Transforming Government

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Contents

Preface

Questions of control and regulation inside government have played a central role in the intellectual life of LSE's Centre for Analysis of Risk and Regulation (**carr**). As part of an annual workshop series, we have explored core themes relating to questions of oversight of distinct government functions, the changing character of economic regulation, questions of transitions between old and new executives, as well as the regulation of ethics in political life.

This discussion paper reflects on a workshop held in May 2025 on 'transforming government'. Speakers included Roland Koch (Frankfurt School of Finance & Management), Mitchell Weiss (Harvard Business School), Daniel Werfel (former Commissioner of the Inland Revenue Service), Richard Mottram (LSE) and Helen Margetts (Oxford Internet Institute and LSE's Data Science Institute). The collection of papers that follows reflects on these contributions and the workshop discussions. **carr** research associate (and LSE MSc Regulation alumni) Charles Borden and his colleague Robert Rizzi (both with Holland & Knight) have been tireless supporters of this workshop series and made it into one of the annual **carr** flagship events.

In 2025, we celebrate the 25th anniversary of the establishment of **carr**. Debates about 'Transforming Government' have not only been central to **carr**'s intellectual trajectory, it also represents a core interest of one of **carr's** founders, Christopher Hood. Christopher has actively participated in these annual workshops over the years, and we eagerly anticipated his contributions this year. Regrettably, Christopher passed away in January 2025. The workshop and this discussion paper serve as a testament to his profound contribution to **carr,** and we were particularly honoured to welcome Gillian Hood to the workshop.

Martin Lodge
July 2025

Transforming government

Martin Lodge

It is an ordinary day in the early summer of 2025. The driver's licence has been lost in the post. The local building control department remains unresponsive to calls and emails. Parking permit-related emails have been inadvertently diverted into the spam filter, resulting in substantial fines. Simple doctor appointments are unavailable for the next three months. The news is filled with reports of garbage accumulation due to industrial disputes,[1] prolonged waiting times in hospitals,[2] and sewage discharges by financially distressed water companies.[3] Some universities are exploring redundancy programmes as their financial projections have turned sour,[4] while schools are looking down the barrel of financial distress given unfunded central government commitments and declining birth rates.[5]

Just a summary of a frustrated and alienated middle-aged white male academic based in the UK? Across the G7 world and beyond, concerns with government 'delivery' abound, whether such concerns relate to potholes in streets or the state and future of core services, such as health, education, energy and water. In the UK, this dissatisfaction has led to a range of responses. In her July 2025 Mansion House speech, Rachel Reeves, Chancellor of the Exchequer, blamed regulators for being 'a boot on the neck of businesses, chocking off the enterprise and innovation that is the lifeblood of economic growth'.[6] Sam Freedman, for example, suggested that the UK has become a 'failed state' (Freedman 2024). The centre-left think tank, the Institute for Public Policy Research, noted the need for a reconsideration in the relationship between states and markets in view of a diagnosed decline in trust in market-

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[1] 'Bin strike during heatwave gives city "the ick"', BBC, 21 June 2025
<https://www.bbc.co.uk/news/articles/cdxlyl1yx3no> Accessed 25 June 2025.
[2] 'Treatment wait times up despite extra NHS funding, BBC, 19 June 2025
<https://www.bbc.co.uk/news/articles/c8xveyx0wdeo> Accessed 25 June 2025.
[3] 'Thames Water data reveals raw sewage discharges in rivers rose 50% in 2024', *Guardian,* 18 March 2025
<https://www.theguardian.com/business/2025/mar/18/thames-water-data-reveals-raw-sewage-discharges-rivers-2024> Accessed 25 June 2025.
[4] 'How universities were sent over the edge', *Prospect Magazine*, May 2025
<https://www.prospectmagazine.co.uk/politics/policy/education/universities/69644/how-universities-were-sent-over-the-edge> Accessed 25 June 2025.
[5] 'Rising costs force "difficult choices' on schools', BBC, 8 January 2025
<https://www.bbc.co.uk/news/articles/cy09e7w6jleo> Accessed 25 June 2025.
[6] 'Reeves says rules and red tape are "boot on the neck" of business' *The Guardian*, 15 July 2025.
<https://www.theguardian.com/politics/2025/jul/15/rachel-reeves-rules-red-tape-boot-on-neck-innovation-mansion-house> Accessed 21 July 2025.

based solutions (IPPR 2025).[7] Other think tanks call for greater ministerial and political capacity to ensure a responsive civil service (Policy Exchange 2021).

