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**Max Weber and the bureaucratic organization: a perpetual challenging concept**

*(This paper was prepared for a conference 2020 in Hangzhou: 100<sup>th</sup> anniversary of Weber's death. The paper was not presented, because the conference was cancelled<sup>1</sup>)*

**1. Max Weber and his time: a social scientist and his historical and contemporary observations.**

*This introductory part describes Weber as an open observer of many segments of societal development. This is one reason for his role as an important social scientist – still today: there are many links to various research interests. The issue of rationalization of modern societies as propelling force will be used as one important example for the following analysis.*

*It is not the aim of this paper to give an overview of the complete biography and academic work of Max Weber (1864-1920). However, it is insufficient to just concentrate on one subject area of his work – especially, if the recent resonance to his publications should be included. This resonance relates to the broad spectrum of his work: it offers many references to various topics of an emerging social science/sociology in the context of turbulent societal developments. These developments have somehow also been reflected in his (academic) career. Following the summary of Kaesler (2003) and thereby concentrating on topics (not on academic and other positions/roles/achievements) six fields of work can be identified:*

- \* Studies of the legal development in economic and social history of the ancient world and the middle ages*
- \* Empirical studies of economic and societal developments in the WILHELMISCHES KAISERREICH – as an appointment by the “Verein für Sozialpolitik”*
- \* Methodological concepts for the foundation of a socio-historical research – approach*
- \* Studies within the sociology of religion*
- \* Collecting sociological studies with reference to the relationship of economic and societal development*
- \* Contributions to political journalism*

*Whereas the publication of “collected papers” concerning a specific research area was partially the initiative of others (like his wife Marianne), his involvement in many scientific, journalistic and political debates has led to a continuous reception of various topics and propositions even today. One of the reasons is the combination of macro and micro fields of analysis – like the societal rationalization process, the development of economy (capitalism) and the functional differentiation of labour (organizations). Another reason is his concern with methodological approaches to (social) sciences: This can be subsumed under the concern for scientific “laws” on one side and observations of cultural developments on the other side. The first model of science was*

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<sup>1</sup> This situation has led me to the enlargement of the original draft of my conference presentation – by including more detailed text from two earlier presentations/publications. This is possible, because the topic is an element of scientific and public debate even today. The 2020-text is presented in cursive letters and restricts the references to those parts of the text, which are directly taken from specific publications. An overview of the literature is given in the two text enhancements and in Grunow (1982).

*searching for “objective”, generalized knowledge (laws) of enduring phenomena; the other model was much more influenced by the subjective observation of (historical) developments by the scientists and their personal value propositions.*

*This offers insights into interdependencies, which are of increasing interest, but allows also for references towards a broad spectrum of special analytical and empirical issues. With other words: there is a multitude of communications related to Weber’s work – without strict coherence and with variable valuations. This is the reason why so many modern scientists refer to Weber’s work in their publications – quite different from the resonances during his lifetime.*

## **2. The emergence of complex (bureaucratic) organizations as (necessary) parts of societal rationalization (reduction of complexity).**

*The persistence of multiple references to the Weberian concept of “bureaucracy” is a good example of the broad list of Weber’s scientific interests and contributions. The background for this topic is the emergence of rationalization processes in ever growing (modern) societies. Without such a development – especially concerning the production of goods – a (future) survival of the population would not have been possible. The historical review of the premises of such a development leads Weber to the observations of differences in the global/international context. This implies a closer look at specific segments of society: politics, public administration, economy and religion. The fast developments – especially in the occident - has lead to a strong thesis about the interdependence between the capitalistic goals, procedures and achievements on one side and the religious/protestant ethics on the other side: “work hard to follow divine directives”. This notion refers to the relationship between individuals (the population) and societal arrangements.*

*An instructive overview of some of these interests and scientific contributions of Weber is given by Anter (2014) – in his book on “Max Weber’s theory of the Modern State”. This object of observation and analysis is a central component of the process of societal modernization by developing and using new forms of technology. Functional efficiency includes control technology: many advances are being made in the economy/industry. This leads Weber to a continuous observation/comparison of both sectors: state institutions and factories. This inclusion of the factory and its “lifeless machines”, has led Weber to an ambivalent valuation of this “indispensable” development (rationalization): the “other side” – the organic and irrational aspects of humans is either being driven out of the machinery, or it could/would become a part of the machine. This is seen as a danger also for the context of the modern state and its function of organizing public affairs: f. e. losses of individuality and freedom. In the following decades of discussions the term “Janus-Head” (of public service and control) was often used for the ambivalent status and role of the modern state. And – more specific – this ambivalence can be discussed with reference to*

- Monopoly in the use of force*
- Legitimacy*
- Law (development and application)*
- Bureaucracy (organizational format)*
- including the value collisions between authority and freedom, personality and life orders, individualism and reason of the state (and others).*

*In generalized terms, the necessary approach towards the modern state has – in the conceptions of Weber – to include multidisciplinary analyses of multi-level and multi-sector components of society. The meaning and relevance of this perspective will be analysed with a special focus on Weber's concept of bureaucracy - and the continuous debates until today. This well founded approach leads also to some complications: as the focus on "the" bureaucratic organization should also include references to the micro- and the macro-analysis of modern societies, it somehow blurs the definition/meaning of the term "bureaucracy". This will be shown in the follow up of the scientific research and praxeology after Weber.*

## **2.1 The Weberian concept of bureaucracy**

*With the focus on the public sector ("state") the constitutive elements of the bureaucratic organization will be described and commentated<sup>2</sup>.*

*The concept of bureaucracy is an important, well-known element of Weber's conceptualization of the emergence of modern society. Its broad application is enabled by the notion of an "ideal type". Thereby, it is defined as a generalized organizational component/prerequisite of the overall rationalization process. In the following we will refer to this abstract construct and its application to the public sector (modern state) – leaving other areas/examples of bureaucracy more or less aside – like economy, religion, science etc. In the context of the public sector it focussed on the emergence of the "legal rule" – in contrast to "charismatic" or "traditional/royal" rule. This context indicates, however, that the focus on bureaucracy is not restricted to the level of (state-, administrative) organizations – but also on individuals and the societal context. As we shall see in the following analysis, this has furnished many quite different aspects/concepts/empirical indicators of "bureaucracy". Bureaucratic organizations are part of legal rule/government and by this have to integrate/coordinate/control the staff members and legitimate actions with regard to the general population. Rule making and its application is an important prerequisite for the acceptance of the restrictions which might be included. This is the reason, why there are many necessary components defined for the bureaucratic administrative organization; the "short list" includes:*

- division of labour in a more or less detailed and complicated way;*
- hierarchical chain of authority and control with more or less hierarchical levels and a larger or smaller span of control;*
- formalization and standardization of organizational processes with varying intensity;*
- documentation (files) about organizational decisions;*
- impersonal forms of interaction between staff members in more or less contexts of work situations;*
- formal qualifications of staff members as prerequisite for membership and advancement in the organization;*
- rational discipline governing the behaviour of the staff members by accepting the commands from above without criticism;*

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<sup>2</sup> This description is based on a summary in Grunow (2007)

- contracts for a long time or even for the whole life span (tenure positions), but at the same time separation of the staff from the ownership of the technical infrastructure of the organization.

*The long version: The following text from Max Weber's „Wirtschaft und Gesellschaft“ describes the basic architecture of public administration and the task-based relationship with society in the context of legal government.*

„§ 3. Die legale Herrschaft beruht auf der Geltung der folgenden untereinander zusammenhängenden Vorstellungen:

1. daß beliebiges Recht durch Paktierung oder Oktroyierung rational, zweckrational, wertrational orientiert (oder: beides), g e s a t z t werden könne mit Anspruch auf Nachachtung mindestens durch die Genossen des Verbandes, regelmäßig aber auch: durch Personen, die innerhalb des Machtbereichs des Verbandes (bei Gebietsverbänden: des Gebiets) in bestimmte von der Verbandsordnung für relevant erklärte soziale Beziehungen geraten oder sozial handeln,

2. daß jedes Recht seinem Wesen nach ein Kosmos abstrakter, normalerweise: absichtsvoll gesetzter R e g e l n sei, die Rechtspflege die Anwendung dieser Regeln auf den Einzelfall, die Verwaltung die rationale Pflege von, durch Verbandsordnungen vorgesehenen, Interessen, innerhalb der Schranken von Rechtsregeln, und: nach allgemein angebbaren Prinzipien, welche Billigung oder mindestens keine Mißbilligung in den Verbandsordnungen finden;

3. daß also der typische legale Herr: der "Vorgesetzte", indem er anordnet und mithin befiehlt, seinerseits der unpersönlichen Ordnung gehorcht, an welcher er seine Anordnungen orientiert, - Dies gilt auch für denjenigen legalen Herrn, der n i c h t "Beamter" ist, z. B. einen gewählten Staatspräsidenten.

4. daß - wie man dies meist ausdrückt - der Gehorchende nur als G e n o s s e n nur "dem Recht" gehorcht. Als Vereinsgenosse, Gemeindegenosse, Kirchenmitglied, im Staat: Bürger.

5. gilt in Gemäßheit von Nr. 3 die Vorstellung, daß die Verbandsgenossen, indem sie dem Herrn gehorchen, nicht seiner Person, sondern jenen unpersönlichen Ordnungen gehorchen und daher zum Gehorsam nur innerhalb der ihm durch diese zugewiesene rational abgegrenzte sachliche Zuständigkeit verpflichtet sind.

Die Grundkategorien der rationalen Herrschaft sind also

1. ein kontinuierlicher regelgebundener Betrieb von Amtsgeschäften, innerhalb:

2. einer Kompetenz (Zuständigkeit), welche bedeutet:

a) einen kraft Leistungsverteilung sachlich abgegrenzten Bereich von Leistungspflichten, -

b) mit Zuordnung der etwa dafür erforderlichen Befehlsgewalten und

c) mit fester Abgrenzung der eventuell zulässigen Zwangsmittel und der Voraussetzungen ihrer Anwendung. Ein derart geordneter Betrieb soll "Behörde" heißen.“ (Weber 1924: 125)

*The structure of rule-setting is been developed in the political process (discourse) and will be acquired by the civil servants which are following the normative orders as all state-representatives do. In the following list Weber defines the structure of the public administration, the distribution of tasks (responsibilities) the principles of law enforcement as well as the limits of legal government:*

„3. das Prinzip der A m t s h i e r a r c h i e , d.h. die Ordnung fester Kontroll- und Aufsichtsbehörden für jede Behörde mit dem Recht der Berufung oder Beschwerde von den Nachgeordneten an die Vorgesetzten. (...).

4. Die "Regeln" nach denen verfahren wird, können

a) technische Regeln

b) Normen sein.

Für deren Anwendung ist in beiden Fällen, zur vollen Rationalität, F a c h s c h u l u n g nötig. Normalerweise ist also zur Teilnahme am Verwaltungsstab eines Verbandes nur der nachweislich erfolgreich Fachgeschulte qualifiziert und darf nur ein solcher als B e a m t e r angestellt werden. "Beamte" bilden den typischen Verwaltungsstab rationaler Verbände, seien dies politische, hierokratische, wirtschaftliche (insbesondere: kapitalistische) oder sonstige.

5. Es gilt (im Rationalitätsfall) das Prinzip der vollen Trennung des Verwaltungsstabs von den Verwaltungs- und Beschaffungsmitteln. Die Beamten, Angestellten, Arbeiter des Verwaltungsstabs sind nicht im Eigenbesitz der sachlichen Verwaltungs- und Beschaffungsmittel, sondern erhalten diese in Natural- oder Geldform geliefert und sind rechnungspflichtig. (....)

6. Es fehlt im vollen Rationalitätsfall jede Appropriation der Amtsstelle an den Inhaber. Wo ein "Recht" am "Amt" konstituiert ist (wie z.B. bei Richtern und neuerdings zunehmenden Teilen der Beamten selbst der Arbeiterschaft), dient sie normalerweise nicht dem Zweck einer Appropriation an den Beamten, sondern der Sicherung der rein sachlichen ("unabhängigen"), nur normgebundenen Arbeit in seinem Amt.

7. Es gilt das Prinzip der A k t e n m ä ß i g k e i t der Verwaltung, auch da, wo mündliche Erörterung tatsächlich Regel oder geradezu Vorschrift ist: mindestens die Vorerörterungen und Anträge und die abschließenden Entscheidungen, Verfügungen und Anordnungen aller Art sind s c h r i f t l i c h fixiert. Akten und kontinuierlicher Betrieb durch Beamte zusammen ergeben: das B u r e a u, als den Kernpunkt jeden modernen Verwaltungshandelns.

8. Die legale Herrschaft kann sehr verschiedene Formen annehmen, von denen später gesondert zu reden ist. Im Folgenden wird zunächst absichtlich nur die am meisten rein h e r r s c h a f t l i c h e Struktur des Verwaltungsstabes: des "Beamtentums", der "Bureaukratie", idealtypisch analysiert.“ (Weber 1924: 125f.)

*The rules defined in pt. 5 and 6 indicate the differences between Weber's „ideal type“ and the earlier features of the administrative units. In the period of absolutism the public official had to provide the resources: this restricted the access to a position in public administration. P 8 describes the bureaucratic organization as one (but not the only) format of public administration: the term “bureaucracy” is not set equal to public administration.*

*With the next pt. Weber describes the public official as the basic element of the administrative unit:*

„§ 4. Der reinste Typus der legalen Herrschaft ist diejenige mittels b u r e a u k r a t i s c h e n V e r w a l t u n g s s t a b s. Nur der Leiter des Verbandes besitzt seine Herrenstellung entweder kraft Appropriation oder kraft einer Wahl oder Nachfolgerdesignation. Aber auch seine Herrenbefugnisse sind legale "Kompetenzen".

Die Gesamtheit des Verwaltungsstabes besteht im reinsten Typus aus E i n z e l b e a m t e n (Monokratie, im Gegensatz zur "Kollegialität", von der später zu reden ist), welche

1. persönlich frei nur s a c h l i c h e n Amtspflichten gehorchen
2. in fester A m t s h i e r a r c h i e ,
3. mit festen A m t s k o m p e t e n z e n ,
4. kraft Kontrakts, also (prinzipiell) auf Grund freier Auslese nach
5. F a c h q u a l i f i k a t i o n - im rationalsten Fall: durch Prüfung ermittelter, durch Diplom beglaubigter Fachqualifikation - a n g e s t e l l t (nicht gewählt) sind, -
6. entgolten sind mit festen Gehältern in G e l d , meist mit Pensionsberechtigung, unter Umständen allerdings (besonders in Privatbetrieben) kündbar auch von seiten ihres Herrn, stets aber kündbar von seiten des Beamten; dies Gehalt ist abgestuft primär nach dem hierarchischen Rang, daneben nach der Verantwortlichkeit der Stellung im übrigen nach dem Prinzip der "Standesgemäßheit" (Kap. IV),
7. ihr Amt als einzigen oder Haupt- B e r u f behandeln,
8. eine Laufbahn: "Aufrücken" je nach Amtsalter oder Leistungen oder beides abhängig vom Urteil der Vorgesetzten, vor sich sehen,
9. in völliger "Trennung von den Verwaltungsmitteln" und ohne Appropriation der Amtsstelle arbeiten,
10. einer strengen einheitlichen A m t s d i z i p l i n und Kontrolle unterliegend.

