- Mosley, H., Schütz, H. and Breyer, N. (2000), "Management by objectives in European public employment services", Discussion Paper FS I 01-23, Wissenschaftszentrum Berlin für Sozialforschung.
- Nunn, A., Bickerstaffe, T. and Mitchell, B. (2009), *International Review of Performance Management Systems in Public Employment Services*, Research Report No. 616, Department for Work and Pensions UK.
- PES Monitor (2011), "Database", available at: [www.pesmonitor.eu](http://www.pesmonitor.eu) (accessed 11 March).
- Pollitt, C. (2001), "Integrating financial management and performance management", *OECD Journal on Budgeting*, Vol. 1 No. 2, pp. 7-37.
- Pollitt, C. (2007), "Convergence or divergence: what has been happening in Europe?", in Pollitt, C., van Thiel, S. and Homburg, V. (Eds), *New Public Management in Europe*, Palgrave Macmillan, Basingstoke, pp. 10-25.
- Pollitt, C., van Thiel, S. and Homburg, V. (2007), *New Public Management in Europe*, Palgrave Macmillan, Basingstoke.
- Ragin, C. (2009), "Qualitative comparative analysis using fuzzy sets (fsQCA)", in Rihoux, B. and Ragin, C. (Eds), *Cofigurational Comparative Methods*, Sage, Los Angeles, CA, pp. 87-122.
- Ritz, A. and Sager, F. (2010), "Outcome-based public management and the balance of powers in the context of direct democracy", *Public Administration*, Vol. 88 No. 1, pp. 120-35.
- Sager, F., Ritz, A. and Bussmann, K. (2010), "Utilization-focused performance reporting: a three-step model for the development of matching goals and indicators", *Public Money & Management*, Vol. 30 No. 1, pp. 55-62.
- Schedler, K. and Proeller, I. (2009), *New Public Management*, 4th ed., Haupt, Bern.
- Schütz, H. (2001), "Zielsteuerung in europäischen Arbeitsverwaltungen", *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*, Vol. 34 No. 2, pp. 207-25.
- Schütz, H. (2009), "Neue und alte regelsteuerung in der deutschen arbeitsverwaltung", in Bothfeld, S., Sesselmeier, W. and Bodegan, C. (Eds), *Arbeitsmarktpolitik in der sozialen Marktwirtschaft – Vom Arbeitsförderungsgesetz zum Sozialgesetzbuch II und III*, VS Verlag für Sozialwissenschaften, Wiesbaden.
- Sirovatka, T. and Winkler, J. (2011), "Governance of activation policies in the Czech Republic: uncoordinated transformation", in van Berkel, R., de Graaf, W. and Sirovatka, T. (Eds), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke, pp. 247-75.
- van Berkel, R. and de Graaf, W. (2011), "The liberal governance of a non-liberal welfare state? The case of The Netherlands", in van Berkel, R., de Graaf, W. and Sirovatka, T. (Eds), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke, pp. 190-218.

- van Berkel, R., de Graaf, W. and Sirovatka, T. (2011), *The Governance of Active Welfare States*, Palgrave Macmillan, Basingstoke.
- Vedung, E. (1998), "Policy instruments: typologies and theories", in Bemelmans-Videc, M.-L., Rist, R.C. and Vedung, E. (Eds), *Carrots, Sticks and Sermons: Policy Instruments and Their Evaluation*, Transaction Publishers, New Brunswick, NJ, pp. 21-58.
- Weishaupt, T.J. (2010), "Managing public employment services: trends and experiences with recent governance reforms", available at: [www.pes-benchmarking.eu](http://www.pes-benchmarking.eu) (accessed 11 March 2011).

#### **About the author**

Franziska Ehrler studied Political Science and Economics and worked as a Research Assistant at the Center of Competence for Public Management at the University of Bern. She is now in charge of the Research Division at the Swiss Conference for Social Aid and Welfare. Her main research interests lie within the fields of social policy and family policy. She has contributed together with Fritz Sager to a recent book edited by Rik van Berkel, Willibrord de Graaf and Tomáš Sirovátka: *The Governance of Active Welfare States in Europe* (Palgrave, 2011). Franziska Ehrler can be contacted at: [franziska.ehrler@skos.ch](mailto:franziska.ehrler@skos.ch)

**This article has been cited by:**

1. Jay Wiggan. 2015. Varieties of marketisation in the UK: examining divergence in activation markets between Great Britain and Northern Ireland 2008–2014. *Policy Studies* 36:2, 115-132. [[CrossRef](#)]
2. Bettina Grimmer Department of Social Sciences, University of Siegen, Siegen, Germany Jennifer Hobbins Department of Working Life Sciences, Karlstad University, Karlstad, Sweden . 2014. Active entrepreneurs and blue-collar workers. Cultural understandings mirrored in European youth unemployment policies. *International Journal of Sociology and Social Policy* 34:7/8, 559-576. [[Abstract](#)] [[Full Text](#)] [[PDF](#)]
3. Katharina Dengler Joint Graduate Programme of the IAB, Institute for Employment Research (IAB), Nuremberg, Germany and School of Business and Economics at FAU, Friedrich-Alexander University Erlangen-Nuremberg (FAU), Nuremberg, Germany Katrin Hohmeyer Basic Income Support and Activation, Institute for Employment Research (IAB), Nuremberg, Germany Andreas Moczall Forecasts and Structural Analyses, Joint Graduate Programme of the IAB, Institute for Employment Research (IAB), Nuremberg, Germany and School of Business and Economics at FAU, Friedrich-Alexander University Erlangen-Nuremberg (FAU), Nuremberg, Germany Joachim Wolff Basic Income Support and Activation, Institute for Employment Research (IAB), Nuremberg, Germany. 2013. Intensified activation for disadvantaged welfare recipients in Germany: does it work?. *International Journal of Sociology and Social Policy* 33:5/6, 289-308. [[Abstract](#)] [[Full Text](#)] [[PDF](#)]