Reinventing Weber:
The Role of Institutions in Creating Social Trust

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Institutional Trust and the Administrative Side of the State

This chapter starts from recent research results showing that the state, by virtue of its legality, impartiality, and accountability, is critical to producing macro-level social trust in society. Such trust, which is a central component in social capital, has been shown to be important for a large number of social outcomes that are usually deemed important such as economic prosperity, tolerance, and population health (Zmerli & Newton, 2008; Rothstein & Stolle, 2008; Herreros, 2009). While micro-level trust is seen as a requirement to reduce transaction costs and thus to support economic growth, we suggest that macro-level trust is a requirement for the legitimacy of the state and therefore critical to democratic governance (Gilley 2009). In this, institutional trust is the key linkage between citizens and the state for creating legitimacy (Rose-Ackerman & Kornai, 2004). In a recent study based on the World Value Study survey data from 72 countries, Bruce Gilley concludes that that “general governance (a composite of the rule of law, control of corruption and government effectiveness) has a large, even overarching importance in global citizen evaluations of states”. According to Gilley, governance factors are more important than democratic rights when citizens express their opinions about the legitimacy of their states (Gilley 2009, ch. 2). Although low levels of trust do not necessarily cripple government—there are plenty of examples of efficient governments despite low levels of institutional trust—they raise transaction costs and complicate the process of governing (Braithwaite & Levi, 1998).

From this larger problematic, the present analysis is focused on three particular aspects. First, the paper explores what we see as a puzzling and quite unexpected revival of Weberianism—as shorthand for a model of a public administration system that puts emphasis on legality, hierarchy, impartiality, due process, rule-following, transparency and accountability—in three
fields of academic research and reform practice. One such area is development economics where there is today a growing interest in institutional design and legality as instruments of curbing corruption.

A second and related field is the analysis of transaction costs and “good governance”. This line of research has mainly been explored by neo-institutional economists who argue that variation in institutional configurations is what explains the huge variation in economic prosperity (and social well-being) among nations (Acemoglu & Robinson 2008, North, Wallis & Weingast 2009). In this research, the Weberian ideals are seen as one of the central forces for creating economic prosperity.

The third area, finally, is contemporary administrative reform, particularly the implementation of the system of public administration known as New Public Management (henceforth NPM). When it was originally launched, NPM was mainly seen as a direct assault on Weberian models of administration arguing that they were too rigid and inflexible to meet increased demands for economic efficiency and adaptation to new demands from citizens (Dunn & Miller 2007). However, in this process of change, we can today witness a debate on to what extent market-based reforms are contingent on pre-existing Weberian structures. In all three fields of research, and practice, the previous denouncement of Weberian models which was seen as excessively rigid and inefficient has given way to what appears to be a reaffirmation of the norms and values that the Weberian model of administration represents.

The argument explored in this chapter is thus that Weberianism’s coming into vogue is not so much related to its model of institutional design, nor to its focus on structure and process, but rather because it, directly or indirectly, creates and reproduces trust between the state and its...
citizenry and also in markets. A central conclusion that follows from the neo-institutional theory in economics is that in order for market models to work, a fair amount of social trust is needed and this can be created by Weberian type of rule-bound administration that creates security against arbitrariness and favoritism, respect for contracts and transparency (Rodrik 2007, Rothstein 2005).

Although there is consensus—at least among the western democracies—regarding the core, baseline functions of the state, there are contending views about how the state should pursue these collective goals. It is argued that we live in a post-bureaucratic era in which the traditional type of legalistic, rule-bound and disengaged Weberian mode of government organization is seen as outdated (cf. Olsen, 2008a, 2008b). Today’s public administration, in the predominant reform vernacular, should be goal-oriented instead of rule-bound; emulate private-sector management techniques; privatise and contract out as much as is possible of its service production; use evaluation and performance management and measurement instead of ex ante evaluation; focus on outcomes instead of focusing on process; and so on. Instead of rule following and due process, utilitarian-based efficiency has become the yardstick with which contemporary public administration is evaluated (Moore, 1995; Laegreid and Christensen, 2007).