In the United States, much heat was exerted over Klein and Thompson's *Abundance* that was seen by some as a manifesto for a revived centre-left, while others criticised the book's supposedly pro-market and 'anti-regulation' agenda (Klein and Thompson 2025). At the same time, much attention was paid to the 'chainsaw' cutback approach towards public sector organisations by the Trump administration's so-called Department of Government Efficiency. In the German context, a high-level group engaged in developing a 'capable state' started out its considerations by noting that Germany lacked defensive capabilities, suffered from a decrepit infrastructure, unaffordable energy, and delayed digitalisation, while its multi-level federalist arrangements were prone to gridlock (Initiative 2025: 12).

None of these frustrations and criticisms are necessarily novel. This academic remembers the frustrations of the 1970s, whether this relates to long waiting times for phone connections, high day-time phone tariffs, long hours spent in overcrowded doctor's waiting rooms, post offices and banks. Then, and now, there was a concern with the failure of constitutional systems in 'delivering' sound economic policies and effective 'delivery'; indeed, the academic literature was concerned with questions of overload (King 1975), 'crises of the state' (Offe 1972; Lodge 2013) and policy styles that merely adjusted to overcrowded policy spaces ('policy succession') (Hogwood and Peters 1982). In the UK, in particular, there has been a longstanding tradition in diagnosing 'blunders', whether it relates to the electoral system (Finer 1975) or central government decision-making (King and Crewe 2013; Jennings at al 2018). Similarly, debates in Germany have focused on decision-making traps generated by federal decision-making rules and limited problem-solving capacities inside highly siloed bureaucracies (Mayntz and Scharpf 1975, Scharpf 1988). Equally, even though today's headlines might feature dismissive comments about [an] 'anonymous, low-level loser in the

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[7] In particular, it questioned 'How should the state be reformed to provide the services and insurance everyone needs, without breaking the bank?' (p. 44).

intelligence community'[8], blaming 'disgruntled civil servants' has been a standing feature in the past decades.[9]

While debates in the mid-2020s may draw weary commentary on previous eras of discontent with the machinery of government, they nevertheless raise several critical questions. Firstly, in the current climate of (concern with) populism, democratic backsliding and depleted financial resources, what form of machinery is being advocated? Are we witnessing one of those 'pendulum swings' identified by Albert Hirschman in the context of public goods provision (in his case, the pendulum oscillated between individualism and collectivism) (Hirschman 1982)? Secondly, amidst the growing interest and concern surrounding artificial intelligence ('AI', especially large language models, LLM), to what extent are the emerging AI technologies impacting on the potential ways in which governments might organise themselves?

Three decades ago, 'how to organise' the machinery of government debates would have ended up in discussions of 'New Public Management' and at least one reference to 'steering, not rowing'. It is less evident whether such a reference point exists in the present era. Consequently, discussing debates about 'transforming government' invites not only a reflection on the fate of the kind of doctrines advocated three decades ago, but also on contemporary concepts about the machinery of government.

'Reinventing government'

The term New Public Management (NPM) was coined by Christopher Hood and Michael Jackson in the late 1980s to summarise the various reforms that were taking place in Australia, New Zealand and the United Kingdom in particular (for classical reference, see Hood 1991; Aucoin 1990). At a broad level, the NPM label captured a range of initiatives that sought a greater similarity between public and private sector ('making government more business-like') and allowing for greater discretion ('letting managers manage'). More specifically, Hood (1990) identified a range of core aspects that signalled these broad shifts,

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[8] The comment was used to dismiss the suggestion that the US strikes on Iranian nuclear fatalities did not have the effect as initially suggested by US President Trump ('completely and totally obliterated'); 'US strikes does not destroy Iran nuclear programme, says intelligence assessment', BBC, 24 June 2025 <https://www.bbc.co.uk/news/articles/ckglxwp5x03o> Accessed 25 June 2025.
[9] It was also immortalised in the 'Thick of It' satire on the politics of the Blair/Brown years, <https://thethickofit.gifglobe.com/scene/?frame=S01E01-hTY21tOh> Accessed 30 June 2025.

these included 'government unbundling' (especially in terms of separating out government tasks, such as policy and 'execution'), an emphasis on formalised, contractualised and marketised relationships, a shift from input to output and outcome controls, the setting of explicit performance targets, and a move towards a more visible and hands-on type leadership style (Hood 1994: 130). One central contribution was Al Gore's National Performance Review to create a 'government that works better & costs less' (National Performance Review 1993).[10] Related key reference texts included Osborne and Gaebler's *Reinventing Government* (Osborne and Gaebler 1993).