Diese Ordnung ist im Prinzip in erwerbswirtschaftlichen oder karitativen oder beliebigen anderen private, ideelle oder materielle Zwecke verfolgenden Betrieben und in politischen oder hierokratischen Verbänden, gleich anwendbar und auch historisch (in mehr oder minder starker Annäherung an den reinen Typus) nachweisbar.“ (Weber 1924: 126f.)

*With the last elements of analysis the performance (effectiveness and efficiency) of the bureaucratic organization in terms of rule implementation is becoming a key focus. This turn toward performance observation/evaluation is putting the “ideal type” somehow on an empirical performance check. This was the beginning of a long lasting (methodological) discussion about the relationship between the “ideal type” and its relationship to empirical approaches and results.*

*A rather moderate line of agreement was found by including important factors of the model as variables in the empirical research strategies – without claiming this as a test about the soundness of Weber’s model. However, the varying levels of correlative relationships between bureaucratic elements has been used for showing the variations in “real” organizations of public administration. One persistent (intervening) factor was the level of professionalization of staff members and the degree of uniformity of internal (rule-based) decision-making. One long-term consequence of these findings was the development of organization-typologies, in which the bureaucratic organization was only one of many types (f.e Mayntz 1964; Mintzberg 1991).*

*These tests of correlative coherences between the bureaucratic features have also made the effects of the organizational context ever more visible: the individual (as staff member and clientele) and the society (as macro context – legal state system). Thereby, the latter was observed as a hardly comprehensible reference - as a context with steadily increasing complexity and contingency. This has questioned the idea of a universal rationality of the bureaucratic state architecture. The observation of various interdependencies has not only questioned the functioning of bureaucratic architectures but also the intended or not intended effects on their environments. With other words: the appearance of the bureaucratic (administrative) organization was not the only source or consequence/effect of bureaucratization (rationalization) in the modern (western industrialized) society. Therefore, bureaucratization has ever more often been analysed as a multi-level process: the role of individuals (individual bureaucratization), the role of other (esp. business) organizations (the inter-organizational bureaucratization), the role of other segments of society (civil society, science, democratic politics etc.: societal bureaucratization).*

*Following Weber’s concern with the possible negative development of bureaucratization (“iron cage” vs. legal based democracy), the discussion about bureaucratization also leads to the question of the possibility of its control/restriction: De-bureaucratization on all levels?*

## **2.2 Beyond the bureaucratic organization as an “ideal type” : the observation of multi-level bureaucratization and its critics**

*The following text is taken from an earlier conference-presentation<sup>3</sup>. It summarizes the observations of societal developments by following Weber's research questions.*

### **A. From bureaucratization to de-bureaucratization**

#### **A1. The theoretical and empirical research field**

During the last decades, bureaucratization and its critics has become a political and a public issue in West Germany as well as in other OECD countries. Many supporting forces and reinforcing factors are necessary to promote "the career" of such an issue which in terms of a criticism of bureaucracy is as old as public administration itself (for a historical analysis, see Jacoby 1973). These forces are related to the disappointment of the public in view of the outcomes of large-scale planning in the seventies; to the fiscal crisis that has arisen especially in the context of welfare provision; to unemployment and negative "growth" in the economy; to the shift of a large majority of voters towards conservative political parties, and so forth. The "career" which the de-bureaucratization issue has made in the public debate is also due to the diffuse and manifold usage of the basic term "bureaucracy". The greater the number of groups and institutions of society which are engaged in the debate on this issue, the greater the number of connotations it will carry and the greater the diversity of practical aims underlying the respective arguments. This tendency very often leads to an overestimation of the existing forces toward change, because the attention which the public issue receives is due to controversial and even self-defeating positions based on a common denominator. In West Germany, we can observe four basic modes of public debate relating to de-bureaucratization (Grunow 1982, 65ff.):

a) Single aspects of administrative activity (not only of public administration but also of private enterprise) which can be concretely experienced, as an object of the criticism of bureaucracy: In this context, any single partial phenomenon of public and private administrations may be the object of criticism; with particular frequency, citizens' experiences with the administrative personnel are made the subject of discussion, that is the direct contact between administration and the citizen meets with criticism; likewise frequently, the location of agencies, opening hours, administrative procedures, the forms used, and the like, are subject to criticism.

b) Administrative systems, organizational and inter-organizational structures as an object of the criticism of bureaucracy: In this context, the administrative structure as a whole, that is the macro-organization (in terms of the horizontal and vertical levels of government), federalism, and the principle of departmentalization is made the object of critical considerations.

c) Prerequisites and the framework of administrative action:

If state activity is conceived in this context primarily as the operation and task fulfilment of public administration, its prerequisites and its framework are to be found in the political subsystem, but also in other subsystems of society. The most important point of

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<sup>3</sup> The following text is based on a conference contribution for the OECD (Grunow 1985).

discussion in this respect relates to the problems arising from the ever growing body of legislation which has led to a continuous increase of regulations in various societal domains; this development is furthermore complemented by jurisdiction which still added to the trend towards all-encompassing regulation. Moreover, in this context, the problems of the financial basis of state activity have also to be taken into consideration; for instance, the problem relating to the costs of administration and to the provision of the necessary financial (budgetary) means.

d) State activity in general as an object of the criticism of bureaucracy: The actual debate on public bureaucracy, the costs of administration and the welfare state quite in general - increasingly - ends up with the question as to how much state activity is necessary and desirable. The prevailing tenor of criticism consists in charging the state (both administration and politics) with having assumed too many tasks. The critical arguments advanced differ depending on the global area of state functions which is discussed in the respective case:

on the one hand, the measures of the regulative administration (e.g. police, tax administration, etc.) are being criticized; on the other hand, social security benefits and transfer payments are subject to criticism; still other criticisms mainly relate to the planning and control functions which the state has assumed in various areas (in particular in the economy, in environmental protection. etc.)

As public debates are intensively influenced by scientific conceptualizations and by empirical research (in the respective field) it is not surprising that we find very different meanings of the term "bureaucracy" in scientific analyses. In his thorough analysis, Albrow (1970) specifies the following conceptions:

- bureaucracy as rational organization-
- bureaucracy as organizational inefficiency
- bureaucracy as rule by officials
- bureaucracy as public administration
- bureaucracy as administration by officials
- bureaucracy as the organization
- bureaucracy as modern society.

There are two conclusions to be drawn from this review of concepts of bureaucracy: ( 1) The term is used to specify certain characteristics of different "objects" of analysis - for example, the behaviour of civil servants, the structural arrangements within an organization, the society as a whole. From this I conclude that "bureaucracy" is a phenomenon that can be observed on different levels of sociological analysis. (2) The term is used in the context of very different conceptual and methodological orientations: (a) the technical and formal rationality of bureaucratic rule and authority; (b) the general relationship of bureaucratic authority and democracy and individual freedom; (c) the discussion of the historic-evolutionary necessity of bureaucratization in industrialized societies. Especially this last perspective and other concepts \_which emphasize that bureaucratization is a historical process and not a phenomenon of modern organizations are of interest for our further argument. The theoretical and practical relevance of a debate on de-bureaucratization is not only a question of how we understand "bureaucracy" but much more a question of whether we understand the process of bureaucratization (and its "promoting forces") at all. It is our contention that it is only



possible to make relevant contributions to the de-bureaucratization debate if the process of bureaucratization can be adequately explained.

## **A2. Toward a Multi-Level Analysis of Bureaucratization**

Following the above arguments, we will first have to develop a systematic concept of bureaucratization processes (for further details, see Grunow 1982). When looking for contributions to the subject, we find little relevant studies, most concepts being based on specific normative assumptions, lacking empirical proof and having only little explanatory power. Furthermore, the complex "bureaucratic phenomenon" (Crozier 1964) tends to be simplified and reduced in an extreme way:

- Saint-Simon and his late followers see bureaucratization as a desirable (!) aspect of technological development; state authority assumes the character of technocracy.
- Elias describes bureaucratization as an undesirable (!) aspect of monopolization of expertise and power - on the way toward expertocracy.
- Marx and his late followers/interpreters describe bureaucratization as a transitory phase of state authority (which is a necessary counterpart to capitalist industrialization and production) which can be overcome in socialist and communist societies (or by using special modes of reduction of power differences in society).
- Weber describes bureaucratization as the development of technically efficient bodies of administration and as the emergence of a legal and rational form of state authority; his value judgements about this twofold process are ambivalent: on the one hand, the technical efficiency is an important prerequisite for the problem-solution in society (especially in the combination with industrialization and the capitalistic mode of production); on the other hand, the emerging administrative bodies are as well "dangerous" tools for the empowerment of the state (as possible factors of power and authority for their own sake - which may out-rule economic and political forces). Thus Weber was anxious to emphasize the importance of democratic-political control of bureaucracy to prevent a continuous loss of self-determination and freedom of the citizen as a consequence of the bureaucratization of society.
- Parsons and Luhmann describe bureaucratization in the context of the increasing complexity and (functional) division of labour in modern society which necessitates hierarchical control of compliance to rules and regulations.

It is quite clear that all of these conceptualizations and connotations of the process of bureaucratization have some interesting arguments and questions to contribute to the discussion. But it is also obvious that each of them can be criticized for many reasons (see Schluchter 1972, 1980 for such a discussion). For me the lack of empirical evidence seems to be the most important aspect which limits the applicability of these concepts beyond a purely heuristic use. To summarize the substantial problems of bureaucratization-analysis, pragmatically three questions can be raised:

- (1) Can we prove that there is an increase in administrative bodies of a bureaucratic-rational type?
- (2) Can we prove that there is an expansion of the public sector?
- (3) Can we prove that there is an increasing state empowerment and, a broadening of authority relationships vis-a-vis the citizens and the society at large? And if so: what are the causes, the symptoms and the consequences of such developments?

As can be shown easily, these three main connotations of bureaucratization are neither identical nor can they be substituted. If this short diagnosis of the "state of the art" in

bureaucratization-analysis is basically correct, some conclusions for our further argumentation can be drawn. On behalf of a less simplified conceptualization of the process of bureaucratization and in order to make as much use of empirical evidence as possible (available), we accentuate the short-term perspective (in historical dimensions) of the last 50 through 100 years. We cannot separate relevant connotations of bureaucratization (i.e. the development of bureaucratic organizations; the expansion of the public sector; the empowerment of the state by expertise and technical efficiency). Thus we will have to use a concept which includes most of these connotations. And, in addition, we will have to consider the fact that bureaucratic phenomena can be observed on different levels of sociological analysis (as on the individual, organizational and societal level, etc.). These are the basic prerequisites for the following specification of the bureaucratization-process.

Concluding the arguments from above, bureaucratization can be defined as a process of expansion of a special form for solving the problems of a society. Although many historical epochs have had processes of bureaucratization (e.g. Egypt, the Roman Empire, etc.) , their relevance for societal development seems to have been smaller than the impact of bureaucratization on modern (western) societies. The main reasons for this are seen (Schluchter 1979, 9ff.) in the process of industrialization which enforced further centralization of state functions and an expansion of public responsibility for social security of the industrial work force. Independently of special theoretical perspectives (i.e. power elite concepts, pluralism concepts, STAMOKAP concepts), an increase of interdependence and even of structural similarity of politics and economy can be described for the last 100 years. In ancient regimes, the contradiction of political and economic conditions limited the expansion of bureaucratic forms of societal problem-solving. For the 20th century, Weber ascertained basic similarities between (capitalistic) modes of production and the "rational" form of bureaucratic authority of the state. Both spheres are very intensively based on expertise and technical-efficient functioning. Thus bureaucratization as a quantitative expansion of a mode of problem solving - which was typical of the public sector – did not have to be enforced against the economy but was rather developed in interaction with economic processes. Although there might have been more preoccupation with efficiency in the economy and with centralized (hierarchical) power acquisition in the public sector, we can find empirical examples also for the contrary (e.g. the technocratic perspective on state functioning; or the function of management for the acquisition of centralized power).

This - historically rather new - interdependence between the state and the private economy also has the effect that the phenomena of bureaucracy cannot be confined to the public sector - even if one argues on the level of organizational characteristics only. If bureaucratization in general (not just "bureaucratization of or within the public sector") is the object of analysis, we will have to differentiate between four types of bureaucratic phenomena:

	Public sector (non-profit)		non-public sector (profit)	
	Emphasis on authority functions	Emphasis on service functions	Emphasis on authority functions	emphasis on service functions
bureaucratic forms of problem solving	law enforcement by police	social benefits pay- ments	private bank, monopolistic corporation	hospital
non-bureaucratic forms of problem solving	participation in planning cell; enforced entry in mental hospital on the base of prof. expertise	ambulatory care for frail elderly	diagnosis and treat- ment monopoly of physicians	self-help groups; small, competitive business

Although a description of bureaucratic phenomena could be restricted to one of the four types (especially to the first one), the process of bureaucratization can only be understood by uncovering the interrelationships (especially the reinforcing ones) between different types. The multi-level analysis of bureaucratization has to render this possible.

### A2.1 Organizational bureaucratization

In almost all conceptualizations of bureaucracy and bureaucratization the organizational aspects play a major role. Ever more tasks on behalf of societal survival and development are fulfilled within organizational contexts. As Presthus (1979) remarks, we are living in an organizational society, and we are members of increasing numbers of different organizations (or secondary systems). Bureaucratization means two things in this context:

- a growing number of organizations adopt bureaucratic characteristics;
- the bureaucratic characteristics are intensified in each organization.

