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How To Argue About The New Public Management

ABSTRACT: Hood and Jackson's (1991) distinction between administrative argument and administrative philosophy has been largely overlooked in writings on NPM. This seemingly subtle distinction flows from the more obvious one between "practical argument" and "social scientific explanation." These terms refer to different scholarly practices. Practical reasoning is a highly-developed form of scholarship in law, public policy, and political theory. Explanation is a highly-developed scholarly activity in political science and related disciplines. The fact that practical argument and explanation are, in principle, complementary scholarly activities in practically-oriented fields such as public management is not a reason to overlook the distinction between them. If scholars writing on NPM made more of this distinction, it might prove easier for their readers to see precisely how social science explanations and practical arguments are interrelated. Discussion of how well claims have been supported would then be facilitated. Also, it would be easier for writers to decide how to engage the NPM literature. Not only would the issues be clearer, but it would also be easier to discuss the merits of alternative approaches to tackling them. If more weight is given to the distinction between practical argumentation and social scientific research by scholars of NPM, an urgent question is: how should the scholarly practice of practical argumentation be characterized?

The word-phrase, New Public Management (NPM), is widely used in the academic field of public management (e.g., Aucoin 1995, Ferlie et. al. 1996, Hood

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1998, Jones and Thompson, 1999, Barzelay, in press). In its initial formulation (Hood and Jackson 1991), NPM was conceived as a serious "administrative argument." Later in the same work, NPM was characterized as an accepted "administrative philosophy," defined in terms of its pervasive and strong influence in venues where administrative choices are made. In both respects, NPM was placed within a frame of reference that included eighteenth-century German Cameralism, nineteenth century English Utilitarianism, and 20th century American Progessivism.[1]

Hood and Jackson thus defined NPM in two distinct ways. As an administrative argument, NPM drew its meaning from the ancient concept of practical reasoning. Practical reasoning is an intellectual process whereby people attempt to draw reasonable and appropriate conclusions about practical (as distinct from theoretical) questions. Scholars and others engage in this type of reasoning whenever they evaluate or propose institutions, policies, or managerial interventions. An administrative argument is the product of practical reasoning about how to get organized, specifically. Like all practical arguments, an administrative argument indicates reasons for its conclusions. The reasons supporting conclusions of administrative arguments are typically administrative values, such as efficiency, honesty, and flexibility.[2] Hood and Jackson described NPM as an administrative argument, so defined.

The concept of an administrative philosophy, by contrast, drew its meaning from empirical political science. An administrative philosophy is a body of administrative doctrines that influences agenda-setting and decision-making processes in particular places and times. Given this empirical significance, Hood and Jackson raised the scientific question of why administrative philosophies vary over space and time. The authors' attention then focused on explaining why two particular bodies of administrative doctrines—including NPM—achieved the status of influential administrative philosophies.

Hood and Jackson's distinction between administrative argument and administrative philosophy has been largely overlooked in writings on NPM.[3] This seemingly subtle distinction, as we have seen, flows from the more obvious one between "practical argument" and "social scientific explanation." These terms refer to different scholarly practices. Practical reasoning is a highly-developed form of scholarship in law, public policy, and political theory. Explanation is a highly-developed scholarly activity in political science and related disciplines. The fact that practical argument and explanation are, in principle, complementary scholarly activities in practically-oriented fields such as public management is not a reason to overlook the distinction between them. The distinction between these primary forms of scholarship might warrant as much attention today as it did when Hood and Jackson coined the phrase "New Public Management" nearly a decade ago.

If scholars writing on NPM made more of this distinction, it might prove easier

for their readers to see precisely how social science explanations and practical arguments are interrelated in a given work. Discussion of how well claims have been supported would then be facilitated. In this scenario, it would be easier for writers to decide how to engage the literature when they plan a contribution to it. Not only would the issues be clearer, but it would also be easier to discuss the merits of alternative approaches to tackling them.

If more weight is given to the distinction between practical argumentation and social scientific research by scholars writing on NPM, an urgent question is how the scholarly practice of practical argumentation should be characterized. This question is addressed in the present article; accordingly, scholarly practices of empirical research on NPM are not discussed here.[4] The approach taken here is based on argumentation theory, which dates back to Aristotle's discussion of deliberative rationality (Toulmin and Jonsen 1988). Revived by Toulmin's (1958) *Uses of Argument*, scholarly discussion of deliberative rationality and practical argument entered the field of policy and administrative studies with such works as Vickers (1965); Thompson (1983); and Majone (1989). This body of thought figures prominently in recent statements about public policy analysis (Dunn 1994), public management (Moore 1995), and social science generally (Lindblom 1990).

In the present article, standards of argumentation are discussed in the context of Aucoin's (1995) *The New Public Management: Canada in Comparative Perspective*. Aucoin's book puts forward a favorable evaluation of public management policies adopted in New Zealand, the United Kingdom, and Australia during the 1980s and early 1990s.[5] On this basis, Aucoin went on to compare Canada's public management policies unfavorably and called for Canada to catch up with its fellow Westminster countries. To support these conclusions, Aucoin surveyed practices in the four case study countries, and he developed what might be called a theory of public management policy that incorporates ideas from the New Institutional Economics, management, and traditional public adminis- tration. In these respects—developing a theory of public management policy, evaluating public management policies, and advocating policy change in Cana- da—Aucoin's scholarly work exemplifies practical argumentation. For this reason among others, Aucoin's book-length argument is an ideal environment in which to discuss standards applicable to this type of scholarship.