Styles of NPM varied right from the early days of the 1990s (Hood 1995). Christopher Pollitt, for example, noted shifts between a highly centralised early approach and a more customer-focused, managerialist approach in the UK (as evidenced by the Financial Management Initiative and the subsequent Next Steps agenda, including also ideas such as citizens' charters) (Pollitt 1993). Christopher Hood diagnosed intellectual tensions across the doctrines associated with NPM and highlighted national variations (Hood 1990). For example, administrative reforms three decades ago were shaped by an emphasis on centralised 'control' (by reliance on principal-agent models) and delegated 'discretion' (by reference to more managerialist ideas). Apart from the New Zealand Treasury's late 1980s blueprint based on transaction-cost economics (Treasury 1987), a flagship of NPM thinking was, as noted, associated with the Commission led by Al Gore on 'Reinventing Government' (National Performance Review 1993). In sum, therefore, regardless of national varieties and inherent intellectual tensions, there was some form of agreement about dominant ideas regarding the machinery of government three decades ago.

Three decades or so later, considerable debate exists as to whether national machineries of government are 'fit for purpose' in terms of dysfunctional performance and limited legitimacy. Despite criticisms of hyper-centralisation, a sense of 'nobody in charge' is said to prevail. Political and societal expectations are said to lead to prescriptive and complex systems of rules (rather than 'principles') that overload regulatory agencies and regulated entities at the same time.

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[10] <https://govinfo.library.unt.edu/npr/whoweare/history2.html> Accessed 30 June 2025.

New (largely academic) labels have made their appearance. These include 'post-NPM' to signal a great emphasis on collaboration and 'thickened' rules as a response to an earlier generation's emphasis on organisational unbundling and discretion (Lodge and Gill 2011). Others have declared an age of 'public value governance' to suggest that NPM's emphasis on efficiency and the 'bottom line' has given way to a wider 'public value' collaborative emphasis (using Mark Moore's 1995 volume *Creating Public Value* as reference point) (Moore 1995; O'Flynn 2021). Again, others noted that technological change had led to a phase of 'digital era governance' that replaced many of the shortcomings of NPM (Dunleavy et al. 2006, in fact, declare NPM as 'dead'). Each one of these labels pointed to some of the diagnosed dysfunctional consequences of NPM and the reactive ways in which various states sought to respond to such effects. But none of them 'stuck' in the way as the NPM label.

Evaluations of three decades of NPM have been rare. In their work on the United Kingdom, Christopher Hood and Ruth Dixon (2015) identified difficulties in obtaining data for a straightforward analysis. However, they did not establish definitive evidence that government 'cost less' or 'did better'. Elsewhere, monuments to NPM persist, such as the rhetorical preference for output and outcome targets (see also Goldfinch and Halligan 2024). In other areas, there have been significant adjustments. For instance, executive agencies initially established to escape close oversight by ministerial departments have witnessed a considerable 'retightening' of their oversight arrangements. In New Zealand, central initiatives such as performance-related pay were abandoned in 2018, only to be reconsidered subsequently.[11]

Are these merely indications of a shifting broader 'habitat'? Over three decades ago, Christopher Hood identified that the transition towards NPM constituted one of five major trends which included internationalisation, privatisation, expenditure reduction, and automation. None of these trends have lost their relevance – however, we can also note important qualitative change. Internationalisation has undoubtedly persisted, albeit with a shift away from multilateral market liberalisation towards a concern with geopolitical security. In a related context, privatisation has experienced some partial reversals, whether it

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[11] Chris Hipkins, 21 August 2018 <https://www.beehive.govt.nz/release/performance-pay-chief-executives-ended#:~:text=Performance pay for public service,exceptional performance> Accessed 30 June 2025; Anna Whyte, *Post,* 17 June 2014 <https://www.thepost.co.nz/politics/350312882/performance-pay-modest-pay-rise-public-servic> Accessed 30 June 2025.

was due to financial insolvency, poor performance and 'profitable' business engineering for shareholders at the expense of actual consumers. Expenditure containment has returned to the forefront since the financial crisis ushered in an 'age of austerity'. Furthermore, the financial aftermath of the Covid-19 pandemic has further strained state budgets. Lastly, automation may have undergone a significant qualitative transformation with the advent of large language models and the unprecedented data processing capacity that was unimaginable to users of MS DOS 5.0 over three decades ago.

What next?

The contemporary landscape is therefore characterised by a plethora of partially conflicting, partially overlapping concerns. Calls for greater responsiveness of bureaucracies to political direction have been met with concerns of politicisation. Criticism of the coordination problems arising from fragmented government agencies in view of 'wicked issues' are met by concerns about the presumed lack of focus of 'mega-departments'. The marketisation of public services has been met by criticism regarding the ownership models of such models, the lack of investment in resilience, and the limited responsiveness to actual users. Civil servants are seen as 'too conformist' with calls for more 'weirdos' to encourage 'out of the box thinking' by both left and right.[12] Even if one was to find common ground on the problem definition, it is less straightforward to identify a strain of dominant doctrines that might resemble a dominant set of ideas. Instead, one finds a variety of strains.