Scholars of public administration and public management recognize this as the New Public Management model of public administration. This anti-Weberian development has not only been influential in countries government by neo-liberal agendas but also in polities that have been strongly influenced by Social Democracy (Laegreid and Christensen, 2007). While the success (and drawbacks) of the anti-Weberian model is a disputed topic (cf. du Gay, 2000; Olsen, 2008b), it is safe to say that anti-Weberianism has become almost hegemonic as a
model of reform or practice in the advanced western liberal democracies. This goes both for policy-makers and for large parts of the scholarly work in public administration; if nothing else, NPM has become the standard model of administrative reform among practitioners in most advanced industrial countries. Although the current debate on the virtue and pitfalls of market-based reform substantiates some profound problems in this reform strategy, it remains the implicit model against which all other models are compared (Pierre and Painter, 2009).

NPM is part and parcel of the neo-liberal “turn” in the western world during the 1980s and 1990s, which witnessed the sortie of such prominent social theorists such as Keynes and Weber. Indeed, it could well be seen as the application of neo-liberalism on public administration; the basic tenets of NPM are directly or indirectly derived from neo-liberal economic theory and public choice models of administration. The normative foundation is that there is nothing that differentiates the operational logic of market agents and public officials; markets choices are not fundamentally different from “public choices” when it comes to what motivates agents and how they calculate what is in their interest. In relation to the question “how should the state behave”, NPM has a clear answer; its institutional setup and modus operandi should emulate that of for-profit corporations acting on competitive markets with economic incentives as the driving force. Citizens should be regarded as customers and local managers of (publicly financed) services should compete for these customers. If dissatisfied with the service they get, instead of appealing to rules guarding their rights, citizens should “vote with their feet” by exercising market choice and turn to another service provider, thus providing local managers with market-like incentives for making changes in the services. For the providers of public services, flexibility and customer satisfaction is seen as more important than rule-bound behaviour and results are more valued
correct procedures. Instead of life-long employment, employees providing public services
work on short-time contract, and so forth (Peters, 2001).

The Revival of Weberianism

How should we understand the seemingly unlikely revival of Weberianism in an era when
there has been such a strong emphasis on reforms inspired by neo-liberal and largely anti-
government ideas. In the midst of this dominance for neo-liberalism in the discourse about
“how the state should behave”, as argued above there is also a growing interest in the
economic and societal roles of the formal and legal government institutions. Most prominent
is the increased interest in corruption and corruption related problems (such as clientelism,
cronyism, and nepotism) as the major obstacles for economic and social development
Needless to say, corruption and its related problems are of course the anathema of
Weberianism. This change, which started in the mid-1990s, is dramatic since it is not so long
ago that most economists and political scientists thought that corruption and related problems
where of minor, if any, interest in the study of economic and social development. For
example, the 17 volume (!) International Encyclopedia for the Social Sciences published in
1968 does not offer a single entry for “corruption”. Even more interestingly, the same goes for
the Handbook of Development Economics, published in the mid-1990s.

There are many reasons behind this development, not least the “institutional revolution” in the
social sciences inspired to a large extent by the work of Douglass North. In addition, new
empirical research measuring corruption (and related problems) has given empirical support
for its negative impact on economic development (Mauro, 1995; Kaufmann 2004; Holmberg
et. al., 2008). Furthermore, studies show a positive effect of Weberian traits in a country’s civil service for economic development (Evans and Rauch, 2000; Henderson et. al., 2007). Other studies show that trust in institutions such as the courts and the police have a positive effect on social trust, as have trust in the fairness of institutions that implement social policies (Kumlin & Rothstein 2006, Stolle & Rothstein 2008). Thus, the conclusion in this research is not only that corruption is bad (which given what we now know about the importance of institutions, seems rather obvious) but also that good old-fashioned Weberianism is maybe much more important that what has been realized in the NPM movement. The result of this development that, as has been stated by Johan P. Olsen, “the enthusiasm for a universal de-bureaucratization cure and the pressure for global administrative convergence have diminished since the early 1990s” (Olsen 2008b).

