
In A Government That Worked Better And Cost Less?: Evaluating Three Decades of Reform and Change in UK Central Government, Christopher Hood and Ruth Dixon offer a new study of the impact of ‘New Public Management’, introduced in the UK during the administration of Margaret Thatcher. Suggesting that Hood and Dixon present a valuable assessment of a theory that has long needed evaluation, Tom Thatcher argues that this book is required reading for researchers of New Public Management and the administrative reforms it introduced.


The need to reduce public sector spending has been a recurrent theme in British politics in recent times. Yet thirty years of
administrative innovation have produced little evidence of cost savings or service improvement. That is the conclusion of *A Government That Worked Better And Cost Less?*, Christopher Hood and Ruth Dixon’s fascinating new study into the impact in Britain of ‘New Public Management’, a set of bureaucratic modifications designed to apply cutting-edge management techniques to public service delivery.

Such a finding is unlikely to come as a surprise to public policy analysts, most of whom are well-versed in the limits of administrative innovation. It may, however, provide some relief to exasperated bureaucrats who have endured thirty years of near-constant reform of working conditions thanks to New Public Management theory. Introduced in Britain during the administration of Margaret Thatcher, the concept has dominated public life in the country since the early 1980s, playing to popular (and populist) tropes regarding the inefficiencies of public sector services compared with privately-administered counterparts. Controversial reforms such as targets, the creation of executive agencies, privatisation and outsourcing all owe something to New Public Management theory.

Until now, however, there has been limited effort amongst social scientists to examine the impact of the theory on service quality. Still fewer efforts have been made to ascertain whether such reforms have actually saved the Exchequer any money. As Hood and Dixon note, this is in part due to incomplete and distorted data, although hubris on the part of political scientists has played a part. It is often far easier to bemoan bad data, for example, than to conduct studies with the information available.
This reality makes Hood and Dixon’s effort to definitively measure the savings (or, indeed, the cost) and impact of New Public Management all the more remarkable. The study uses a wealth of different techniques to achieve its aim, drawing quantitative data from Civil Service Wage Bills, judicial reviews of administrative process and tax collection information in addition to interviews and comparative analysis, with the authors carefully moving between the range of datasets available to present a comprehensive and coherent analysis.

The results are both enlightening and frustrating; New Public Management does not appear to have delivered real terms costs savings to the public purse despite its extensive application in the UK. This could, however, be simply the result of the changing nature of public administration during that time. Examination of this latter phenomenon alone presents a fascinating evaluation of the modern history of governance. One anecdote from the book describes an office established during the early part of the digital era that recorded every piece of IT hardware held by central government: archaic by today’s standards perhaps, but an improvement on the time when there were only two computers in Whitehall (another mark of how far government has come since New Public Management theories became popular).

Perhaps less quaint has been the growth of ‘spin’ during the New Public Management era, euphemistically termed ‘information management’ by Hood and Dixon. Whether this has occurred as a result of New Public Management innovations or is simply due...
to technological and media advances is a moot point; its impact has been to fundamentally change the way government provides information to citizens. The consequences for the measurement of the cost are mixed; consecutive governments have made it impossible to perform straightforward cost analyses of individual reforms, whilst also providing greater volumes of data. Such a development itself raises interesting questions about the role of the contemporary civil service: is it the job of bureaucrats to act merely as publishers of data, for example, or should they represent the position of the government of the day?

The authors can neither answer such questions, nor do they attempt to do so. Rather, they present the record of New Public Management in startlingly sober terms, inviting readers to draw their own conclusions about whether advocates’ historical claims about a permanently leaner and more efficient state are accurate. Such an approach does not detract from the study’s usefulness; instead, it adds to it by clearly setting the terms of the debate. This is particularly true when the contemporary relevance of New Public Management is considered at the conclusion of the book. As the authors note, the language of the programme might have changed since the late 1970s, but its application remains evident across government in the UK. The difference, of course, is that reform has since been so widespread that ‘government’ is no longer a cohesive entity to be re-modelled; instead, sector-specific innovations are now in train. Marketisation in the NHS and free schools may not have been amongst the changes originally envisaged by advocates, yet they are clearly underpinned by the classic New Public Management approach of ‘competitive bureaucracy’.

*A Government That Worked Better And Cost Less?* should be required reading for students of New Public Management. It provides a model of the often frustrating empirical outcomes which result from great theoretical promise. Yet it also serves as a call to arms for a discipline which has been remiss in quantifying the financial impact of the very public policy reforms it purports to analyse. It should not, after all, take thirty years to ascertain the cost of a new administrative programme.
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