One perspective could be subsumed under the overarching *Abundance* agenda. Although Klein and Thompson exhibit limited interest in the intricacies of the machinery of government, their interest is largely on the dysfunctional effects of regulation on the supply of public goods, such as affordable housing. In general, *Abundance* builds on previous attempts to balance state-market relationships by emphasising the significance of outcome oriented 'public good' delivery, reduced regulatory constraints and the need to take on entrenched interests. In numerous ways, it constitutes a continuation of the 'from red tape to results' diagnoses that can be found in Osborne and Gaebler's *Reinventing Government* of 1993.

In contrast, while *Abundance* might be considered an incremental 'one more (managerialist) heave' type of change, a strategy emphasising 'missions' can be seen as a more significant

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[12] 'Labour minister echoes Cummings with call to shake up civil service', *Financial Times,* 9 December 2004 <https://www.ft.com/content/d8e8bcf4-8d71-4445-907e-96c99fcb54b4> Accessed 30 June 2025.

departure from the NPM approach. Although 'missions' have initially been associated with the broader innovation-systems approach championed by Mariana Mazzucato (2021), this notion has inevitably attracted a diversity of 'how to' doctrines. One such theme is the longstanding concept of committing consistent time and effort to specific political priorities, thereby indicating that certain ideas will receive support while others may not (especially in times of tight budgetary resources).

Industrial strategies that prioritise specific industrial sectors over others could be considered an example of such a mission-based approach. Beyond signalling long-term commitment beyond short political attention spans, advocating 'missions' aims to overcome the perceived turf-conscious and fragmented nature of policymaking. This issue was at the core of Fritz Scharpf's seminal analysis of the German federal bureaucracy in the early 1970s (Mayntz and Scharpf 1975). In response, structures were advocated that transcend lowest common denominator negotiations across government departments by incorporating cross-cutting initiatives. Aiming at the same problem, the early 2000s witnessed the emergence of joint targets across ministerial departments in the United Kingdom. Contemporary mission advocacy highlight that the 'state' is supposed to play an 'orchestrating' role. However, 'missions' and their emphasis on state-driven innovation can also bear a close resemblance to close ministerial involvement. How any country can dedicate resources to missions whilst not neglecting other core functions – and dealing with a highly volatile international political environment – remains a fundamental challenge.

A third variant is an emphasis on the potential of technology to change the machinery of government. In particular, the interest here is how the world of LLM and algorithms might impact on the design of the machinery of government. Three decades ago, Christopher Hood suggested that NPM might reflect the changing technological habitat towards automation (Hood 1994). Just as Weber's model of bureaucracy was said to reflect 'maximum efficiency', NPM-related reforms were said to reflect the way in which contemporary technology offered the most efficient method of organising, such as eliminating typing pools and paper-based filing systems. Taken this argument further, 'algorithmic government' might therefore offer a distinct version of a future machinery of government based on the processing power of data-rich large language models and other AI tools (see Dunleavy and Margetts 2025). The consequences for the machinery of government are less clearcut, apart from raising concerning issues such as the reliance on private technology providers and questions

of data ownership and security. Furthermore, a world based on 'predictive technologies' clashes with the political and bureaucratic world that seeks 'fairness'. A predictive 'trial and error' approach towards welfare payments might appear attractive at some level, but might feel less attractive if one was on the receiving end of an error and where systems might not be 'fast-learning' and 'explainable'. For another, it may raise fascinating questions as to the interplay between human and technological decisions; with the possibility that 'machines' might appear in privileged positions on organisational charts. Furthermore, the era of algorithms seems particularly attractive for those believing in tighter centralisation – which flies in the face of the criticisms that contemporary government is over-centralised.

More generally, therefore, any debate about a future of a machinery of government may do well to reflect more carefully on core aspects rather than focus on labels alone. To take such an agenda further, a number of questions need to be addressed:

- *What kind of shared understandings exist (if any) that inform contemporary debates about the machinery of government?* As noted, 'reinventing government' was about the blending of private sector characteristics with the unique setting of the public sector ('steering, not rowing'). However, is the contemporary debate characterised by a reversal in that states are supposed to 'steer and row', leading to 'de-fragmentation'?

- *What kind of public organisations are said to be 'fit for purpose' for addressing contemporary policy issues?* Three decades ago, the emphasis on state fragmentation led to the rise of delivery-focused 'executive agencies' and control-oriented 'regulatory agencies'. What kind of agencies are seen as critical for the contemporary age?

- *What kind of personnel should populate the machinery of government?* In view of calls for 'more weirdos' in the civil service, what are themes inform a view of a 'public service bargain' of the future, in terms of the kind of expectations that politicians and the political systems have regarding rewards, competence and loyalty understandings?