This research also challenges the predominant idea in neo-liberal economics that it is the size of the government that is the key problem. For example, prominent economists still argue (using only formal-deductive logic), that “a large government increases corruption and rent-seeking” (Alesina and Angeletos, 2005:1241). However, several empirical studies show that it is not the size of government that is the problem, but rather the qualitative dimension of how it operates. Thus, Gerring and Thacker (2005:235) “find no consistent relationship between the aggregate size of the public sector and political corruption”. Similarly, La Porta et. al. (1999:42) found that high-quality governments had higher public spending and thus warned that “identifying big government with bad government can be highly misleading.” In sum, this indicates that there is something about the qualitative dimension of Weberianism that, contrary to its many critics, supports economic development and the reduction of poverty. If so, the success in the developed world of the anti-Weberian NPM approach—or at least the
IMF’s and the World Bank’s aggressive marketing of that model of administrative reform—becomes something of a mystery. We will return to this issue later in the chapter.

Several important international organizations engaged in policy making in this area, most notably the World Bank, the European Union, and the United Nations, have put “good governance” (read: anti-corruption) very high on their agendas. Today, this has become so prominent and involves so many powerful national and international actors that it is possible to speak of a new international “anti-corruption regime” (Bukovansky, 2006; Smith, 2007). In any case, this “international regime” launches recommendations that are clearly Weberian-oriented such as the importance of precise and unambiguous rules; merit-based recruitment; personnel that clearly distinguish between their interests as private citizens and their duties as civil servants; a salary system which is sufficiently generous to make public officials less susceptible to bribery; and a transparent system of responsibility (Fjeldstad and Isaksen, 2008).

As we stated above, on a more theoretical level, this development has been propelled by the “institutional revolution” in economics and political science spurred most prominently by the work of Douglass North. The effects of variation in institutional characteristics have become central in such various fields as evolutionary game theory, political history, comparative politics, policy analysis, and in the study of organizational effectiveness and, not least, organizational culture (Peters 1999). For example Weberian “rule-of-law” institutions must secure property rights through the enforcement of legally produced private contracts and must safeguard market agents against arbitrary actions by the various branches of the state apparatus. Such institutions can, following George Tsebelis, be labeled “efficient” because they are not enacted in order to redistribute resources to a special group or certain agents.
known beforehand. Contrary to “re-distributive” institutions, efficient institutions are supposed to serve the collective interest of all agents by lowering their transaction costs (Tsebelis 1990). One effect of such institutions is that market agents can trust that other market agents will respect agreements they have entered into; they know that if they do not, the agent can turn to an impartial court or other type of Weberian civil service for remedies. They also know that tax rules and other government regulations will be implemented in a way that does not give improper advantage to some agents (because of their personal contacts, ability to pay bribes or political connections.

In relation to development research, this problem has been captured poignantly by economist Dani Rodrik who argues that “the encounter between neo-classical economics and developing societies served to reveal the institutional underpinnings of market economies” (Rodrik, 2007:153). Among such institutional underpinnings Rodrik lists a specified system of property rights; effective regulation that prevents monopolies to dominate markets; uncorrupted governments; the rule of law; and social welfare systems that can accommodate risks. Interestingly, Rodrik also emphasizes the importance of informal societal institutions that foster social cohesion, social trust, and cooperation. Criticising neo-classical economics for disregarding the significance of such institutions, Rodrik (2007:153-4) argues that “these are social arrangements that economists usually take for granted, but which are conspicuous by their absence in poor countries”. As can be readily seen, many of the institutional characteristics that Rodrik points at are distinctly Weberian. Thus, the puzzle is this: While many public administration scholars and international organizations for a long time have pointed to the shortcomings of the Weberian model and to a large extent argued that it is outdate and should be replaced, we see clear signs of an opposite approach in institutional theory in general and in development studies in particular. That having been said, we should
add that there is no automatic correspondence between pointing to the importance of institutions on the one hand and Weberianism on the other. To the contrary; institutions can be of many sorts, and as all students of public administration know, Weberian institutions are quite particular.