With the latter argument we follow the definition of the bureaucratic organization as a construct with many dimensions. These dimensions are seen as continua on which the empirically based assessments of organizations can be registered. We then can differentiate between organizations with varying degrees of bureaucratic characteristics - based on the scores within the following continua (according to WEBER's criteria):

- division of labour in a more or less detailed and complicated way;
- hierarchical chain of authority and control with more or less hierarchical levels and a larger or smaller span of control;
- formalization and standardization of organizational processes with varying intensity;
- documentation (files) about organizational decisions;
- impersonal forms of interaction between staff members in more or less contexts of work situations;

- formal qualifications of staff members as prerequisite for membership and advancement in the organization;
- rational discipline governing the behaviour of the staff members by accepting the commands from above without criticism;
- contracts for a long time or even for the whole life span (tenure positions), but at the same time separation of the staff from the ownership of the technical infrastructure of the organization.

Although different authors might accentuate only some of these dimensions for empirical analysis (cf. Hall 1963, 34f.), most of them agree on the general catalogue. Organizational bureaucratization now can be defined as a process of adoption of ever more bureaucratic characteristics in a more and more intensified way within organizations. Intuitively it is quite clear that we can observe a process of organizational bureaucratization during the last decades in western societies. But it is very difficult to prove such a process without doubt empirically. Only little is known about the long term development of public institutions with regard to bureaucratic measures: the increase of written instructions; the standardization of administrative processes - with the "help" of data processing technology - and the diversification and specialization of staff qualification are the most evident proofs of organizational bureaucratization. With regard to the structural arrangement of command and control, the centralization of decision making, and so forth, we have to refer to those studies (esp. those of the ASTON group) which show the bureaucratization effects of an increase of organizational size (in the sense of staff members). This does not allow a straight inference from the empirical fact that public institutions have been growing during the last decades because the growth was different in different areas of the public sector; it was especially high in organizations which accentuate the service functions (education, health, social services); the relationships between different dimensions of bureaucratic organizations are not unidirectional.

The growth of organizations during the last decades can only partially be accepted as a proof for the process of organizational bureaucratization. The same holds true for the age of an organization: it does not justify a certain inference in terms of bureaucratic characteristics, because newly built up organizations start with all relevant bureaucratic measures. Many of the data summarized by Gebert (see above) are collected outside the public sector. They indicate similar developments in state and in business organizations. It can be concluded that there is some relevant empirical evidence of the process of organizational bureaucratization - but not a maximization of all bureaucratic characteristics of organizations. As has been shown by many authors, the different measures of bureaucratic organizations cannot simultaneously be maximized. An attempt to do this with one or another leads to contra-productivity in others. For in the problem-solving capacity of the whole organization. These, then, are the topics for the "critics of bureaucracy".

## **A2.2 The process of interactional bureaucratization**

Although the arguments about organizational bureaucratization are widely shared, it is more than doubtful whether they give a tolerably exact or even a complete picture of bureaucratic organizations within and outside the public sector. These objections refer to

the abstraction of the categories used as to dominant methods of data collection (e.g. by asking only top managers about "their" organization). Thus, it should be asked whether bureaucratic structural principles of the organization govern interaction processes or decision-making procedures. As the importance of informal processes in organizations is known since the human-relations studies of the thirties, the question has to be answered as to how much the structural arrangements determine the observable processes of interaction and decision making. Is it adequate to speak of a process of interactional bureaucratization during the last decades?

Interactional bureaucratization is defined as intensifying the bureaucratic characteristics of interpersonal relationships and interactions, that is the introduction of impersonal, asymmetric, selective, and ritualized interaction patterns; The importance of this process becomes more visible if we recognize that it is not restricted to the interaction between members of the organization (either within or outside the public sector), but also relevant for interactions across the boundaries and outside of organizations. Whereas the first type of interactional bureaucratization might be expected as an implication of organizational growth and organizational bureaucratization, the other two types are much more noteworthy - although for all of them an empirical verification of the process is quite difficult. The relevance of interactional bureaucratization in the relationship between the administration and its public (cf. Grunow 1981) stems from the fact that it is related to the problem of state empowerment and the authoritarian function of the (public) organizations vis-a-vis the clientele or the society at large. In this context the citizen is just the bottom link in the chain of command and control. The process of interactional bureaucratization across the boundaries of organizations includes other "transfers" of internal procedures of bureaucratic organizations as well. One that is often criticized is the use of formulas and procedures which are adequate for electronic data processing but not for the definition of the situation by the clientele of public administration or private corporations. This has also a reinforcing influence on the decrease of personal responsibility and accountability of the staff in organizations.

Although it is possible to prove that there has been a general tendency of interactional bureaucratization, there is enough evidence (Grunow 1982, section 4.2.2.2) to make such a definition of the Situation plausible. Some circumstances which can be measured quantitatively, give additional support: the increase of contacts between citizens and large bureaucratic organizations (esp. in the public sector); the increase of people working in such organizations and being familiar with this form of interaction; the increasing usage of computer technology as the medium of interaction between organizations and their public and as a symbiotic mechanism for the exertion of bureaucratic and technocratic authority.

### **A2.3 Bureaucratization of personality**

The interactive control of the environment of bureaucratic organizations might even exceed the boundary transactions. If people are forced to interact according to bureaucratic features in so many situations of their everyday life, they might eventually use these features in "private" situations as well. Although this question has not been worked on empirically, results from other areas of research seem to support this expectation: the trend toward other-directedness; the authoritarian procedures of primary socialization; or the increase of "borderline patients" in psychiatry. These examples are obviously not indicating a transfer of specific interaction patterns from bureaucratic

organizations (especially of the public sector) into private everyday life, but a development of specific personality features or even types within the bureaucratic context which also influence interactions outside such organizations. It is a well-known fact that the members of an organization adapt themselves or are forced to comply with the bureaucratic structures and processes of their work environment. Different typologies of adaptation have been developed which show a diversity of orientations and dispositions and different degrees of bureaucratic features of personality: rule orientation, unconditional obedience, dogmatism, risk avoidance, need for security. If bureaucratization of personality is defined as a process of increasing those measures in the orientations and dispositions of the members in bureaucratic organizations, it is very difficult to deliver empirical evidence for it. Especially for Germany a comparison with the Nazi regime might show a reduction of bureaucratic personality characteristics. But it also could be expected that there is mainly a shift from obedience and dogmatism to an increasing risk avoidance, lack of responsibility and need for security taking place. Data which could help clarify this hypothesis are not available. But it might be more important to describe processes of the bureaucratization of personality outside the field of organizational or occupational socialization. It is well documented that bureaucratic organizations "attract" certain types of personality more often than others (for West Germany, see e.g. the study of Luhmann/Mayntz 1973). These processes of self-selection could be an indicator for the existing and probably increasing – proportion of bureaucratic personality structures in the population at large - even before they become members of bureaucratic work organizations. Again, there is no empirical evidence available which could prove an increase of intensity within bureaucratic features of personality in western societies during the past decades. There certainly are oscillations in the adherence to such personality traits. But, in general, it is not risky to say that one or another of the bureaucratic features of personality mentioned above is widely distributed among the population. If the distribution of bureaucratic orientations and dispositions in society is discussed, we have to interpret this as a societal phenomenon: a part of the cultural system (of norms and values). In this context I will use the term "collective bureaucratization - of society" to describe the expansion of such orientations among the members of society. It exceeds the field of public servants and other members of bureaucratic (work) organizations. Again we will have to ask for empirical evidence which allows us to speak of such a spread of orientations during the last decades. The data available show the opposite trend - or at least an ambivalent picture. Although the studies at hand do not deal with bureaucratic orientations in detail, the described changes in the value system seem (LEBENSZIELE 1981) to indicate a reduction of traditional work orientations and achievement ethics and an increasing' criticism of large-scale corporations and their alienation effects. This trend includes the growth of initiative groups and self-help movements which are anti-bureaucratic, anti-technocratic and anti-expertocratic in their orientation. Against this trend we observe the move of voters to conservative parties which advocate a restricted but more authoritarian state and public administration and a re-empowerment of private corporations vis-a-vis the employees (and their unions) and the consumer. Corresponding to this, we can find empirical evidence in the detailed studies of the relationship between public administration and its public, which can unmask many cross-national surveys as artefacts (e.g. Sinus 1978). Very often, the criticism of bureaucratic organizations in the public sector is not addressed against certain features, but advanced in favour of a more strict and authoritarian application of those bureaucratic measures.

Can bureaucratic orientations be found more often in the public at large than among members of bureaucratic organizations? Is a question of intergenerational differences or just a matter of the interest position of societal groups vis-a-vis the advocates of bureaucratic procedures and authority? As v.Mohl (1862/ 1962) noted quite clearly more than a hundred years ago, there are very similar surface reactions to bureaucratic organizations and bureaucratization - but they differ extremely in their motives and final goals. This should convince us to be cautious about the assertion of collective bureaucratization of modern societies during the last decades.

Much more common on this level of analysis is the description of processes of quantitative and qualitative expansion of bureaucratic organizations in the public sector as well as an expansion of this way of societal problem solving in other sectors (subsystems) of society (especially in the economic sector). With reference to the development within the economic sector, Presthus (1962, 84) describes this trend very clearly:

"This overview suggests the emergence of the bureaucratic model as the major organizational form in our society. Beginning about 1875, social, economic, and political trends in the U.S. prepared the way for the 'organizational society', characterized by large-scale bureaucratic institutions in virtually every social area. The master trends included the separation of ownership from management; increasing size and concentration in business, industry, and eleemosynary fields; the decline of competition as the financial resources required for entry in almost every sector became prohibitive; the development of a political economy; and the emergence of an employee society."

For the public sector, this expansion of bureaucratic forms of problem solving is often described with the following data: the expansion of the budget of the public sector; the increase in staff members of public institutions; the increase in the number of public institutions in almost all sectors of society (since 1930, about 350 new public institutions have been founded on the national level of administration in Germany!);

- the increase of laws and regulation in the sense that they now cover more different problem areas of society than before. Such indicators have to be interpreted with caution, because

- the expansion of the public sector in the way described is not automatically identical with an expansion of bureaucratic forms of public problem solving: forms of bargaining, participation

and competition can be applied in the public sector as well as in others;

- the expansion of the public sector does not exclude the possibility of an ever faster bureaucratization in other sectors in society (esp. in the economy);- the organized problem solving outside the public sector must not be less bureaucratic in nature than within the public sector.

But, still, by summing up most of the discussion, it can be argued that the quantitative increase of bureaucratic organizations as well within as outside the public sector and their influence on ever more aspects of people's lives and/or societal problem solving is one of the central features of societal bureaucratization. They are also the main objects of criticism of bureaucratization because they are important indicators for an increasing asymmetry of power and authority between bureaucratically organized decision making and the not equally organized public at large or population groups. If one analyzes such a macro-phenomenon, it is very difficult to distinguish between the degree of bureaucratization in the public sector and in other sectors. The similarity of large-scale

private corporations and large-scale public institutions and their interrelatedness makes it somewhat arbitrary to decide as to whether the public sector has the leading position or the private (economic) sector. Although there are different points of view from which this situation (pluralistic model; power elite; the state as idealistic capitalist; the STAMOKAP model, and others) can be interpreted and judged, the development toward a new corporatistic power structure as an ingredient of societal bureaucratization is evident.

#### **A2.4 Inter-organizational bureaucratization**

The increasing intensity of interconnections between bureaucratic organizations in all sectors of society adds a new quality to bureaucratization processes apart from the purely quantitative expansion. As Weber had foreseen (in principle), the similar development of bureaucratization and rationalization within the public sector and the economic system leads to inter-organizational bureaucratization and to a new quality of empowerment of corporate bureaucracy. In its final accumulation, it is the power to destroy the whole earth. For a more detailed analysis of inter-organizational bureaucratization, three different aspects have to be considered:

- the growth of networks of bureaucratic organizations – either by forcing network-members to bureaucratic standards or to select only bureaucratic organizations for the network expansion;
- the increasing intensity and complexity of relationships between organizations in the network thus leading to a multiplicity of dependencies;
- the bureaucratization of the relationships of exchange processes, co-ordination, co-operation, etc. between organizations as such.

The first two aspects are well-known trends as well in the public sector ("Politikverflechtung"; positive and negative co-ordination among public institutions) as in the private (esp. the economic) sector, with the latter showing very complicated international partner- and ownerships (trust-building or monopoly processes). In the same measure as the large-scale and complex interdependencies of problem structures (environmental protection as one of the most recent examples) become more evident, the idea that everything is (somehow) connected with everything becomes a practical problem of "networking". The third aspect of inter-organizational bureaucratization is not just a necessary result of the other two ones. There is no need to have bureaucratic relationships between two or more bureaucratic organizations; they could as well be in a situation of bargaining or of competition. Inter-organizational bureaucratization in this sense can be defined as a process by which the relationships (interaction, communication, exchange of goods, etc.) become standardized and formalized (to settle a contract by a hand-shake seems to be an anachronism within this context). The communication and control structures become hierarchical, the functional division of labour becomes more selective, the recruitment and placement principles are more and more dependent on formal qualifications and not on performance on the job, and so forth. The relationships between formerly independent organizations become bureaucratized. Inter organizational networks then are very similar to a mega-bureaucracy.

These processes are not only limited to one or another sector of society. Their remarkable effects lie in the relationships between organizations (from different sectors) with different structures and styles of problem solving. Bureaucratization of inter-organizational networks leads to a further standardization of organizational structures in society. Especially in the field of social policy, such trends can be observed (and are



empirically described) when voluntary organizations and private initiatives are forced to adapt to bureaucratic rules and regulations of public institutions (which provide for the necessary financial means). Quite often, they lose their specific problem-solving competence through such an adaptation.

### **A3. The interdependence of levels of bureaucratization**

It is a truism that arguments about bureaucracy always depend on the meaning one is willing to give to this term. But seldom enough the conclusion is drawn that the connotations chosen restrict scientific insight and the practical relevance of the analysis - if they are too selective or/and not followed consistently in the argumentation. Therefore we have emphasized that bureaucracy is not equal public sector or exertion of power or authority. In the same way, it would have been necessary to differentiate between types of bureaucratic organizations, types of sources of power and uses of authority and between various fields of tasks (problems) in the public sector. We see these aspects as sub-specifications of our analysis of bureaucratization processes. Only if one considers as many manifestations as possible, one might be able to understand or explain why this overall process of bureaucratization is still going on - in spite of the fact that it is subject to so many and continuous criticisms.