- *What role should a machinery of 'non-state governance' play as a substitute or complement to existing state capacities?* Three decades or so, one of the key drivers for state reform reflected ideas of 'core competencies', namely that the 'state' should

outsource or privatise all those activities that were not central to its 'core'. Nowadays, providers of public services have become central political actors in their own right, with considerable debate about the extent to which services should be 'in-housed' or 'outsourced'. Separately, considerable debate exists as to the robustness of private and para-public governance schemes seeking to address regulatory issues.

One more time, without feeling?

If the current attempts at addressing the machinery of government are characterised by a diversity of doctrines, then this might reflect an understanding that broad recipes are not applicable for the complexities of executive government and that issue-specific approaches might be more appropriate. However, even if that was the case, then the current age is lacking an explicit statement endorsing such an approach.

More generally, the challenge for any machinery of government reform is to cope with a resource-poor world. On the one hand, failing to acknowledge the lack of resources will only lead to the creation of fantasy visions of machinery of government changes that inevitably will be plagued by delay and failure due to lack of feasibility. On the other hand, a resource-poor world where the risk of 'punishment' is not combined with any possibility of material or immaterial reward is also likely to encourage distortion effects due to negativity bias.

Public administration as an organised field of study emerged in the British and US contexts after the First World War in response to existential concerns about the problem-solving capacities of the state given rising class conflict, demobilisation, and perceived threats to the constitutional order. Subsequent administrative reform eras have taken place in the background of their own existential threats. The contemporary world is characterised by its own fair share of existential problems; it is therefore not surprising that much of contemporary problem diagnosis is expressed in 'do or die' terms. Discussing the machinery of government is central to addressing these problems; debating 'what the state does' is as central to enhancing legitimacy as is the 'how the state does it'.

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Transforming government – a never ending challenge

Roland Koch

When examining the development of New Public Management over the past three decades, its greatest achievement is undoubtedly the transformation of the traditional, authority-centred state administration into a structure more focused on task delegation and performance. Privatisation has been an important and necessary evolution – it is difficult to imagine where we would stand today in sectors such as telecommunications and postal services had they remained under direct state control. The principle of 'steering rather than rowing' was not misguided.

Nevertheless, we now face a governmental apparatus that has become dysfunctional. It is overwhelmed by the multitude of tasks it is required to perform, and, as a result, has lost legitimacy in the eyes of its citizens. An unintended consequence of delegating and privatising former state responsibilities has been the proliferation of increasingly detailed regulation. Policymakers not only set the overall direction, but also sought to regulate every stroke of the oar, so to speak. This gave rise to a new form of overload for the state: while it no longer provided services directly, ever more granular regulation and associated reporting obligations placed increasing burdens on both regulators and those subject to regulation.

In this new phase of NPM, the question is not whether to renationalise certain responsibilities, but rather whether the state should relinquish even more control. This applies not only to privatised sectors of the economy, but also to other highly regulated fields, such as the financial industry.

The dysfunctionality of the administrative apparatus lies not only in its tendency to overregulate in excessive detail. Its weakness also stems from its inability to keep pace with modern methods of management and communication. A contributing factor has been the persistent underestimation of the value of data for process steering, compounded by a rigid data protection framework that has stifled the ambition to achieve rapid and effective digital transformation. With the advent of new possibilities in the application of artificial intelligence, this deficiency becomes all the more consequential. Where insufficient

digitalisation was once merely a matter of convenience, it is increasingly becoming a question of administrative competence.

The global effort to swiftly improve the effectiveness and legitimacy of public administration has led to the emergence of the concept of 'mission-oriented' governance. There can be little doubt that major challenges such as infrastructure development or enhancing resilience to the consequences of climate change require mission thinking – both as a means of mobilising public support and as a basis for purpose-driven administrative structures. However, it would be a mistake to transform the entirety of public administration into a mission-driven entity. Such an approach could in fact harm the legitimacy of the state.

At its core, public administration must ensure stability, continuity, adherence to the law, and reliability. These are not easily achieved under normal circumstances and become all the more demanding – and essential – in times of escalating crises and unpredictable developments. Recruiting and retaining the right individuals for such responsibilities is one of the fundamental challenges in this respect.

Only when this stable core – underpinned by clear hierarchies, optimal data usage, and efficient resource management – proves sufficiently capable can the state embark on further mission-driven tasks. These can be pursued through agile structures and personnel with highly specialised qualifications, potentially engaged on a temporary basis. Success in this second tier of governance can, in turn, foster additional legitimacy and public recognition.

Two major challenges will define the next stage in effective state administration. Firstly, the changing nature of data usage demands a reassessment of both individual data protection and the effective utilisation of data to ensure a seamless and service-oriented public sector. Secondly, new forms of communication and the widespread availability of data are increasingly encouraging centralisation. Yet this centralisation risks creating the same kind of overload and erosion of legitimacy as overregulation does today. Striking a balance that is both effective and legitimacy-enhancing is thus a central task for the future.

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Is government broken, actually?