The point we wish to make should be clear. For all its rigidities and hierarchical features, Weberianism, or neo-Weberianism, is a model of public administration and government that also brings some degree of stability, legality, predictability and continuity to a country. Recent research suggests that in developing countries with “soft” institutions, low levels of education among the public servants, patronage-based recruitment and thereby low levels of institutional trust, that model is more efficient than market-based models of administration. Indeed, it seems as if it is the very rigidity and legality in the Weberian model that curb corruption and increase institutional trust. This theme is not confined to the problem of creating economic growth in developing countries, but also to the problem of democratization. The problem was taken up at a conference held in 2007 celebrating the establishment twenty-five years earlier of the U.S. based *National Endowment for Democracy*. At this conference, where the spectacular success of democratization over the world was lauded, Larry Diamond, one of the most prominent scholars in the field of democratization studies, stated that “there is a specter haunting democracy in the world today. It is bad governance …. Governance that is drenched in corruption, patronage, favoritism, and abuse of power” (Diamond 2008:119). Diamond further argues that the idea that the pathologies of “bad governance” can be cured with more “democracy assistance” is not convincing because such assistance does not reach the deeper levels of the political culture in societies that are dominated by clientilism or endemic corruption. Since such practices are often “deeply embedded in the norms and expectations” of what political and economic
exchanges are seen as, improvement will according to Diamond require nothing less than “revolutionary change in institutions” (2008:119). It is difficult to see this not as a cry for more Weberian ethics in developing countries.

We will go further into the peculiar development that while the Weberian mode of “being a state” has become much less popular in the developed world, it has become a centerpiece of understanding of what is lacking in developing and transition countries. Before that, we need to look more closely at the relationship between the NPM and Weberian models of administration.

**The Success and Demise of New Public Management**

As stated in the introduction, the past two decades or so have witnessed the rapid diffusion of a variety of market-related models of administrative reform across the world (Pollitt and Bouckaert, 2004). This is not the place to rehearse all the finer details of such reform; suffice it to say that this reform strategy emphasizes clear separation of policy and operations, deregulation, managerial autonomy, customer choice, privatization and contracting out, internal markets, empowerment of lower organizational levels and performance management and measurement (i.e., incentive based output controls). It is often argued that NPM emerged as a problem-driven solution to bureaucratic rigidities, inefficiencies and poor public services. To some extent, the NPM recipe to these, and other, shortcomings in the public sector was to abolish those features of the public sector that made it different from the private sector. By focusing on management and efficiency, the normative discourse of public administration shifted from legality and public ethos to corporate and managerial values, philosophies and
objectives. To be sure, that shift in discourse began already when the concept of “public management” emerged. As Rosenbloom (1988:16) argues, “(T)hose who define public administration in managerial terms tend to minimize the distinctions between public and private administration”. This change in discourse is no accident; as mentioned earlier, it represents an essential shift in the normative foundation of public administration in order to pave the way for managerial reform.

Thus, if the chief problem haunting public administration was low performance the NPM strategy to ameliorate that problem was to introduce philosophies and styles of management and external relationships from the corporate world where they (purportedly) had already proven successful. The NPM campaign of the 1980s and 1990s was not the first attempt to look to private enterprise for solutions to problems in the public administration; administrative reform in the U.S. had tried that strategy already in the 1960s with the Grace Commission. The main difference between that context of reform and that of the latter decades was that the previous case lacked the discursive and normative foundation to sustain it. In the 1980s and 1990s, that foundation was firmly in place, thanks to the Reagan Administration in the United States and the Thatcher government in the UK. Others (Canada, Australia, New Zealand) were to follow suit. With those countries on board the NPM wagon there was a critical mass and yet another group of countries—encouraged by transnational organizations like the World Bank, the IMF and the OECD—joined the crusade.