It is my conviction that the forces of bureaucratization can be quite comprehensively described as reinforcing effects within and between the different levels of manifestations of bureaucratic phenomena. In other words: bureaucratization will continuously expand quantitatively and qualitatively in society as long as these different manifestations have catalytic functions for each other. Bureaucratization processes will be slowing down if and when one manifestation of bureaucratization becomes a restriction for further expansion of other manifestations of bureaucratization. Well-known pathologies of bureaucratic organizations (cf. Crozier 1964; Türk 1976; Hood 1976) or often criticized forms of bureaucratism (red tape; ineffectiveness; complicated communication channels, etc.) are not necessarily examples of the restrictions mentioned above. They might still be a stage of the bureaucratization process which can be surpassed by later developments. However, there is not yet a coherent theory of bureaucratization which is complex and empirically sound to explain the developments during the last decades in western societies. But there are many relevant hypotheses of limited range which - in toto - give a plausible interpretation of the "forces" underlying the bureaucratization processes: both unforeseen and unwanted consequences of change processes and visible interest formations and their enforcement. At the moment, it is hardly possible to make any judgements about the relative significance of each of those ~'inciting" factors. But this is not a prerequisite for our following arguments.



the process of bureaucratization on different levels of analysis

Interactional bureaucratization	Person-related bureaucratization	Societal bureaucratization.	Interorganizat. bureaucratization
control; schematiza- tion, standardiza- tion; automation of interaction process	selection accord. to membership re- quirements; be- havior control	quantitative growth of bur. organiz. f. soc. task fulfillment	co-ordination and co-optation as an attempt to control the environment
ritualization of everyday interac- tion	group norms and culture of bureau as socia- lization agents	impersonality of of relationships as behavior norm; alienation	standardization of interaction in in- ternal and extern- al relationships
aversion to con- tact with people; avoidance of inse- curity and conflict	reduction of (cognitive) dis- sonance i.fav.of bur.dispositions	transfer of agen- cy's value orien- tation to prima- ry soc. sphere	interorganization- al incompetency and irresponsibi- lity
increasing interac- tions with org. re- presentatives; citi- zens adapt to bur. forms of interact.	prevalence of me- diocrity (medio- cracy); social approval of bur. person.patterns	trend towards ever greater per- fection of regu- lation; value change	dominance of or- ganiz. interests; adaptation pres- sure on non-bur. organized interes.

trends towards de-bureaucratization on different levels of analysis

	b) REDUCING				d) DEVELOPING ALTERNATIVES	
	professional bureaucracy	informal. a. situative bureaucracy	representat. and comrade bureaucracy	symbolic bureaucracy	citizens' initiatives, solid.org.	co-production and self-help
ed-						
d						
	x	x		x		
		x	x			
	x	x				
						x
			x			

#### **A4. Implications and Consequences of Bureaucratization analysis for the conceptualization of De-Bureaucratization**

It has been mentioned a few times that the bureaucratization process has always been accompanied by severe criticism. As the manifestations of this process are more widespread and intensified in society, the diversification of criticism and of the underlying motives and goals is self-evident and not surprising. Thus, it is not at all clear how the processes described have to be evaluated, repelled or justified. Different, if not antagonistic interests are at stake if one argues for further bureaucratization or for an attempt towards a de-bureaucratization. Sometimes bureaucratization (in the field of police law enforcement) and de-bureaucratization (in the field of planning for economic processes or environmental protection) are demanded at the same time. If we want to formulate this argument very strict, we could say that there is no "state of affairs" in the bureaucratization process that does not have its support and its proponent. No value judgement about bureaucracy is self-evident for all members of society - be it positive or negative. The purpose of the overview given in the preceding chart is - among other things - to contribute to our understanding why this is the case. With regard to de-bureaucratization this means that the mention of single counter-trends does not necessarily imply a remarkable impact on the overall process of bureaucratization. But, after all, there might exist self-restricting factors within all dimensions and on all levels of bureaucratization which have prevented until yet a degree of bureaucratization as it is described in anti-utopian fiction. To explore some of the basic aspects of de-bureaucratization, we follow the same basic conceptual tools (i.e. multi-level analysis) as above.

In view of the little impact which all criticisms of bureaucratization can secure, practical-political propositions will not serve as guidelines of our argumentation. Such propositions may very well be ignored because of the counter-powers which are present in our societies. The basic premise of our analysis, which is taking as a basis the chart 3, is the search for self-restricting and self-defeating factors (unintended or contra-productive consequences) of the process of bureaucratization.

a) Two mechanisms can be described as (immanently) limiting or restricting further bureaucratization:

- trends of quantitative and qualitative bureaucratization constitute non-linear processes; apart from the often alleged fact that in spite of the still ongoing process of bureaucratization obviously "not everything is totally bureaucratized until now" (Kamenka/Krygier, eds., 1979), there are many more specific indications of such limitations: the increase in rule making surpassing a specific degree leads to a decline in rule conformity; information overload, over-control and other characteristics of over-bureaucratization entail counterproductive effects; taken together, this can be seen as a self-restricting factor in the process of bureaucratization;

- notwithstanding the overall tendency toward reinforcement which is to be noted between the different levels and components of the bureaucratization process, we also can observe vicious circles and partial contradictions existing within bureaucratic organizations as has been emphasized by various scholars in this field. Crozier (1964, 194f.) gives the following comment:

"The Clerical Agency provided the perfect example of such a generalized vicious circle of close supervision, impersonal rules, and centralization. The frustrations of the different groups, which cannot discuss the decisions that will affect them and must submit to the

close supervision of their activities, build up so much that higher ups do not feel solid enough to face the problem, and the whole process of decision-making tends to move one rank higher.

If people who make decisions do not have to confront those who will be affected by these decisions, tensions are reduced; but frustrations go on, and so does the pressure for centralization. Of course, efforts to change the whole system, to open it up are possible; but such attempts would run counter to the general fear of dependence relationship~ that is a contingent cultural trait of great relevance for the understanding of the development of bureaucratic systems of organization. This fear, in turn is fed upon and reinforced by the frustrations emerging from the parallel power relationships that are likely to arise in such regulated organizations. The existence of those privileged relationships is the indirect consequence, as we have seen, of the development of impersonality and centralization; it tends to generate a very powerful secondary drive for more centralization and impersonality. By and large, the common underlying pattern of all the vicious circles that characterize bureaucratic systems is this: the rigidity of task definition, task arrangements and the human relations network results in a lack of communication with the environment and a lack of communication among the groups. The resulting difficulties, instead of imposing a readjustment of the model, are utilized by individuals and groups for improving their position in the power struggle within the organization. Thus a new pressure is generated for impersonality and centralization, the only solution to the problem of personal privileges”.

Another type of dilemma is typical of the public sector: it has to achieve many different formal goals (legality, economy, effectiveness, responsiveness) which cannot be clearly (i.e. hierarchically) ordered. This leads to the temporal adherence to one goal while the other ones are partially ignored (according to the respective public-political demands). Thus neither the formal goals of performance nor the different characteristics of internal functioning can be maximized simultaneously. The emphasis on one form of bureaucratization restricts or even stands in Opposition to the other-modes of bureaucratization.

b) Another set of mechanisms is related to what can be called an incomplete bureaucratization which is a consequence of the deviant behaviour of organization members, of imperfect rules and of the contingencies of external demands and internal processes occurring in public institutions; if these trends are reinforced on purpose, they might lead to a reduction of bureaucratic characteristics in the further development of society:

- the trend toward professionalization within bureaucratic organizations involving that organization members are claiming greater autonomy with a view to formal rules and hierarchical chains of command;
- the trend toward informal and situational bureaucracy implying that organization members demand for more personal contacts and communication and for goal-related programming which leaves room for bargaining and discretion within and beyond organizational boundaries;
- the trend toward a representative and "comrade" bureaucracy implying the demand for a more adequate representation of the different sections of the population within public institutions and the creation of a fellow feeling among all staff members which is to be effected on the basis of an intensive horizontal communication;

- the trend toward symbolic bureaucracy which is characterized by principally symbolic claims on organizational domains and by non-decision making in conjuncture with declarations concerning necessary actions to be taken.

c) The third set of responses to the process of bureaucratization consists in the development of alternative modes (i.e. non-bureaucratic forms) of problem solving within and for society. Notwithstanding the dominant tendency toward bureaucratic uniformity, the bureaucratization process also "produces" some basic alternatives and fundamental Oppositions: outsiders and dropouts - even from among central public institutions (e.g. ex-generals now participating in the peace movement) - not merely constitute another pressure group, but are seeking alternative solutions to societal problems and needs. These solutions range from traditional forms of self-organization, co-operations and voluntary work (e.g. in welfare associations) to the different forms of self-help groups and self-help movements. However, the analysis of bureaucratization clearly shows that most of these concrete alternatives will "die away" or eventually adopt the principles of the bureaucratic mode of problem solving - for instance, on account of their dependence on public funds ("Staatsknete"). The relevant aspect of these alternative structures which can be retained for our analysis is the fact that there are always developing new forms of response/opposition to the process of bureaucratization.

The moment former "alternatives" are integrated into the corporatistic structure of our societies, new alternatives are being brought into play. Furthermore, the adaptation and incorporation of previous alternatives is of course a two-sided process: "the" system does not preserve the over all bureaucratic features it possessed before the integration process took place: new forms of thinking (whether economic or ecological) and acting (whether anti-etatistic, solidaric, responsive or competitive) are introduced into the bureaucratic system. Thus, alternatives not only come to pass (and eventually expand) outside bureaucratic institutions (in particular of the public sector) , but also penetrate "the system" itself.

As is shown by Chart 3, these different conceptual paths to the analysis of de-bureaucratization processes are not in the same way applicable or even practicable on all levels of analysis. On the basis of the materials available we have made the attempt to indicate some major interdependencies between the different levels of bureaucratization and the chances and prospects of effects of de-bureaucratization. It is not possible to discuss them here in length (for further details, see Grunow 1982). Hence, there are many paths to de-bureaucratization; the "overwhelming" process of bureaucratization, however, can only be effectively controlled if many paths are followed simultaneously and if the same goals are pursued. Considering the diversity of views in the public debate on de-bureaucratization, it can be doubted whether this will happen in the near future.

## **A5. Conclusions**

The basic argument developed in this paper relates the public and scientific debate about de-bureaucratization to a multilevel-analysis of bureaucratization processes. It was suggested that the possibilities and limitations of de-bureaucratization (esp. in the public sector) can neither be sufficiently understood if the public "surface-discussion" of this issue is followed nor successfully influenced if it is just seen as a strategy of organizing production (be it goods, services or decisions). De-bureaucratization has been conceptualized as unintended consequences and counterproductive effects of the bureaucratization process. They are relevant points of departure for an active support of non-bureaucratic forms of societal problem solving (inside and outside the public

sector). The chances of realization for such a change have to be judged on the basis of the "overwhelming" reinforcing power of further bureaucratization of modern industrialized societies.

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## 2.3 Coming back to Weber: the relationship between legal state and economy

The preceding overview of the vertical and horizontal expansion of bureaucratization processes does not mean that all elements should be seen as equally important and as a necessary object of continuous research. Therefore, the following observations are concentrating on one of Weber's starting points – on the global level: the parallel development of the legal state and the economy as two very important sectors of modern society.

Whereas Weber has described many mutual influences between these sectors (bureaucratic organization, the logic of machine, freedom, "Iron cage" etc.) the debates in the following decades have more often concentrated on the conflicts between the different "logics" of these sectors. One striking element in these debates is the notion of Fukuyama (1992) about the "end of history" (i.e. of these conflicts). Many state (legal) based interventions are still today accused as a return to socialism/communism. The idea, that markets will be the best managers of public (societal) demands, is still prevailing. According to the diversity of meanings – as described above – the conflicts are often formulated as cleavage between market and bureaucracy<sup>4</sup>.

Whereas the notion of the abolishment of the public sector might be seen as too radical<sup>5</sup>, many attempts to "overcome" bureaucratic behaviour of public servants or legal decisions by importing business-tools or by just "capturing" public tasks can be observed. The term "new public management" is a kind of symbol for this development in the last 3 decades. A few examples (mainly from Germany) are summarized in the following paragraphs.

## B New Public Management Reform and Corruption in Germany<sup>6</sup>

### B1. Introduction

The following presentation refers to observations about corruption in the public sphere (especially public administration) in Germany. We have clear evidence that there is a tremendous increase of cases of official inquiry concerning corruption since the early 1990ies: increases by 800% (Bundeskriminalamt 2008)<sup>7</sup>. Almost 80% of the cases include the involvement of public institutions and their staff members. The formal rules guiding these inquiries are specific for Germany and will not be investigated in detail in this paper. It is quite clear that – at least in OECD-countries – corruption has a legal – i.e.

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<sup>4</sup> A common example – especially in English language – is the fact that the term bureaucracy is most often used instead of public administration – although its tasks include information, guidance, care (i.e. personal services). In Germany such a situation appears with regard to legal rules – which are the result of political/parliamentary procedures.

<sup>5</sup> As an exception the former Prime Minister of the UK (Margaret Thatcher) is often cited: "there is not such a thing as a society".

<sup>6</sup> ECPR Panel on "The (Dys-)Functionality of Corruption" (Potsdam, 12.9.2009): Prof. Dr. Dieter Grunow (University of Duisburg-Essen)

<sup>7</sup> In a personal communication (22.1.2009) the vice president of the German chapter of TI indicated that during this period (midst 1990ies) the attention toward corruption was enlarged and new rules were introduced. But this does not really explain the magnitude of the increase. It has to be acknowledged, that growing public attention also has preventive/prohibitive effects.

general judicial and internal-disciplinary - dimension. And, of course, there are also social and political implications. In this paper we will not enter into a lengthy debate about definitions. It is sufficient to base the arguments on a common understanding of corruption in the public sphere – as formulated by Rose-Ackerman (2006, p.45): as “abuse of public power for private and political gain”. However, it is necessary to emphasize, that most often there are two (or more) actors included. They both/all are winners of a completed act of corruption.

This paper wants to put forward the thesis that *the introduction of New Public Management (NPM) principles is one of the most important factors to explain the massive increase of corruption in the public sector in Germany.*

These NPM principles are not an invention of German administrators. It is an international development. The paper, therefore, has to look also beyond the German NPM practices and has to deal with the national and international context. Just to mention one line of argumentation: if corruption increases in the globalized world Germany – especially as one of the leading export nations – cannot remain unaffected by such a trend. In a somehow subjective ranking of Transparency International (2008) Germany ranks on a good middle range position of 14 (rank 1 being the least corruptive system).

This leads us to three parts of the argument:

1. In the first part the impact of NPM-reforms will be discussed.
2. The second part will address the ideological context – which will be described in the categories of economization of the public sector.
3. In the third part, besides a summary, some arguments are developed with regard to the international dimension of NPM as of corruption practices.