Danny Werfel

After the latest US presidential election, political consultants doing a postmortem on the results believe a new political reality has been cemented – candidates for public office fare better when they centre their message on how government is failing voters, rather than serving them. Even for the incumbent party, a smarter campaign strategy is apparently to avoid the urge to enlighten voters on government advances and instead keep the messaging laser focused on where the government is persistently falling short.

I begin with this political reality because it aligns neatly with the hypothesis underpinning this symposium that the various government management reform initiatives over the past three decades – such as new public management, delivery units, reinventing government, innovation labs – have fallen short of their original promise.

Thus, whether discussing political strategies for winning over voters, or substantively assessing whether government operations are effectively evolving to meet 21st century demands, a common starting point seems to be with governments' failures vs. its successes.

I am not in any way a political expert. So I will leave the best approaches for how to engage voters to others. But, I have spent multiple decades in my career focused on initiatives to reform public sector management. And to help answer questions on why efforts have fallen short, I believe it is best to first understand when, how, and why governments succeed.

During my journey in and around government, I have found one particularly compelling common denominator for many public sector successes – crisis. A crisis helps hone an organisation's objectives and priorities; drives leaders to actively (vs. passively) engage to ensure priorities are met, and creates a permission structure for the rest of the organisation to pursue creative rather standard approaches to increase delivery speed.

Through my own experience serving in leadership roles in the White House budget office, I have seen the control and treatment group aspects of this by, for example, tracking the implementation of a new law enacted in regular order vs. a new law enacted in response to a

crisis. Regular order means a multi-month process to seek public comment on implementation rules, a multi-month process to compete contracts for vendor support, and weeks or months to resolve competing opinions across government on legal, policy, and operational considerations. Throughout it, the President and relevant Cabinet Secretaries are disengaged, as is the media who dropped the story after the signing ceremony celebrating the new law.

A law enacted to respond to a crisis, conversely, involves accelerated and innovative models to obtain and incorporate public input, streamlined contracting that better balances the tension between speed and preserving fair competition, and governance models that surface policy or management disagreements for resolution within hours of being surfaced. In these cases, I have witnessed the President lead routine meetings himself on implementation, placing direct accountability for results on the Cabinet Secretary. I have then witnessed these Cabinet Secretaries engage to rapidly move resources and talent, remove barriers, break longstanding silos, all to ensure success. Of course, not all efforts can be driven in crisis mode. In a scarce resource environment, choices need to be made between areas that require ambitious and speedier transformation vs. efforts that can and should settle into slower and steady progress.

However, the disciplines that arise during crisis can offer a roadmap for the new public management of the future – clarity of objectives, engaged leaders that are redirecting talent and resources to priorities, re-imagining the traditional processes – public comment, procurement, dispute resolution – to balance fidelity with speed.

Ultimately, a crisis reshuffles the way public sector entities perceive risk. The risk that drives behaviour during a crisis is failure to launch, not adherence to minutia, loss of jurisdiction, or getting a 'traffic ticket' from oversight entities. And with this shift, governments find success. Whether the central unlock to success revolves around rethinking risk or not, the architects of the public management solutions of the future should remember to dissect success in addition to dissecting failure.

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Productive government

Leighton Andrews

Towards the end of his time as US President in 2016, Barack Obama told a technology conference 'government will never run the way Silicon Valley runs because, by definition, democracy is messy … and part of government's job, by the way, is dealing with problems that nobody else wants to deal with.' Now that the noise around Elon Musk's DOGE has subsided a little, it's probably worth reminding ourselves of some of the rest of that speech:

> … sometimes we get, I think, in the scientific community, the tech community, the entrepreneurial community, the sense of we just have to blow up the system, or create this parallel society and culture because government is inherently wrecked. No, it's not inherently wrecked; it's just government has to care for, for example, veterans who come home. That's not on your balance sheet, that's on our collective balance sheet, because we have a sacred duty to take care of those veterans. And that's hard and it's messy, and we're building up legacy systems that we can't just blow up.[13]

In that speech you see playing out two of the key tensions about government that we have seen in recent decades: that government as it exists is slow, inflexible, subject to organisational sclerosis and inevitable empire-building at the expense of delivery; and against that, the cool fast-moving culture of Silicon Valley start-ups geared to building anew, starting small but scaling fast, avoiding unnecessary bureaucratic functions that don't add value, and iterating constantly on the back of citizen or customer feedback. Amazon delivers tomorrow or even possibly today; meanwhile I'm on a long waiting list for NHS treatment.