With this rapid diffusion of NPM, the causal linkage between problems in the public administration and solutions was gradually confused. NPM was implemented or at least seriously considered by a very large number of countries, not so much because it was believed to be best strategy of reform to address problems in the public administration but because a
number of other countries had adopted the philosophy. The fact that countries, which had gone down the NPM road often were competitors in international trade probably helped propel the diffusion of NPM further. Although there was little evidence that NPM in and of itself had any significant effect on national competitiveness, it appeared sensible to follow the behavior of your competitor to level the playing field. Indeed, the notion of bringing the market into the public sector had not been systematically attempted before and this novelty alone was probably instrumental in boosting its attractiveness. In many countries, efficiency problems in service production and delivery had become “wicked” and resilient to reform. NPM offered a new strategy to solve those problems, or at least so it seemed.

However, while the implementation of NPM was a smooth process in the public interest-based public administration systems of the Anglo-American systems, the tradition of legality, equity and accountability in the Rechtsstaat systems of Western Europe and Asia proved much more resistant to market-based reform. In spite of strong pressure from international organizations, the implementation of NPM reforms in many Asian countries was fragmented and partial (Turner, 2002). In Western Europe, the picture is more scattered although it appears safe to say that public administration has proven more entrenched and institutionalized than what was perhaps expected. And, the values of legality, accountability and transparency loom large in this part of the world, not least in the Scandinavian countries where institutional trust is high by all international comparisons. As Munk Christiansen argues, the corporatist tradition that is typical to these countries does not provide the necessary social micro-foundations for market-based administrative reform (Munk Christiansen, 1998).
Today, administrative reform seems to be designed with somewhat more consideration to the nature of the specific problem to be resolved. Although the World Bank and IMF continue to emphasize deregulation of domestic markets, the demands for a marketization of the public service have been downplayed. OECD has terminated its Public Management Section, and the current view on NPM is rather mixed. In 2007, the position held by the Swedish National Financial Management Authority (ESV), as given in an interview to one of the present authors, is firm: “NPM is out”.

In addition, the discussion of the causes behind financial crisis that hit the world in the Fall of 2008 has increased focus on the importance of Weberian type of firm regulations and impartial authorities that oversee markets. A number of prominent economists have (including several Nobel Laureates) have stressed that a central causal factor behind the collapse of the financial market has been lax regulations and much too close relations between the large investment banks and the authorities that were supposed to regulate and oversee their operations (Johnson 2009).

**When will NPM work?**

Our argument so far is not that NPM style public administration is generally a failure but that it should not be seen as something than can replace Weberianism. What we see in the literature is that while NPM seem to have passed its peak in the developed world, there now is a search for administrative models that combine Weberian features with NPM style market solutions (Christensen and Lagreid, 2007), the developing countries are still wrestling with the issue of whether or not they should adopt NPM as a philosophy of administration.
However, introducing a model of public administration whose efficiency is predicated on some degree of social trust in a political, social and institutional context where such trust is low, is essentially asking for problems. NPM, with its arms-length relationship between elected politicians and the senior level of the public administration is, to reiterate a point made earlier, contingent on some level of trust between politicians and managers. It could well be argued that principal-agent theory, which is at the heart of NPM, assumes essentially no trust; it is a rationalistic model of hierarchical control and command. However, a low degree of trust will generate high transaction costs for output measurement, surveillance and audits, something which will impair the efficiency of the NPM model. Managers will have to be monitored more closely than the model states, politicians will have to devote time and resources not just to formulating long-term goals but also to create new authorities that oversee the operative elements of the public administration. As Gary Miller have shown, “incentives-only” based systems of steering are very unstable and probably inefficient since they tend to destroy trust (Miller 1992, Falaschetti & Miller 2001).