1

## **B2. NPM-Reforms and corruption in the public sector (administration)**

NPM reforms are neither based on a coherent set of prescriptions of good practice in the public sector nor supported by a comprehensive theoretical framework. The base is mainly a box of tools taken out of “business administration” into the field of “public administration”. At the very beginning it was seen as a strategy to increase the efficiency of the public sector (public administration) as well as a strategy to avoid privatization on a large scale. During the later development, the strategies of privatization, outsourcing and contracting out were applied more often. Most of the tools in the box, however, were not new to the public sector in Germany (and many other OECD countries). They just received new names: management by target agreement (earlier: MBO - management by objectives); decentralized responsibility for resources; increasing the transparency of money flow (earlier PPBS – planning-programming-budgeting system); contracting out and initiating a competitive settings with ranking/benchmarking instruments (earlier: compulsory competitive tendering); more service orientation toward customers (earlier: responsiveness of public administration vis a vis the citizens) etc.

The special feature of the *reform in action* was the application of as many tools as possible in all locations. At the very beginning the major aim was addressing the reform on the local level – on which most of the public services are provided. The driving force in the background of this process was the growing deficit in public budgets in the context of the global expansion of capitalism. NPM was advertised as part of the solution to these budget problems. Later on the instruments were also applied to other levels of government or administration.

In Germany, three special background features have to be acknowledged: 1. NPM – reforms started rather late, due to the political-administrative and economic processes of unification; 2. the unification endorsed the role of local democracy, which is traditionally quite strong in Germany (in comparison to UK and other European countries) – which led to a specific combination of goals – concerning local service efficiency and local citizen participation; 3. in Germany a special concept (New Steering Model – NSM) was developed which had put emphasis on the relationship between politics and administration (steering concept; principal agent concept). Altogether this has led to a very complex reform agenda – by including the various relationships between politics – public administration – citizens/customers. Lots of change oriented activities have been initiated – especially on the local level of the PAS. But, the early comments “good in rhetoric but poor in implementation/performance” accompanied the developments during the last 15 years. The results of recent evaluation studies, therefore, identify only a limited implementation success (Bogumil et al (2007).

- Although almost all communes reported “some” action, but only very few communes have implemented a broad spectrum of reform measures (by using a comprehensive understanding of the project); most of them just “picked up” selected elements.
- The most important reform elements – new forms of budgeting and accounting - are not even implemented yet on a large scale (they are scheduled for 2009 pp).
- Even the most often realized tools (citizen office – organized according to a one window principle; citizen surveys; appraisal interviews) have only sharply passed the 50% range:

Centralized controlling 25,9%

Decentralized Controlling 10,9%

Decentralized responsibility for resource allocation 33,1%

Budgeting 33,1%

Product description 29,0%

Cost- Benefit Calculation 12,7%

Reporting 22,1%

Contracts between Politics and Administration 14,8%

Target agreement between top level administrators and their staff 24,3%

Bonus Payments 22,4%

**Appraisal Interview 62,0%**

Recruitment of staff trained in accounting practices 36,1%

**Citizen office as one-window organization 57,5%**

Quality Management 13,9%

**Surveys on citizen/customer opinions 54,7%**

Service Guaranties 7,1%

One of the more important elements – the quantity of outsourcing, contracting out and privatization decisions – was not covered in a sufficient way (many “missings” in the answers!) in this study. In an earlier survey of cities only (DIFU 2005), however, it was found, that 54% of the cities reported “completed actions” with regard to outsourcing etc. - while only 16% (!) did not think about using this reform tool at all.

Coming back to the issue of increasing corruption in the German public sector it now has to be indicated, that there are quite a few reform components of NPM (or NSM) which might instigate or ease corruption practices:

- the reduction of hierarchical levels (“flat hierarchy”), devoted to a faster exchange of information and to faster decision making: it reduces the scope and intensity of control
- the decentralization of decisions about resource allocation, devoted to more efficient (cost saving) decision making: it gives many more persons in a public organization the power to decide about financial issues
- the outsourcing and contracting out of evermore public tasks, devoted to a more efficient (less costly AND more effective) mode of services production: it increases the cases of public procurement – which is a major field of corruption
- the (partly) privatization of public tasks and/or the establishment of public-private partnerships, devoted to budget reduction and efficiency: it also increases the fields of corruptive practices and, in addition introduces corruption practises from the business world to the public sphere

*It should be noted, that – at least until now – these tools and strategies of NPM have not been evaluated sufficiently with regard to their potentials for corruptive practices.* If these tools are nowadays seen by many observers in a more critical light than at the beginning of the NPM campaign this reflects mainly unfulfilled expectations about the scope of application of these tools and their effects. The studies mentioned above are recent examples of this kind of evaluation.

One of the more general unfulfilled expectations or – better – misleading promises of the NPM campaign was the fruitful co-evolution of NPM reforms and cutback measures. Any reform action costs additional money (transaction/implementation costs). It is quite another question whether the reforms lead to new everyday practices, which are more cost-effective. Such a question is always an open issue – until the longitudinal evaluation gives the respective evidence. This evidence is even more necessary today - after experiences in the global financial crisis show that there might be failures of rating institutions as well as of public control institutions. In many single cases – for example disappointing experiences with PPPs or contracting out (v. Weizsäcker 2005) – it has become clear, that there is *no* automatic co-evolution of NPM and the solution to budget problems<sup>8</sup>.

In general terms a consequence of this “uneasy” relationship between budget cuts and NPM is supported by broad empirical evidence: In the DIFU study (from 2005) 78% of the respondents have seen the co-incidence of cut-back measures and NPM-action – to the contrary - as *the most severe reform barrier*. Therefore, it is necessary to include the “cutback strategies” into the reflection on corruption. A first implication is, that many decisions taken on behalf of reform might just have been forced by budget consolidation or “creative accounting”: privatization (placing parts of the budget into separate, politically unobserved side documents); risky financial transactions: i.e. trans border leasing of public infrastructure – which now bring heavy losses to local budgets in

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<sup>8</sup> A systematic review of this relationship is still missing.

Germany; reduction of staff or less payment (new tariffs for public employees) wherever it is possible – independent of effectiveness issues.

The cut back of employment in the public sector has quite a few possible effects on the corruption issues:

- insufficient control over the process of procurement: the former 4 eyes principle (on the public administration side) was often given up<sup>9</sup>; now it is much easier to make an illegal deal with the private contractor;
- insufficient steering and control capacity with regard to holding management und the steering of service provision (by third parties);
- increasing dissatisfaction of staff members with the extension of individual workloads on one hand and lower salaries on the other hand.

With regard to the last issue, a survey in a German city administration reveals the changing of norms for proper behaviour. More than 50 % of the staff members showed only limited compliance to the rules of public administration. With differing degrees they agreed with the following arguments: - employees in the private economy are better off in terms of salaries than I am (54%); - if somebody offers enough money, everybody (in the public sector) might become corrupted (16%); - if the employees would have better salaries they would conform much more with the rules defined by their employer (the state) (81%!). This is quite a remarkable deviation from traditional orientations of public servants in Germany.

This finding is in accord with the results of corruption case reviews: they indicate that the cases grow out of structural and situational opportunities; offenders are not seen to have a special “corruptive personality and energy”. They are quite ordinary colleagues. By summarizing the arguments we can conclude: there is a corruption problem following the introduction of NPM in Germany. Even the number of detected cases (not to say anything about the presumably many more hidden cases) has increased quite sharply. The most important reason for this increase is the extensive blurring of the state-economy boundaries – especially with regard to contracting out, privatization, cross border leasing, PPP etc. At the same time, the evaluation studies show, that NPM-strategies and tools are less widespread in practice than in advertisement and rhetoric. This means, that there are still elements of retardation and filters from traditional, rather bureaucratic, forms of decision making and service production (in the sense of Max Weber). In addition, practical awareness of the increase of corruption has resulted in some new preventive programs (corruption telephone of the police; authorized anti-corruption agent in the local administration; seminars; re-accentuation of control; IT-solutions etc.) and some public initiatives against privatization and economization of public sector services (citizens requests and citizen decisions).

Besides NPM implementation we have described two additional, partly independent developments, which ease the development of corruption in the described forms: cut-back and/or budget manipulations and the change of values and orientations held by public employees. The latter issue will be taken up in the next part of the paper.

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<sup>9</sup> The four eye principle is still seen as one of the most important anti-corruption strategies in Germany.



### B3. Economization of the public sector

One of the long lasting processes of societal modernization in western (OECD) countries is the development of an organisation society. More specifically, in the sense of Max Weber, this means rationalization (“Zweckrationalität”) by bureaucratization. This includes more or less all segments of society – not only the public sector (which often is set identical to “public bureaucracy”). In this context it has been quite common to exchange tools for coordinated (organized), effective and efficient action between sectors (military, catholic church, public administration, private business). This can be observed since many decades of public sector reforms – and also as part of the NPM program. Nowadays, this part of reform is described as “Binnenmodernisierung” in the German terminology (i.e. internal modernization).

The guiding model of NPM, however goes beyond this typical mode of exchanging tools between sectors: *the NPM model it is not only anti-bureaucratic* in the sense of the many typologies that contrast the “Weber model” with the NPM-“model”(Jann 2003). By doing so, it is, first of all, overseen that the (Weberian) bureaucratic tools are (among other aims) anticorruption strategies (formally defined tasks, hierarchical control; public organisations are not the personal property or possession of the staff members). Reducing bureaucratic principles, therefore, can result in a revival of corruption (nepotism, arbitrariness etc.). And, in addition, Weber argued, that public organizations might be surpassed by private for profit organizations with regard to bureaucratic structures and behaviours. Taken together, these arguments might lead to the conclusion of Pollitt/Bouckaert (2000) who describe the NPM-effects as a change toward a kind of “Neo-Weberian public administration”. But this conclusion is only sound with reference to the “Binnenmodernisierung”.

Secondly and more important: *the various other tools, which are crossing the lines of the public-private distinction, are much more an anti public notion* than an **anti-bureaucratic** notion. Besides the application of the respective NPM tools the notion is also transported by cutback strategies (slimming down the state) and symbolized by findings about changing orientations of public employees (see above). For this process we’ll use the term “economizing” of the public sector. In this sense NPM does not only transport a special set of tools but also an ideology of the superiority of economic thinking and capitalistic arrangements. In the public debate about success and failure of reform initiatives this thinking could be observed clearly: quite often, public officials - who described their successful solution to budget (and other) problems in their local administration - were still asked why they did not install NPM principles. *NPM became a kind of belief system*<sup>10</sup>. NPM transports economic thinking and, thereby, different interpretations of terms and concepts (especially: efficiency=profit) as well as different orientations and motives of the actors into the public setting. This includes different ways how to think about human capital and profit or about bribery, malversation, embezzled money etc. Only a few years ago, in Germany the money spent for bribery could be deduced as “necessary costs” from the tax load of a company. During the last months the German public could get the impression, that our chancellor Mrs.

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<sup>10</sup> Or - like in California: when a comparative evaluation demonstrated much higher costs of the private for profit management of Patient-Professional relation/interaction - in contrast to the Canadian public format for this task - a shift towards the more efficient public solution did *not* take place.

Merkel, if asking for advice from her most important councillors (from business), would have to visit them in jail. In recent days the often used term “notleidende Banken” (suffering banks) was chosen as the “Unwort” (anti-term) of the year 2008, because of its ideological reverse of the realities: the banks are described as victims of the financial crisis – although they are the originators. A study about the orientation of the managers of (partly) privatized *public* companies reveals that most of them see themselves as a part of the private economy sector. The behaviour of the public bank sector in Germany (Landesbanken) in the context of the financial crisis provides the latest evidence for this observation. The issue of economization will be illustrated by two areas<sup>11</sup>: change in values and performance indicators and the counselling of the public sector by private for profit companies.

#### **B4. Values and performance criteria**

Values and questions of ethics in the public sector are used as input and guiding principles for the administrative activities. Performance criteria are output oriented. Today, they largely follow the propositions of New Public Management (NPM) reforms (Pollitt/Bouckaert 2000). However, it has to be acknowledged that performance criteria might become an end (value) in itself and by this a “guiding principle”<sup>12</sup>. Therefore, the debate about these criteria is highly relevant. Economization takes ground by the diffusion of performance criteria. This process has to be observed critically: there is often a common utilization of words, whose meaning is unclear or varying with the context of application<sup>13</sup>.

##### **B4.1 New Public management, efficiency and profit**

One of the most “prominent” performance criteria of NPM is “efficiency”. It is taken from private economy and is often transferred un-reflected to the public sector (reform). Willingly or unwillingly it is overseen, that in the context of private enterprises efficiency means “profit”. This is well founded, because any private investment will only be made, if a sufficient return can be expected. In the public sector, however, profit is most often a useless concept. In the public setting, this criterion means a (comparatively) good relationship between cost and effect (benefit)<sup>14</sup>. Typically, the effects (benefits) cannot be measured in financial terms – making the criterion of *effectiveness* a very complicated and demanding prerequisite for any measure of efficiency<sup>15</sup>. A typical “shortcut” - by ignoring the complication of measuring effectiveness – very often leads to austerity. Cut back results do not automatically say something about efficiency. The suggestion of NPM reformers, to define all public tasks as products, has (expectedly) not resolved this problem – because most of the “products” of public administration are not sold to the

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<sup>11</sup> These descriptions are taken from Grunow 2007

<sup>12</sup> A typical example is an observation of a conference with a minister of social affairs in Germany. He was asked by the audience a couple of times about the substantive policy goals and he always answered by referring to new tools of NPM (benchmarking, decentralization and the like)

<sup>13</sup> To pick up just one example: the word „customer-orientation“ is used in the context of NPM and suggests to mean service orientation. The definition of private enterprises, however, means to “tap on the ability and the willingness of the customer” to spend money. (Manager Magazin 1998, p 141)

<sup>14</sup> The political message „more services at less cost “ is very often just rhetoric.

<sup>15</sup> Examples like „evidence based medicine“ or „demand oriented service“ demonstrate the difficulties and failures.

public; and even if there is some cash transfer: the contributions of the citizens do not completely cover the production costs.

The difference of the interpretation of efficiency as a performance indicator becomes especially relevant at the points where public administration and private business meet: privatization, contracting out and public-private partnership. Public administration asks for efficient problem solving or task fulfilment (in comparison with the traditional internal solutions). Private enterprises ask for profit. This problem of interface is well known in almost all societies nowadays. In Germany, the discrepancy between expectations and practice has been criticized very often by the public accounting offices (on national and on state level). The following case is quite typical: a privately produced product (like a building) is – at its completion - much more expensive than proposed in the process of contract bargaining. Even strict (public) cost controlling might not be able to keep costs in the defined limits: it might be counteracted by the demand for increasing profit. The public side focuses on effectiveness whereas the private enterprise is mainly interested in collecting the prize<sup>16</sup>.