This is a constant challenge for governments, and particularly for the parties that seek to run them: if you campaign in poetry but have to govern in prose, how do you renew and refresh when at the same time you need to ensure that pensions get paid, student loans go out, and taxes are collected? How do you reconcile thinking about the future while ensuring the system

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[13] White House, 13 October 2016 <https://obamawhitehouse.archives.gov/the-press-office/2016/10/13/remarks-president-opening-remarks-and-panel-discussion-white-house> Accessed 2 July 2025.

delivers? How do you aspire to Mitch Weiss' Possibility Government while ensuring that Actually-Existing Government still works?[14]

It's not a new problem, and it's a challenge that governments have been seeking to tackle for decades, whether creating new-style agencies, setting targets for public services, creating new units to focus on specific objectives of policy, delivery or implementation, innovation or long-term risks and opportunities. Digital re-structuring of citizen-facing services has re-imagined those services from the beginning in some cases (the Government Digital Service and the Driver and Vehicle Licensing Agency were particular success stories at one point; 'test and learn' was the mantra for the introduction of Universal Credit; and the Treasury even promised to focus on creating public value as well as short-term budgeting.

But even after all these innovations, the populists demand more and citizens appear open to their promises: not necessarily because they sign up to every aspect of the populists' demands, but because their experience tells them at a deep level that things are not working as they should. They know that what Geoff Mulgan calls the 'plumbing' of government matters, and that it's broken in so many ways.[15]

They may be cynical about quick fixes, but if the potholes in your road are simply growing bigger, the promise of direct action against those to blame highlighted in TikTok and Facebook videos will unquestionably gain traction.

There's an episode of the brilliant US drama *The Wire* where Baltimore police officer Major Bunny Colvin tries to impress a community meeting with the statistics on crime clear-up rates but realises this amounts to little when older community members are scared of leaving their homes because of drug-dealing on their doorsteps. Colvin takes action, creating – against departmental policy – a space in abandoned streets where drug dealers won't get prosecuted. Drug dealing moves there, and residents in other streets are happy. Then a journalist turns up and writes about the experiment. Colvin's bosses are outraged that he has legalised drug dealing without permission, he gets demoted and fired. It's a public value failure in process terms as Colvin has not sought authorisation. The box-tickers win.

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[14] <https://www.wethepossibility.com/>
[15] <https://geoffmulgan.substack.com/p/in-praise-of-plumbing>

I can't find much academic literature on the political economy of box-ticking and its opportunity costs, but one practical thing which the DOGE experiment could force us to address is the question of *productive* government. Elon Musk famously asked employees what they had achieved this week. What we might examine is what parts of government are doing ultimately unproductive things, and why. In 2015 I took a paper to the Welsh Government Cabinet called *Increasing Performance through Reducing Complexity*.[16]

The paper had been drafted by a brilliant young civil servant, and in it she reviewed the various frameworks which the Welsh Government had in place. She noted: how 'we start with ambitions for Wales and policy proposals to achieve them which rely on action by local authorities. Past experience of local authority service or corporate failings, however, means we don't always have confidence in them to deliver. **So we step in.**

> Create new processes and mechanisms to specify what we want to see
> … and how to do it …
> …. and how to measure it …
> … and use money to leverage the activity we want to see …
> … and add in some reporting to let us know how things are going …
> … and then check for ourselves on an ad hoc basis, as well as through audit, inspection
> > & regulation …

The result: 'Local authorities become wrapped up in 'compliance mode', less focused on the outcome and more on ensuring they have done what we have specified. So we try and be more specific about what we want, and ask local authorities to have regard to more things that are important to us …which drives more compliance, less ownership and squeezes the space for anyone to lead or to innovate.'

This applied not only to local government relationships with local government, but also with other delivery partners. Her review found more than 50 performance frameworks in the Welsh Government, with over a thousand indicators, ranging from frameworks with fewer than 10 to more than 300. The process of legislation often didn't help, as ministers were pressured to

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[16] The National Archives, Welsh Government, Minutes of a meeting of the Cabinet, 22 June 2015 <https://webarchive.nationalarchives.gov.uk/ukgwa/20170617221057/http://gov.wales/about/cabinet/meetings/previous-administration/58154436/?lang=en>

accept more and more requirements on delivery partners. I suspect similar stories could be told in other governments.

Were all these requirements imposed by the centre, and the compliance or audit culture they built examples of productive or unproductive government? You tell me. Decades after New Public Management was identified, we are haunted by its processes, and tend to add compliance demands on top of already existing demands on delivery partners in health, education and local government instead of freeing them and resourcing them to deliver, or even reviewing the inherited demands previous governments imposed on them.

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Transforming government – a view from Whitehall

Richard Mottram

The UK government has the ambitious goal to 'rewire' central government, both to drive policy development and delivery on a 'mission' basis, and to improve efficiency by exploiting Artificial Intelligence (AI) in particular.