There is also the problem of low micro-level trust in developing countries. The NPM-style empowered front-line civil servant in a developing country does not enjoy the same level of trust from his client as his colleague in a western democracy. The client, or customer, will not trust the integrity of the civil servant and thus has incentives to offer side payments to ensure a positive treatment. The alternative modernization strategy would be to not rely on market-based reform but rather to adopt a neo-Weberian model of public administration. The main problem with that strategy is that it to a large extent requires what is to be the goal of modernization, that is to say firm, coherent and insulated institutions staffed by a trained, professional civil service. This paradox of administrative reform haunts a number of countries in the developing world.
Thus, we do not see how NPM would be a viable reform strategy in the developing world. Instead, it is a reform strategy which is predicated on the pre-existence of Weberian-like administrative features which may or may not be present. A number of studies show that NPM will not work, at least not without costly side-effects in development or transition countries (Nickson, 1999; Sarker, 2006; McCourt, 2007; Manning, 2001; Peters, 2001; Bately, 1999; Schick, 1998; Polidano, 1999). According to one of these studies, in countries that lacked an established Weberian ethos, “privatization became a popular source of income for corruption and patronage distribution” (Samaratunge et. al., 2008:41). What comes out of this research is that NPM style reforms cannot be an alternative to Weberianism in developing or transition countries. Instead, they seem only to work if they can rely on the type of institutional and social trust that an already existing Weberian state generates. As Nick Manning suggests about the need for a Weberian foundation for NPM reforms, “NPM proponents did not see the need to spell out how these good things had come about—but clearly relied on them to continue as foundations for their reforms” (Manning, 2001:302).

NPM is in fact more dependent on professional managers and skillful politicians than the Weberian model of public administration. Weberianism emerged as a model of public administration in a social context characterized by moderate legality and moderate professionalism in the public service. The solution to those problems was to make legality the backbone of the public administration and to ensure that individual civil servants had a minimum of discretion. Thus, Weberianism was probably just as problem-driven as NPM; it offered a model of public administration which resolved or by-passed the key obstacles to modernization at that time. By emphasizing legality, standardization, and hierarchical command and control systems, Weberianism devised a model of public administration which
works reasonably well in the social and political context of institution building, democratization and increasing public services. Also, Weberianism was probably a congenial solution to a lack of trust in public officials, or the public administration as a whole.

On reflection, Weberianism is the perfect model of public administration in political and social settings where trust in institutions and public officials is low. By focusing on legality, hierarchy and impartiality, the Weberian philosophy of public administration essentially allows the citizen to engage the public bureaucracy without trusting its officials, since those officials have a minimum of latitude and discretion on the administration of specific matters. This, of course, is another way of saying that in the NPM model of public administration, with its extensive decentralization, managerial autonomy and clear separation of policy and operations, trust in the public sector becomes essential. As soon as lower-level, front-line bureaucrats are given increased discretion to tailor services to the needs of their clients (or “customers”), trust becomes key since with discretion comes the possibility for abuse. Trust, in this model of public administration, cannot be derived from legality, equality and due process, since the very objective of NPM is to escape the iron cage of legalism. Instead, trust is derived from performance (Scharpf, 1999). As clients, we might not trust a public servant because s/he conducts administration strictly in accordance with a legal framework, but rather because s/he offers tailored services. Still, there is always the risk that NPM reforms will tempt the public service managers to engage in practices that are detrimental to the integrity of the public sector and thereby destroy institutional and also social trust (Rothstein & Eek, 2009).

As case in point is the day-care and pre-school system in Sweden and Denmark. These are major public undertaking in financial terms that serves many important policy goals, not least
to enable both parents with small children to work fulltime and thus increase gender equality. These institutions are either public, operated by local governments, or private but for the most part financed by public money in exchange for operating according to the same general rules that apply to the public pre-schools. The “private” preschools should thus be understood as “charter-schools” in the sense that they are fulfilling a public policy under public rules and with tax money. However, the managers and personnel both at the private and public pre-schools have a wide discretion for what type of pedagogical model they want to follow, and many parents chose pre-school accordingly. Private pre-schools can be for-profit or non-profit and operated by groups of parents, commercial companies or non-profit civil society organizations. Most children are at public pre-schools but the number private (or charter) ones have been growing for quite some time.