Such examples are not new, and they are widely scattered. What has been overseen in the NPM debate is the fact, that the number of “meeting points” between public and private (business) sphere has been growing rapidly with the introduction of NPM reforms. There is broad evidence that this interface is a major source of corruption (Gronewold 2005). This observation has already led to practical reactions – i.e. the use of IT-based procedures for procurement decisions.

#### **B4.2 Lack of reference to the specifics of policy-fields**

Economization often is seen as natural and necessary process – i.e. without escape and alternative: everything in this world has a price and can be traded marketwise. This has promoted the belief, that reform practices and performance criteria of NPM can be applied in a universal sense – i.e. independent of its policy context. This argument is not well founded and, therefore, has led to critical reactions, which have put the overall idea into question:

people found it ridiculous to be addressed as “customers” by the police, by the social worker and by the city planner (etc.) alike. The (non for profit) providers of social services for the poor (on the basis of a contract with government) were disgusted, when they were forced by a German state ministry to generate an “efficiency dividend”. In Germany (and elsewhere) much of the credit for NPM reforms was lost, because of the lack of knowledge and acknowledgement of the specifics of the respective policy fields. In an intensive study of the impact of NPM on local health administration in Germany I was able to show that this was one of the main reasons for the non-acceptance and failure of many of the reform initiatives (Grunow/Grunow-Lutter 2000).

These observations can be related to the efficiency – profit difference again. In the public sector the guiding principles and performance criteria have to set the effectiveness issue first (before discussing efficiency) – and this might vary widely: it might be the comparatively fair treatment of individual citizens; it might be a question of adequate distribution of services; it might be the fulfillment of an urgent need; it might be the management of unsolvable problems<sup>11</sup>. And, in addition, the reaction (satisfaction) of the citizens toward public performance cannot be directly and compound “coined” in terms

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<sup>16</sup> A “famous” example has been the production of the Euro-Fighter: when it finally was able to fly it was not able to carry any weapons. (personal correspondence with the national Bundesrechnungshof 2009).

of profit or re-election. The universal use of economic performance criteria even hinders to identify clearly those areas of public tasks, in which these criteria in fact are helpful (i.e. for routine tasks of licensing or money transfers).

#### **B4.3 Loss of the multiplicity of values/ethics which are governing the performance of public administration**

The issue of multiplicity of values and performance criteria reaches far beyond the different meanings of efficiency (versus profit) and its appropriateness for the various policy fields. It indicates the necessity to view public performance in the light of more than just efficiency, i.e. to include also rule of law (legality), accessibility and transparency of procedures; orientation toward collective interests, distributional justice, accountability and sustainability in the decision-making process; empathy, responsiveness and fairness of staff behaviour – and others. It would be quite unrealistic to expect a simultaneous application of all of these values as guiding principles. Sometimes this would mean a “squaring of a circle” - because there may be ambivalences or even contradictions within this set of values. Sometimes and/or in some settings (tasks, policy fields) it might be necessary to concentrate on only a few of them. However, the important difference to the economic sector is the necessary ability of public administration to respond to all of these goals – even if only temporarily. The dynamics of globalization might also demand for even more rapid changes in the respective setting of priorities with regard to these values. Nevertheless, public administration must be able to<sup>17</sup> respond to demands from politics and from society. Whereas the economic system is able and might be willing to include externalities in their price calculation, public administration is asked to work successfully in a multi-value environment. Economization of public administration thus leads to an inadequate selectivity with regard to values and performance criteria. This undermines the development of a capable and productive public sector and its staff – which might end in the loss of trust in the PAS altogether (legitimation).

#### **B5. Depending on the market logic of external (economic) counselling**

It is a common feature of NPM-reforms that they are accompanied and counselled by management consultants<sup>18</sup>. This is quite plausible, because those firms are experts with regard to the instruments of NPM. However, there are also critical comments about this development: the counselling is too expensive and not at all cost efficient (because the consultants are not always familiar with the public sector arrangements; they are not able to help with implementation problems); the consultants just sell their standard products – sometimes the outdated ones, which are not favoured in the private economy any more<sup>19</sup>; this contracting out of modernization tasks (counselling) is another example of the increasing potential for corruption<sup>20</sup>.

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<sup>17</sup> It seems to be quite typical that the unsolvable problems are remaining in the public sector; it is not plausible that the (business) sector which is not able to solve these problems should be able to give advice.

<sup>18</sup> In Germany the public expenses for commercial counselling have been multiplied since the beginning of the NPM projects (Gleis 2006).

<sup>19</sup> A recent example is contracting out: it is still suggested for the public sector – although private business more and more looks for „in-house“- solutions.

<sup>20</sup> There exist an increasing number of cases in Europe and probably everywhere, in which the contracts

More important, however, is the fact that with these consultation contracts public administration might become permanently depending on those consultants. Whether it is legal or illegal (part of a corruptive scenario): the advisors cumulate information about the reform processes and might keep them as company secrets - which might make them an indispensable element for the next steps of counselling. This does not only relate to issues of administrative reform but also to substantive policies<sup>21</sup>. The implication is evident: public administration loses parts of its know-how which is necessary to contribute to the policy making process – by bringing in a professional and an experience-based view into politically controversial issues.

Another aspect is the dependency on the economic product cycle. Like any other product the reform propositions from the commercial consultants have to be renewed within short periods of time. Whether necessary or not, administrative organizations have to buy the newest version of the products. This is very visible with regard to hardware and software developments in the context of E-government and NPM. Many German cities use SAP-software for their newly installed accounting system. It does not really meet the expectations of the buyers, but changes of the software packages are too expensive. Therefore, an inefficient adaptation of local administration to business sector standards is quite typical<sup>22</sup>.

The effect of these processes is not just a choice of sub-optimal solutions for the tasks and problems of public administration. It is also a strategy to blur the distinction between the public and business sector. It alleviates further diffusion of privatization strategies and opens new channels for corruption.

## **B6. The reactions of the public**

How does the public react to these developments? The analysis of media coverage and surveys of public opinion are typical sources for answering this question. However, there is only little empirical material available. A systematic scientific evaluation of the NPM effects from a citizen's perspective is still missing; the presentation of these issues in the print media has only recently got some attention (Strüngmann 2007). The results can be summarized very briefly.

The surveys document that the citizens show ambivalent reactions to public administration: on one hand they report about positive experiences in the direct contact and service provision; on the other hand they articulate negative opinions about THE public administration in toto. If asked about the negative aspects they mention as well elements of over-bureaucratization ("red tape", complicated procedures) as of under-bureaucratization (corruption, arbitrariness) (Grunow/Strüngmann 2008). If asked in the *format of an open question* about the association with the term public administration or bureaucracy **corruption** is the single most often given answer. One of the reasons for the negative image of public administration can be seen in its presentation in the print media.

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for counselling are given to relatives, good friends etc. In Germany, this has led to scandals and the resign of politicians.

<sup>21</sup> In Germany a policy reform (in the field of employment) has become a „famous“ example, because it has been given the name of the adviser from Volkswagen AG: “Hartz-Reform”. To make the relevance of this case for our arguments complete it has to be mentioned, that this person later was convicted for his involvement of a corruption affair. The policy still carries his name!

<sup>22</sup> This argument can be generalized because in spite of steep increase of private for profit counselling in the context of NPM, the proportion of the budget coming from the public sector is still relatively small for the large consulting firms. No sufficient incentive to develop special “reform tools” for the public sector.

The media transport negative clichés, and report more often in negative than in positive terms about public administration and its performance.

NPM reform has found only little attention and interest in the media as well as in the citizens opinions. The reactions remain ambivalent, because – if changes are observed at all – the experiences include praised reform elements (like Bürgeramt –citizen office) as well as criticized cut back measures. Some practical initiatives on the basis of the new participation rights (“Bürgerentscheid”, i.e. citizen decisions since the mid 1990ies) are taken against contracting out and privatization decisions on the local level. As far as the (partially incomplete) empirical evidence can show, there is neither a sustainable improvement nor a deterioration observed by the citizens following the NPM-reform. In the long term trend analysis (national and EU surveys), there is also no evidence about a further loss of *trust in public administration*: in the respective scale – since many years - it ranks in the upper middle level – better than political institutions or market organizations; and especially better than the political parties. It should be noted here, that the judicial system since a long time reaches higher trust-scores than public administration. This might be interpreted as a possible substitute for a non-corruptive public administration: even if the quality of public management is not sufficient (free of corruption) the courts will do their job effectively.

#### **B7. Theoretical frames for reconstructing and understanding the processes of economization: a side-note**

It should not be overseen, that the description of the public debate about economization is also influenced by theories underlying some of the basic arguments. Therefore, a short side note should describe some impacts of two different “cognitive frames”: Rational Choice Theory and (“autopoietic”) System Theory (Luhmann). Rational Choice Theory has played an important role in the NPM development and has contributed to a narrow view on public administration and its standards of behavior and performance. On the other hand System Theory can offer a more complex view a) with regard to the historical development of the public sector in terms of functional differentiation and b) with regard to the interdependency (“structural coupling”) of the political and administrative system with other subsystems of the society (like economy, science/education, religion, law etc.).

##### **B7.1 Rational Choice**

Basically RC theory is an analytical model, which tries to find out what might (will) happen if some criteria would be met in the decision making of individuals (Widmaier 1974). This is a helpful tool for scientific cognitive experiments. It is, however, questionable if it is taken as reality or proposed as a norm for reality. The premises of the basic model “the rational decision maker – homo oeconomicus” are very strict and far away from reality: full information about all of the alternatives an individual can choose from; complete transitivity of the priorities attached to these alternative options. These premises of the model have been already questioned by Simon (in the 1950ies) and its notion of “bounded rationality” – which was honoured by the Nobel price in economics. Another assumption was also questioned very early: the proposition that the sum of rational individual choices will lead to the best result for the collectivity (Arrows paradox). Social scientists have also argued that the application of this model might be very limited, because the spectrum of individual behaviour also includes empathy, altruism and solidarity. The attempts to include more empirical knowledge into the model made it more complicated and much less predictive. The step toward enlarging the scope

of the model from individual actors to corporate actors (like public administration “represented” by the top bureaucrat) was not seen as convincing. Another critical reaction to RC concepts was formulated by Game theorists: they criticized the concept of an abstract market based evaluation of the individual decision-making. As alternative they introduced competing or opposing actors and their influence on successful or unsuccessful decision strategies. Here, again, the discussion developed away from pure theoretical models to empirically based concepts – which were the reason for awarding Selten with the Nobel price: for many months his students have “played” the games. The new approaches of institution economy (Behrends 2001) are also turning away from the early and simple model and are analyzing the real costs of market related versus contract based strategies. Studies show that the transaction costs for market oriented strategies can be comparatively high and inefficient (profit-reducing). Similarly the concept of contracting out is critically evaluated; the control chances (costs) of a principal vis a vis his agents are analyzed. By turning away from the pure RC concept the analysis can even contribute to a critical review of NPM practices.

The “survival” of the RC model – in spite of all kinds of critics and extensions – relies on its pragmatic (non-scientific) normative “turn”. The mismatch of model and reality is taken as the basis for blaming economic and political practice. Only if the relevant actors follow the rules of the RC model the proposed outcome will be reached. Whereas the majority of the economic scientists will reject such a shortcut, the “normative turn” is a welcome proposition for many practitioners who are looking for simple ideas and convincing ideologies. They make a *belief system* out of RC and consequently also out of NPM concepts. By this they perpetuate the narrow view of this perspective with regard to values and performance criteria. And this in turn reduces the fruitful discussion about the insight of modern theoretical developments for modernization practice.

## **B7.2 System Theory**

System theory has many origins, sources and versions. They cannot be described here. The following discussion concentrates on the “autopoietic” version of this theory, as it was developed by Niklas Luhmann (1997; 2002). System theory is a universal theory which covers almost all segments of society. It focuses its observations on (social) communication.

Systems are areas of dense communication which are separated from its environment by a system border. In the process of societal evolution different types of subsystems emerged. They have organized their communication in different ways. It is the advantage of this theory that it invites us to observe different types of systems, their various functions and their multiple forms of functioning. One type of variation relates to the scope of communication systems: the simple social system = communication on the basis of personal presence; organizational social systems = systems which are specialized on decisions and which coordinate their communication basically by membership roles; societal subsystems which fulfill specialized functions for society and use specific media and codes.

The system of world society includes all communicators which can be reached by any communication – a system that is much more empirically transparent since the existence of the internet. “Autopoietic” social systems can only do what they can do; they are closed in terms of internal operations (communication). At the same time the systems are open for irritations from the environment; sometimes they are even structurally coupled with aspects of their environment. Systems can observe the environment and its reactions

following the operations of the system. Nevertheless, systems are tied to the basis of their operations. Social systems exist because their specific operations contribute to the functioning of other subsystems as well as of society as a whole – when dealing with complexity and dynamics of globalization.

The societal subsystems are of special interest for our topic. They are seen as the product of a functional differentiation during long term societal development. This does not deny that functional equivalents are possible – i.e. different structures which can alternatively fulfil specific functions. However, a fusion of too many functions will lead to an insufficient functional performance. The strength of functional differentiation rests in the system-specific observation of the communication in the environment and the specific reaction of systems to them. With other words, they have a specific “antenna” for the scanning of their environment. In this theoretical context the PAS and the economy are different subsystems with different functions, media and codes;

The economy: function = supply of society with privately purchased and used goods and services; medium = money; code = payment – no payment.

The PAS: function = setting of priorities for collective values/goals and the preparation and/or enforcing of binding decisions; medium = power and law; code = power (political majority) – no power (political opposition); legal – illegal action.

Another important proposition of system theory: the systems have no inherent stop-rules; they always want to extend the scope of their operations: government expands its domains and jurisdictions; economy looks for more products, customers and profit. The restrictions have to come from other subsystems: the PAS is restricted by the limitation of money (drawn from economy by taxes etc.); the economy is restricted by political priorities and public policies (laws and regulations enforced by administrative directives and control).