In Whitehall-speak the 'machinery of government' is a term of art about the allocation of responsibilities between Ministers, which is the Prime Minister's prerogative. These top-level structures are, of course, important, as I know from having worked in two departments that were the product of beneficial mergers, Defence and Work and Pensions. Inevitably too, political and media debate over government tends to focus on options for reshuffling top-level responsibilities and people. But central government lacks an in-depth focus on, and expertise in, organisational design as opposed to portfolio shuffling, not just in Whitehall but reflecting the diversity of civil service functions.

The issues government handles involve complex interactions with other delivery agents and a successful basis for these interactions goes well beyond 'machinery' that comprise central structures and processes.

This takes us back to debates in the 1990s when 'Reinventing Government' was a hot topic and the New Public Management (NPM) faced the twin criticism that it had inimical effects and that it was too narrowly focused. Government was not just about top-down driven change in how services were delivered; it was equally about governance through networks and tackling problems of 'joining up'. As a participant in these debates, I had no difficulty with this latter perspective – clearly government operates in more than one dimension and needs policy formulation and delivery methods matched to different challenges.

While Ministers are increasingly focused on issues of public service delivery, at the same time our political class generally lacks any direct experience of what is involved in running organisations of any significant scale or complexity. But Ministers and their political advisers lack confidence that top-level officials and other public servants have the leadership and

managerial skills and the drive to take on this responsibility. There are fundamental issues of mutual trust and competence that need to be tackled.

A second overarching issue might be a mismatch between political timelines, influenced by the headline-grabbing benefits of new initiatives and the need for Ministers quickly to make a mark, and the time required to design and embed successful change, including in organisational structures and their processes and culture. In my experience success also depends upon a coherent message, which is understandable by those it is targeted at, and is heard and repeated many times before moving on the message. Again, this approach may not sit happily with rapidly turning over Ministers and officials keen to make their personal mark.

The breadth of the agenda for change can also be an issue. The civil service is said to be risk-averse, but fearing being seen as obstructive, can be willing to attempt to change too many things at once. One of the benefits of bringing non–executive directors with substantial private-sector experience onto Departmental Boards is that they can offer expert advice on what level of change is achievable over what timescale with an acceptable level of risk – if Ministers and officials are prepared to listen. This contribution may be relevant to the looming challenge of realising business benefits from integrating AI into government processes, where there is considerable uncertainty over delivery paths, costs and benefits across the whole economy not just government.

Some other elements of good and bad practice have been recurrent themes in discussions on public service reform across different administrations – the following are just examples of a much wider agenda.

Firstly, there have been some efforts in public expenditure planning to link together more coherently outcomes sought, outputs and inputs including money, though it is striking – if unsurprising – how often political commitments at elections revert to pledges about inputs which then drive resource allocation. Similarly, too often problems to be tackled and performance standards are framed in terms of producer issues and second-order measurements. As an illustration, the present government's health 'mission' is framed in terms of 'Build an NHS fit for the future' with a milestone of ''Ending hospital backlogs',

rather than in terms of healthy lives (though to be fair the plan does have a 'reform shift' from 'sickness to prevention').[17]

Secondly, Ministers rightly want to inject and draw on private sector best practice in addressing organisational structures and processes. But their understanding of how successful companies operate can be drawn more from ideology than from direct experience. Important lessons are ignored, for example, about how successful companies organise staff recruitment and development, and nurture and deploy their top talent. In contrast the Civil Service, for example, now fills all its posts by individual competitions and suffers for this and other reasons (around pay and promotion systems) from excessively frequent staff movement, exacerbating the problem that Ministers themselves move jobs too often. These problems are well known but Ministers and officials appear incapable of fixing them.

Thirdly, if transformation is in mind, it is unclear what positive incentives are envisaged to encourage staff to embrace change. Successive administrations have instead resorted to public expressions of frustration about alleged entrenched opposition. (In the latest example, Keir Starmer bizarrely suggested 'too many people in Whitehall are comfortable in the tepid bath of managed decline.'[18]) Denunciation is a curious way to build motivation and morale.

Lastly, on a more positive note, there are good models to hand for organising improved performance management within organisations (so called 'Deliverology'). But the task of organising effective delivery that crosses organisational boundaries and links different organisational cultures will be a big test for mission-based government.

Looking back to my own involvement in public service reform there were important links in sharing new ideas and best practice internationally in which the UK was then in the van and constructive, if sometimes helpfully critical, involvement of the academic community. I would hope that these links continue to be fostered. Reconciling political dynamics and the efficient and effective delivery of the range of a government's responsibilities is a fascinating intellectual and organisational challenge.

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[17] Prime Minister's Office, 'Build an NHS fit for the future', <https://www.gov.uk/missions/nhs> Accessed 30 June 2025.
[18] 'Many civil servants want change, Starmer insists', BBC, 6 December 2024 <https://www.bbc.co.uk/news/articles/cx27nzwqg1qo> Accessed 30 June 2025.

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