Thus, these public services are to a large extent organized according to what the NPM model suggests. The managers are managing and have a considerable discretion how to organize the service. There is choice between different service providers that compete for customers with different types of services (Björklund, 2005). Moreover, the managers and teachers at these institutions, whether public or private, do not think of themselves as rule-bound Weberian bureaucrats that follow a strict palette of universal rules which they apply in an impersonal way. Instead they seem to follow a (semi-) professional logic and they apply different “styles” of teaching and care-giving. It is also safe to say parents do not want the personnel to act according to a set of strict impersonal rules in an emotionless way towards their children. It is simply taken for granted that teachers use their professional knowledge to adapt in a flexible way to the specific needs of each and every child. It is thus more a “logic of care” than a “logic of justice” that dominates these public undertakings (Stensöta, 2004). Still, there would be an uproar among the parents (and the public in general) if they were to find out that
pre-school teachers had paid extra attention to some children because the parents had offered them cash for such services, or because they belonged to a certain religious or ethnic group, or if the content in their teaching followed the dogmas of a religious group that they belonged to instead of what was stipulated in the curriculum. Managers would instantly be fired if they had been bribed for letting children in the waiting line jump the queue and they would be heavily criticised if the refused to take children from low-income families or single-parents. The moral of this example is this: the successful NPM character of this (hugely popular) publicly financed and regulated service depends to a large extent on an underlying—tacit or just taken-for-granted—acceptance of the type of institutional trust that follows from the Weberian mode of impartial or universal standards. Another way to express this is to say that the parents and citizens in general accept NPM style solutions like this one provided they feel that their rights to impartial and fair treatment and equality before the law, etc. is not violated. This development in the Swedish welfare state is not unique to the pre-school sector but has impacted the basic and secondary school sector, the provision of basic health care and to some extent the care for elderly persons. The right for citizens to chose service provider within the universal welfare state system and the idea that service providers should “brand” their services according to what managers/personnel deem as their professional standards has been widely accepted. This is not to say that there is no criticism against the NPM system in the provision of public services, but it seems confined to situations when impartial/universal/equality standards are not respected. For example, when the system increases social segregation of students, when homes for elderly people do not meet established standards of care or when private/charter pre-schools schools refuse to accept children with special needs because of economic restraints (Blomqvist 2004).
Conclusions: Are New Weberianism and New Public Management Alternative Paths to a better Quality of Government?

We have argued in this paper that when designing administrative reform, policymakers need to consider factors exogenous to the public administration just as much as endogenous variables. In particular, different societies offer quite different ethical and normative underpinnings of what public administration should be and they have very different types of institutional configurations for public services. Our tentative conclusion is that NPM style of “how the state should behave” should not be seen as an alternative to Weberianism. On the contrary, it seems as if NPM reforms can be made to work only if they rely on an already existing strong Weberian ethos in the public administration, something that is missing in most developing and many transition countries. This ethos can either exist as a ”basic norm” within the public services that are to work according to the NPM model, or in the public administration that are to oversee that the NPM organized services adhere to rules and regulations for how and with what they can compete.

I an article criticizing the type of institutional reforms the EU have demanded a country like Romania to introduce for combating corruption, Alina Mungiu-Pippidi (2006) argues that such policies misses the hart of the problem which according to her is the underlying political culture. It is a lack of an ethos of universalism and the dominance of what she labels particularism in the political culture that is the main problem for establishing “good governance” in countries like Romania. Another suggestion for such a basic norm has been presented by Douglas North, John Wallis and Barry Weingast (2009) in a recent book with the modest subtitle “A Conceptual Framework for Interpreting Recorded Human History”.

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They distinguish between societies with “open access orders” which they contrast to “limited access orders”. In the former, access to politics is open to everyone and the exercise of public policies and laws is based on an *impersonal* notion of public power. A third suggestion for how to describe this basic norm has been put forward by Rothstein & Teorell (2008), namely *impartiality* in the implementation of public policies. The differences between these three conceptualizations of “good governance” are in reality mostly terminological since they all point to the same basic norm for the relation between the government and its citizen. It may be that NPM style reforms can only work if they are layered upon a state that as its “modus operandi” a Weberian understanding (universalism, impersonality, impartiality) of “how the state should behave”.

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