It is not difficult to understand what happens if the functional differentiation does not work: the lack of specialization of subsystems leads to poor performance with regard to the different functions/tasks – as it has been observed in the state economy of the earlier Soviet Union or in East Germany. But the same is true, if an economic system is dominating the PAS as in some policy fields (i.e. environmental protection, social aid) in the US or in some regions in China, where public/political rules are ignored by businessmen, administrators and party members on behalf of personal profit and wealth. This theoretical reconstruction also offers an interpretation for the observation, that public-private partnership (PPP) is a complicated, often unsuccessful model; likewise for the observation that the transfer of tools from the private business (like in the NPM context) is only of limited value for the public administration. The organizations of the public sector have to fulfil quite different demands than private enterprises: to use the same word in both sectors (i.e. city = holding) does not help much. The public sector organizations have to be able to take decisions with regard to different values, preferences, and steering principles (hierarchy, majority decision, bargaining etc.) at the same time – even if they are changing rapidly. “Changing the wheels while driving at full speed” is another common description of this in Germany: public institutions cannot be closed down easily – because there is no substitute for them like in the car industry. Furthermore, there is no owner, who can take the money away from the public institution - for a carefree living on the Bahamas. All of this does not imply that the functional subsystems cannot arrange successful mutual institution-transfers. But it has to be expected and accepted that very often this is not practical, and that a successful “one



to one” transfer is almost impossible. All of this throws some light on the issues and empirical case studies which were described above.

### **B8. Summary of the arguments and reflections on the international (comparative) dimension of NPM as accelerator of corruption practices.**

The data about corruption in the public administration of Germany show a coincidence between the development of NPM-reform and a steep increase of documented (prosecuted) corruption cases – which are estimated to cover not more than ¼ of the de facto cases. There is no specific profile of offenders with regard to the relevant formal and informal norms of behaviour. But there are a number of settings which might set the frame and ease for mutual beneficiary corruptive practices: decisions which effect citizens/customers positively or negatively (contracts; transfer payments; giving licences etc.). In such cases influences on the direction of the decision are of interest and of value. The importance of the settings is enlarged by their embedding into cut back strategies and an enduring shift of public values.

Altogether, these elements also seem to set up a background for the development of long term systemic corruption networks. The “official” reactions to this development clearly concentrate on organizational arrangements (back to control processes; job rotation; re-installing the four-eye-principle; installing authorized agents for corruption; supporting and protecting whistle-blowers). These recently established anti-corruption strategies can be described as the attempt to reduce the number of settings which ease corruption. Thereby, they are also a kind of proof of the proposed explanation of the steep increase of observed cases. The reaction (anti-corruption measures), therefore, can likewise be described as a renunciation of NPM tools and an attempt to keep or somehow even re-establish some of the traditional Weberian features of bureaucracy. It is still open whether this is an effective way to reduce corruption again; the data do not support such an expectation.

A second argument, therefore, has concentrated on the spread of the neo-liberal “belief system” inherent in the (international) NPM movement. The fight against corruption also includes seminars which inform about risks and new rules (and sanctions). But it is questionable whether these seminars are able to limit the diffusion of the orientations transported by NPM – even in the recent phase of the international financial crisis. The “new” orientations are still identified in surveys of staff members (in general and especially in the PPP-structures). Part of this change is the adoption to the terminology, values and goals of the capitalistic economy. One of the extreme (but still “illuminating”) example stems from the early phases of re-uniting Germany: newly established East German welfare offices refused to pay social aid – with the argument, that “we are now living in a capitalistic system”: the poor should ask for a loan from the bank before asking for money from public welfare offices. Meanwhile the welfare offices had taken the welfare grants to the bank to earn maximum interest.

Altogether, the three factors – application of NPM tools; pressure toward cut-back decisions; spread of the terminology and ideology of economization – constitute a setting which can explain the increase of corruption in German public administration to a large extent. As far as the limited data can show, this development has not yet any remarkable impact on the trust of the population in the functioning of the German public administration and the legitimating beliefs concerning the PAS in general. The public widely shares the background “belief system” of NPM and is not well informed about the steep increase of corruption. There is evidence, that the population sees cases of

corruption as persisting – but not more or less critical than 15 years ago. New, however, are recent instances of protest (and citizen request) against contracting out and privatization on the local level. But this is mainly connected with a critical view about the blurring of the public/private for profit distinction and the ineffectiveness of services which are delivered by private companies - and not specially referring to corruption issues.

Can any of the conclusions from the German case be transferred to other (types of) countries or political systems? The observation of “embedded-ness” (context-dependencies) does not seem to support such an idea: not only varies the context but although the interpretation and application of NPM standards and also of the meaning of corruption. Therefore, the following arguments are just *cautious propositions* for a review and discussion of other (types of) cases.

In a first step we should focus our observations on similar cases: The comparison of the context in various OECD/EU countries (Pollitt/Bouckaert 2000) show, that almost all of the countries have an elaborated system of rule of law and a kind of Weberian public administration (Tumalla 2001). But there are still enough variations – i.e. continental Europe vs. Anglo-Saxon countries – to find different versions and degrees of NPM implementation.

They are symbolized by the “4 m’s”: maintain (f.e. Germany), modernize (f.e. Sweden), marketize (f.e. US) and minimize (f.e. UK). But there are overlapping specifications and similarities as well. Whether NPM has an impact on the realities and perception of corruption in these countries is not elaborated (yet) in the existing comparative work. As such an impact is a matter of path dependencies in administrative reform processes AND of the “traditions” of corruption in these countries – additional indicators concerning the context of NPM – practices have to be taken into account. If such a list of indicators includes key elements of the PAS in general it should be possible to characterize any country and to draw some conclusions about the NPM-corruption link.

Taken from the analysis of the German case, at least four questions should be raised: 1. what is the status of public administration (as a public bureaucracy); 2. in which way is NPM introduced as reform strategy (the four “m’s” or other ?); 3. how deeply are the ideas of economizing (neo-liberal ideology) anchored in the public and in the public administration; 4. what kind of “tradition” does corruption have in the respective country?

By looking at these distinct questions a review of cases must not be restricted to OECD countries but can also be applied to countries in quite different phases of development and with quite different political and administrative architectures. Whether the existing classifications of countries - by separating EU, OECD, Transformation, Developing, Failing, Failed etc. - are helpful for sorting, comparing and generalization the cases with regard to the “NPM-corruption-link” is in question and could be a topic for discussion<sup>23</sup>. In the concluding part of my paper I will just use a few single (!) issues and indicators for a kind of *exploratory reflection*. My “short cut approach” discusses the question, how

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<sup>23</sup> For me, the usability of state-typologies seems to be doubtful – unless the list of criteria, which is used for the typology of states, includes (context) dimensions such as rule of law(?), legally defined role of citizens (?), stable and semi-autonomous and de-concentrated public administration (?), professionally trained staff (?), workload oriented distribution of financial resources (?) (and others). Only if such a list of criteria is used for the state typology, this typology can function as a relevant starting point or even as an explanatory impulse for the analysis of administrative reform, NPM and corruption. In the discussion we could try to specify some of the most important indicators for such an analysis.

PAS-features which are quite different from the German case might influence the issues under discussion (NPM and corruption).

a. *The first feature refers to the architecture and performance of public administration:*

What can be said about the consequences of an architecture which misses a few or most of the Weberian features of public bureaucracies? What can be expected from an unstable and disorganized public administration, in which the staff members are not well trained and insufficiently paid for their jobs? Does NPM offer a relevant reform agenda? My suggestion for an answer is: *no* with regard to internal modernization; and *perhaps* with regard to marketization. Internal modernization according to NPM principles means deregulation, more decision making competence to lower levels, less control (often in conjunction with cut back of resources). In such a situation NPM reforms will presumably lead to a deterioration of the situation. It will increase chaos and also corruption. Marketization as a distinct NPM feature might be attractive for countries with still high involvement of the state in economic processes. Here, marketization means privatization of the production of goods and (public?) services, i.e. putting production and delivery processes under the pressure of market competition – if there is any. The applicability of NPM strategies is the more effective the more the goods and service are conforming to the characteristics of private goods – i.e. individually chosen and paid for<sup>24</sup>. It is less so if there are already very slim public structures and overall small state capacities: here NPM (marketization) contributes to the hollowing out of the state.

b. *The second feature refers to the adoption of ideas of economization.* Although the diffusion of such ideas into all areas of society seems to be a trend worldwide – an end of history in the sense of Fukuyama? -, there are still differences of scope and intensity to be acknowledged – for example by looking at the Islamic world. Let us just use three topics for illustration: the idea of “rule of profit”; the idea of “the winner gets it all” and the idea of “accepted/favoured in-equality”. In a country in which these orientations are wide spread among the political and administrative elite and anchored in the general population the adoption of NPM standards for the reform of public administration is expected to be supported: deregulation, privatization, benchmarking, creaming “best” practices and selected groups of clients are typical NPM instruments that conform with such ideas. Whether this opens new ways of corruption depends on the existence of a leftover of restrictions and control still prevailing in the PAS<sup>25</sup>. If a stage is reached, in which an achieved goal (profit or austerity) legitimises any instruments, procedures or tricks a specification of corruption seems to be useless: anything goes. There is no incentive to define and fight corruption – unless it is seen as too costly for market processes (i.e. transaction costs). However, it cannot be expected, that the PAS would be able to function as a controlling agency in such a situation: An economy which is overwhelmed by organized crime will most likely accelerate state failure.

Coming back to the relationship between ideas and ideologies of economization and the diffusion of NPM in the public sector a tight mutual reinforcement can be

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<sup>24</sup> In terms of system theory this situation can be described as insufficient functional differentiation on the societal level – which can be changed with the instruments of NPM (marketization).

<sup>25</sup> It would be interesting to look into the latest case of fraud in the British Parliament (bill of expenses); the media reports indicate “unbelievable” dimensions – which might end in a high suicide rate in the next months. (WAZ 25.5.2009)

expected. This trend might only be limited, however, if various policy fields have been functionally differentiated and are backed up by specific administrative bodies, groups of supporters and veto players. They might be able to filter impulses of economization ideology and NPM tools with regard to the specific circumstances of policy fields (like health, Security, environmental protection, education etc.): not every NPM tool is feasible for all policy fields. Whether these policy fields are at different degrees susceptible for corruption is an important question – for which I have no answer yet<sup>26</sup>.

c. *The third feature refers to “traditions” of corruption.* Thereby, we could look at the statistics presented by OECD- or Transparency International. Again I will use a short cut with regard to this issue - by differentiating only between corruption as a feature of a political/administrative *system* and corruption as *individual deviations* from legal norms and social expectations. The most intensive systemic corruption should be expected in centralized systems, because they can be “protected” more easily against outside control or intervention. A decentralized system has multiple corruption centres – which altogether might not be as hermetic as in a centralized system. In such a context the question for discussion has to be formulated differently: what kind of appeal and impact can NPM have in such an already existing corruptive system? Would it be an additional stabilizer for corruption or rather a critical component? Systemic corruptive systems tend to be inefficient, because there are so many extra payments to be made and because these systems undermine any control of quality, costs and effectiveness. NPM tools – like accounting systems, benchmarking, best practice orientation – could be used to limit system deficiencies. By taking these actions even some features of a Weberian bureaucracy might be (re)introduced in a corrupted profit oriented system (like in a system of state capitalism). But who would support such a change in a corrupt system – except some external actors (like World Bank or EU-commission)? This answer depends on the self-defeating tendencies in corruptive systems: do the practices undermine the chances for further gains out of the system? This is possible, because every system has – especially in modern times – some kind of system environment, which might be able to put up stop signs. If the mafia is taking too much money for protective charges from a business, the latter may crash – because it is tied into (eventually international) economic transactions which do not follow the corruptive system rules. However, it is not very likely that NPM is used to stop the seamless growth of a corruptive system, because this would be a risky adventure for NPM protagonists. In addition, if the NPM impulses are accompanied by the economization ideology it is not very probably that NPM will be used as a self-restricting strategy. The application of NPM features will probably only be used on a rhetorical level or for symbolic functions.

This very brief reflection brings us back to the question of architecture: it seems that the only way out of these deadlocks is a separation of power and a territorial and functional differentiation of state architecture as well as the introduction of principles of a Weberian public administration. The only realistic chance to push and control such a development lies by the citizens – supported by the modern media. This might be judged as very unrealistic if one looks at respective countries but there is not much hope, that NPM initiatives could become an effective anti-corruption strategy.

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<sup>26</sup> Following the observations in Germany it is more probable, that specific segments (high public investments; procurement) are susceptible in all policy fields; if these segments are more numerous in a specific policy field this might make this policy field more corruptive.

## B9. Conclusion

Even a “Neo-Weberian”, partly anti-bureaucratic public administration includes elements of prevention concerning corruption. Or, in reversing the argument, we can observe that some of the anti-corruption campaigns aim at a recovery of some omitted (bureaucratic) features. That does not mean that selected features of NPM strategies are not possible and necessary. Somehow, the German case could be called intelligent non-compliance with many demands of NPM reform. But it is still necessary to be aware of some inherent corruption risks – especially if NPM is embedded in large scale cutback practices and in uncritical economization ideology. Without this context the steep increase of cases of corruption could not be explained. In addition, for limiting the NPM-corruption-link the solution might not be sought in re-establishing old principles (like the four eye principle) but rather in types of procedures that surpass the decision making based on corruptive energy – i.e. by using modern information technology. It should not be ignored, however, that these anti-corruption activities *are based on a considerably well functioning public administration (bureaucracy)* - in the context of a division of power, the rule of law and responsiveness vis a vis other segments of society.

The German case can be described as scattered corruption according to the existence of specific enabling settings, in which the potential partners know each other for a while (personal networks). There is some potential of restricting corruption by specific instruments. The overall cost/benefit relation of corruption for the country is seen as negative. There is not yet an elaborated or endemic system of corruption. In a PAS with endemic/systemic corruption (like mafia) corruption is difficult to observe and to reduce – even if the cost for being trapped is high – as the example of the earlier mayor of Shanghai has demonstrated. With other words: in countries without stable and professional administrative structures and/or corruption as systemic feature and/or a strong adherence of elite groups to economization ideology the application of NPM in the public administration runs much higher risks to “fertilize” corruption than in Germany or comparable OECD countries.

NPM without a Weberian bureaucracy as underlying structure can be expected to be a much strong multiplier of corruption practices than in Germany. NPM in conjunction with the economizing or the public sector will strengthen and not restrict corruption in countries with a “tradition” in systemic corruption<sup>27</sup>. It cannot be expected that the judicial system (if there is an independent one) can enforce stop rules for corruption; the best prevention is still a functional separated public sector with a well organized public administration - which follows its own rules of conduct, including a set of non-economic performance-indicators.

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### **3. The never ending search for alternatives: a “Neo-Weberian” public sector?**

#### **3.1 The critics of bureaucracy as a “perpetuum mobile”**

*The preceding parts have described many reasons and forms of continuous references to Weber’s work about bureaucratic phenomena. The inclusion of the organization-related analysis into the societal modernization (rationalization) as necessary reaction to ever increasing complexity and contingency has broadened the scope of the topics as well as the variety of evaluative judgements. The description of public bureaucracy as a “janus-head” has contributed to an identification of bureaucracy with public administration – and by this included many ambivalences and misunderstandings of the phenomenon under study and evaluation. This can be observed, when (f.e.) the bureaucratic business organizations are omitted from discourses, or if the critics of “over-bureaucratization” ignore the problems of under-bureaucratization (as shown with reference to corruption). Although the position of the population/citizens played an important role in Weber’s concept (legal state and individual freedom), the reception and use of these topics in the public – nowadays in various types of media – is too seldom explicitly analysed and recognized. An example is the comment of a high public official in Germany: “If you criticize “the” bureaucracy, you get applause from all sides (partly, because the term has different meanings within the audience)”. Our research has shown that many “negative comments” on bureaucracy by the citizens are combined with their reports about their “personal experience” of good services. These observations make an analysis about the production and distribution of stereotypes very urgent. This includes the question, what kind of messages “pay best” in the new media world<sup>28</sup>.*

*Bureaucratization and de-bureaucratization, over- and under-bureaucratization, praise and critics have led us to describe the reaction of the public with regard to their public administration as a “perpetuum mobile” – a never ending story (at least in open, deliberative, democratic societies): Grunow/Strüngmann 2008. There is no perfect solution/response to existing ambivalences and multiple interests available – as the development during the last 100 years show: neither neo-liberalism and its concern for shareholder-interests nor communism will definitely help. It remains a question of continuous change, observation, re-adjustment, innovation. This is not just the consequence of rapid changes in the world society but also of the non-compliance of the other societal sectors (private households, economy, third/voluntary sector) with regard to legally based rules/demands.*

*Two examples of performance valuation:*

*\* Winston Churchill is said to have made the following remarks: Weber’s bureaucratic state model is the worst one – if all others state concepts are excluded.*

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<sup>28</sup> A recent example (in times of pandemic) was the open applause for health care staff - which was often presented in the media. However, there was no similar concern of the population with regard to a fair salary for these medical nursing professionals.

\* „So why look at bureaucracy? The fact that it is as much part of more modern amenities it produces (such as electricity, gas, railways and social security, to name a few) means that an understanding of the distinctive issues bureaucracy poses is as relevant and important as it ever was in the era of Kafka and Weber, irrespective of whether we feel they got it right or wrong. We have not invented a better way of organizing public affairs. For all the talk of ‘post-modern’ forms of organization, where hierarchies and other formalities dissolve under constant negotiation between near-equal partners, these are generally at best straws in the wind or possibly only minor exceptions that prove the durability of bureaucratic models” (Jenkins, Bill, /Page, Edward C.: *The Foundations of Bureaucracy in Economic and Social Thought*. 2 volumes, Cheltenham 2004, XIII).

Many authors argue that Weber would be surprised about such a diagnosis.

### 3.2 A summary of latest developments

For the review of the latest developments the focus on the public sector (political-administrative system) is advisable, because, thereby, the diverse definitions/associations with “bureaucracy” should and can be limited. We shall also omit discussions about the general reductions/destruction of the public sector and concentrate on the latest propositions for changing architecture and performance of public administration. By doing this, many aspects of the preceding text will be summarized.

The first complex refers to the goals and issues of the “new public management” NPM – in Germany named the “new steering model” – which was defined (in international comparative terms) as a “moderate” version of the international NPM reform project.

Jann (2005, 76) has summarized the difference of NPM to Weber’s concept in five dimensions:

Weber	NPM (“new steering model”)
1. Central steering modus	1. self-management (steering) by decentralized units
2. input based steering ( rules and resources)	2. output based steering ( products and goals)
3. separation of responsibility a. for the definition of tasks and b. for the provision of resources	3. task definition and resource provision tied together
4. staff administration on legal basis	4. staff management
5. Kameralistik (legal budget system)	5. Doppik (cost-efficiency calculation)

As it was illustrated in the previous text this reform strategy can be and often was described by a list of tools, which sometimes were just copies of strategies from capitalist business arrangements. Following the review of Drechsler (2008) we can conclude that the goals of NPM initiatives have failed in many of their implementation tools: efficiency



measures, low costs (by contracting out), ppp (public private partnership), flat hierarchies, e-governance, new modes of budgeting and controlling etc. The “homo oeconomicus” as model for citizens and public servants could not be strictly implemented and missed the promised general (welfare) effects. One of the major reasons is the growing diversity and interdependence of public tasks. Therefore, it was often ignored that some tools have already been used/implemented: new was sometimes only the naming. A special reason for some ambivalences in Germany was the coincidence of NPM and the German unification – which has intensified the modes of citizen information and participation: responsiveness of service provision, citizen bureaus, citizen budget(ing), open governance (access to official information) etc. This has supported our summarizing indication of NPM effects as a practice of (partially) “intelligent non-compliance”. However, this does not completely exclude improvements within special sets of public tasks and rules. Challenges of societal development are demanding for continuous reviews of administrative arrangements and performance: the risks of and shifts between over- and under-bureaucratization still remain a kind of “perpetuum mobile”.

The more general conclusion – even by protagonists of NPM (Pollitt/ Bouckaert 2000) – implies the proposition of a “Neo-Weberian State” which includes various kinds of references to the Weberian model - with innovative additions.

*The Neo-Weberian state (NWS)<sup>29</sup>*

*\*Wechsel von einer Innenorientierung an bürokratischen Regeln zur Außenorientierung an den Bedürfnissen und Wünschen der Bürger, nicht durch Marktmechanismen (auch wenn diese gelegentlich praktisch sein können), sondern vielmehr durch eine professionelle Qualitäts- und Servicekultur.*

*[Aber :] Bestätigung der Rolle des Staates als wichtigste Institution, die Lösungen für die neuen Probleme von Globalisierung, technologischen Änderungen, demographischen Verschiebungen und Umweltrisiken ermöglicht.*

*\* Supplementierung (nicht Ersatz) der Rolle der repräsentativen Demokratie durch verschiedene Instrumente, durch die die Bürger konsultiert und direkt repräsentiert werden (...)*

*[Aber :] Bestätigung der Rolle der repräsentativen Demokratie (zentral, regional und lokal) als legitimierendes Element innerhalb des Staates*

*\* Innerhalb des Ressourcenmanagements der Regierung eine Modernisierung der relevanten Gesetze, um eine größere Orientierung an Ergebnissen zu fördern, anstatt nur die korrekte Ausführung einer Prozedur. Das wird teilweise durch einen Wechsel von ex ante- zu ex post*

*Kontrollen ausgedrückt, jene werden aber nicht vollständig abgeschafft.*

*[Aber :] Bestätigung des Verwaltungsrechts – angemessen modernisiert – zur Erhaltung der Grundprinzipien des Verhältnisses von Bürger und Staat, einschließlich Gleichheit*

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<sup>29</sup> Drechsler (2008, 22): The first part (\*) describes the new situation, the second part (aber=but) refers to the persistent Weberian components: central role of public institutions in modern/future societies; representative democracy as legitimation basis of the state; public law as basis for decision making and control; special role and responsibility of public servants.

vor dem Gesetz, Rechtssicherheit und der Verfügbarkeit besonderer rechtlicher Untersuchung staatlichen Handelns.

*\* Professionalisierung des öffentlichen Dienstes, sodass der „Bürokrat“ nicht nur ein Experte des Rechts seiner Aktivitätssphäre ist, sondern auch ein professioneller Manager, der daran orientiert ist, die Bedürfnisse seiner/ihrer Bürger/User zu befriedigen.*

*[Aber :] Erhalt der Idee eines öffentlichen Dienstes mit besonderem Status, besonderer Kultur und besonderen Prinzipien und Bedingungen.*

### **3.3 Concluding observations: the NWS in times of Corona pandemic**

*The year 2020 was strongly influenced by the corona pandemic: the renunciation of scientific conferences was only a very small element of it. Quite often during this year it was said that the pandemic can be used as a kind of burning glass – making the realities of our societies more visible. The reason is to be seen in the worldwide and multiple effects of this disease. However, there are also many differences in the qualitative and quantitative effects between the countries worldwide. Therefore, the following remarks have to be concentrated on some observations in Germany (with some European ads on). There is little doubt, that the effects of the pandemic are not just related to an illness (and its treatment) – as some deniers argue: it is not just the “typical flu” of the year, which will be over in the next spring season. Some indicators of the difference are found in the terms which are used ever more frequently<sup>30</sup>: system-relevant services, full hospitals, shut down, lock down, quarantine, restrictions and duties concerning many situations and activities. This development is influenced by the observation of international experiences of actions and their effects. On the other side this development provokes many questions, misunderstandings, protest, threats and conflicts. Thereby, Weber’s analysis of the relationship between legal state and freedom of the individual “is back”. But this is not just a question of the relationship between sectors of society but the development has also very specific impacts on various organizations and individuals.*

*The following observations and comments will focus a. on some burning (magnifying) glass effects and b. on the question of possible long-term consequences: a “post corona state” PCS(PA)?*

*a)*

*\* the important functions of the public sector (PA, PAS)*

*In general it can be said that the important (central) role of the public sector (PA, Politics, Law) in such a stress situation for a modern (complex, dynamic) society could be seen very early. This was not only related to the health care provisions, but also to questions of science, security, teaching, media communication and others. The strengthening of the executive actors (by new emergency-rules) has – as could be expected - also evoked conflicts with groups and institutions complaining about the loss of parliamentary participation and freedom. It was important to see, that most*

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<sup>30</sup> In Germany the term “Corona Pandemic” was just chosen as the word of the year.

*problems/complaints were directed to or indirectly reached public institutions: parliament, public administration and courts. Many critical reactions also came from gigantic business firms with high profits and shareholder value since many years. It took quite some time until the public financial support was stopped – because these companies continued to pay high extra salaries to their bosses.*

*\* the (re)discovery of “system-relevant” services (PA: Staff, Organizations)*

*The reference to “system-relevant” services and staff-members – which might need special attention, support (and somehow also protection) – started very early and was at first concentrated on various kinds of health care and necessary social services for everyday life. It included many parts of the administrative/public service system – which is depending on people (and not on machines). Only little attention was given to all kinds of “fun-services”. Thereby, the proclaimed financial losses indicated the high proportion of personnel, financial transaction profits in the tourism-economy (flight-, railway-, bus-traffic, hotels, restaurants, bars and party-sites, leisure events etc. etc.)*

*\* the ambivalences of the new media-systems*

*Epecially the so-called social media contributed to many irritations about the virus and the often dangerous consequences of infections – not only for the elderly population. The ambivalent reaction to data-collection was an important part of it: refusal of state-related data transfer (corona app for infection-tracking) coincided with the accepted/ignored everyday tracking of personal data by digital platforms<sup>31</sup>. Fake news, radical political communications as well as mobbing and murder-threat against public officials increased over time. By this, the organization of protest demonstration (“Querdenker”- somehow similar to Qanon) was increasingly captured by various, partly radical groups – like Neo-Nazis. One of the reasons - in the background - was the broad response these communications had in the official media (“attention-capturing”). It was much less visible that the vast majority of the population accepted the restrictions and losses - which in part were compensated by public subsidies.*

*\* the negative effects of economization of public sector functions*

*These effects were observed first of all in the context of health and welfare provisions. The necessary staff capacity in the hospitals and – especially – in the public health system (local public health offices) was already known before – as a consequence of NPM-cutback and rationalization strategies. The same is true for the administrative capacity for providing financial support and also to control the (parallel) increasing misuse of public subsidies (insufficient capacity of law courts). One example is the application for income subsidies from persons, who did not have any job/income. These observations increased the awareness, that it is not enough to offer money to the administrative units: often the necessary staff – in quantitative and qualitative terms - was not instantly available. With other words: the “slack resources” which are necessary for reacting to contingent developments had been cut off in earlier years/decades. In various public*

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<sup>31</sup> It was somehow surprising, that quite early in the year Google cleared the messages, which denied the existence of the virus.

*fields money is available, but no effective implementation at work: high proportions of the subsidies remained on the bank account. A rather unexpected case was the money which was provided for the infrastructure of schools (digital equipment).*

*\* the ambivalences of neoliberal globalization*

*The globalization increased many problems – not only because of the global distribution of the corona virus (by international traffic). With the different developments of the pandemic on the globe the economic cooperation networks were negatively affected. The global chains of production and delivery were interrupted – whereby the high dependence on only one major location of production (like drugs from India) was visible. Efficiency and “race to the bottom” had abolished the redundancy of supply processes. It was especially notified with regard to drugs and all kinds of medical instruments – also masks. Nowadays the same problem starts somehow with the development and production of corona vaccines and the organization of the vaccination process.*

*b)*

*Post corona PA*

*The “burning glass” effect has made many positive and negative elements of the public sector in the modern society more visible. It has first focused on the health related provisions and their deficiencies (lack of preventive resources with regard to epidemic infections) as well as on the possibilities of financial compensation payments in shutdown sectors. In more general terms the increasing “awareness” included many issues of former and recent problems that have been ignored, postponed or not solved effectively. This has ever more often raised the question whether the pandemic interplay offers an opportunity for sustainable changes – be it on a small or large scale<sup>32</sup>. The alternative would be the attempt to go back to exactly the same situation as before the pandemic. Therefore, it will be interesting to observe whether sustainable changes are being initiated and carried through. To just name a few:*

- improving the capacities of PA in the near future (vaccination procedures) and for long term changes (staff recruitment, better salaries, better qualification standards);*
- providing slack resources to allow for “reforms during continuous task fulfilment”, -*
- learning from home-office experiences and the use of digital tools in the public sector;*
- reducing economization effects in the health sector, the science sector, the media sector etc. (reducing the role/influence of lobby-groups)*
- collecting a fair share from the very rich population to compensate the high deficit within the public budget – especially if they have increased their profits during the pandemic*
- effective control and reduction of the excesses of “social” media: mobbing, cybercrime etc.*
- improving the cooperation within the EU (Schengen territory) - not only in financial terms*
- revisions of international economic cooperation (supply chains) – with regard to human rights, ecology, tax heavens, delivery of weapons, global monopolies (digital platforms)*

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<sup>32</sup> Ever more books are now published with regard to necessary changes for local, national or global arrangements concerning the future developments.

- reaction to climate change challenges; reduction of excessive consumption (only one earth); following the SDG2030 of the UN, active inclusion of the young generation (FFF)

To formulate the challenges in a more conceptual (theory based) format  
(Grunow 2017; 2020; 2021):

- improvement of the functional differentiation in future societies – with internal stop rules within and mutual resonance between the subsystems,
- the Neo-Weberian state with special responsibilities to keep the functional subsystems of modern societies in balance and the population widely/intensively included – on the basis of a common/shared meaning-set for communication.

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