Argumentation Theory

Argumentation theory discusses two broad topics. The first topic is the structure of a well-formed practical argument. Stephen Toulmin (1958), a philosopher, remains influential in this regard. According to Toulmin, the conclusion to a practical argument is a claim. A well-formed practical argument is one where the claims are plainly supported by warrants. Using the physical

metaphor of "support" to characterize the relationship between claims and warrants conveys the notion that claims are not logical implications of warrants, but are rather practical implications of them. A well-formed argument not only identifies its warrants, but also indicates why they apply specifically to the argument's claims. In adjudicative settings, for instance, a well-formed argument indicates why a legal rule is a warrant for claims about a particular case. A well-formed argument therefore provides a rationale for opinions or volitions about practical (as opposed to theoretical) questions.

The second broad topic in argumentation theory is how people should argue with one another when they initially disagree over practical questions. This topic is different from Toulmin's in that it draws attention to the *process* of discussing a practical question as opposed to the *product* of practical reasoning. To develop the crucial idea that argumentation is a process, Walton (1992) introduces the idea of a conversation. Conversation is conceived in both its ordinary, experiential sense and in its specialized meaning in pragmatics, a sub-field of linguistics. The most important property of a conversation, according to Walton, is that it is a cooperative effort. Participants cooperate to be mutually understood, to keep the conversation moving forward, to keep their relationship to one another intact, and to achieve the substantive goals of the conversation. The standards of argumentation that follow from this shift in perspective from "argument-as-a-product" to "argument-as-a-process" (Gaskins 1992) are directly applicable to face-to-face interchanges. Such standards have been laid out in detail in Walton (1992). This approach is also applicable to scholarly debates conducted in print.

Candidate Standards of Scholarly Argumentation

Argumentation theory, in effect, describes practical argumentation as a practice. This practice is conceptualized in terms of both well-formed arguments and participation in the argumentation process. The concept of a well-formed argument is mainly drawn Toulmin, as discussed above.[6] Other writers, such as Walton, use slightly different terms to describe the elements of a practical argument. Walton's concepts of presumption and conclusion are roughly equivalent to Toulmin's concepts of warrants and claims, respectively.[7] The reason for referring to presumptions rather than warrants is that practical reasoning is specifically a process of basing opinions on what is presumably true about the situation at hand. In what follows, "presumptions" and "warrants" will be used interchangeably, since Toulmin and Walton have roughly the same view about the structure of a well-formed practical argument.

Walton distinguishes types of argumentation processes based on their substantive goals. He examines the type called a "critical discussion" in elaborate detail. This type of argumentation process is perhaps the default model for university-based specialists in public management.[8] The defining goal of a "critical

discussion" is to understand why participants disagree about the subject at hand. Critical discussion subjects presumptive reasoning to scrutiny and opens up the possibility that beliefs will be revised. Consensus is a possible outcome, but is not the defining goal of a critical discussion.

Three standards can be singled out as defining the practice of a critical discussion. One standard is that every participant "must be willing to discuss his viewpoints and to formulate his point of view as clearly as possible in order that it might be open to critical discussion" (Walton 1992: 91). Participants express themselves in such a way that others can discern and appraise their arguments. This standard of practice is a tall order when participants belong to separate academic or professional disciplines.

A second standard is that participants be willing to accept, on a provisional basis, presumptions toward which other participants (but not themselves) are partisan. When this proviso is not satisfied, the argumentation process will grind to a predictable halt. Critical discussions can proceed fruitfully in the presence of dissonant views, according to Walton, provided that participants cooperate by accepting presumptions put forward by others, at least on a provisional basis, as a basis for moving the discussion along toward its goals.

A third standard is that participants cooperate in evaluating inferences drawn from such presumptions. This standard reflects the view that inferences are not logically entailed by presumptions. Any given presumption may be judged of limited relevance to the what-to-do question at hand. To illustrate, participants might be inclined to challenge inferences about how to motivate public servants drawn from generalizations about firms, on the grounds that the same rules likely produce different effects in the two contexts.[9] Accordingly, a third standard of argumentation is that participants should cooperate in critically discussing the plausibility of inferences.

Since many specialists in public management identify with social science more than with philosophy, Walton's concept of argumentation is usefully compared with Lindblom's (1990) treatise on social science. Both Walton and Lindblom call attention to the benefits of challenging deeply instilled habits of thought, including acceptance of entrenched generalizations and the drawing of certain inferences from them. The main difference between Lindblom and Walton lies in the emphasis they give to competition and cooperation in the argumentation process. According to Lindblom, social scientists contribute to the competition of ideas, to an important but limited degree. Competition tends to offset the limitations of any single piece of research or policy argument. Walton, on the other hand, implies that argumentation involves more than the competition of ideas. Intentional cooperation is required to achieve high levels of communication, which is instrumental to reaching a meeting of minds, itself necessary to achieve the goals of a critical discussion. In stressing the benefits of competition, Lindblom focused on the goal of accentuating citizens' ability to probe their volitions about public

policy and fundamental institutions. Lindblom's general argument about social science requires qualification to address the much narrower goal of increasing the level of critical discussion in the scholarly literature on NPM.

Time has come to relate the three standards of practical argumentation, drawn from Walton, to the argument presented in Aucoin's *New Public Management*.[10]

The Overall Plan of Aucoin's Argument

Writing as a public administrationist, Aucoin's overarching topic is "governance." His general position is that good governance requires that executive government be politically responsible and capable of formulating and implementing substantively valuable public policies. Aucoin's position is that these two requirements can only be satisfied if executive government contains a career civil service separated from, yet subordinate to, the political executive (p. 81). He is quick to add that this institutional configuration, which is characteristic of Westminster-Whitehall systems, does not guarantee governance will meet a high standard. Complementary, second-order conditions must also be satisfied to some degree for such an aspiration to be met.

To identify these second-order conditions, Aucoin turns to the second topic of how to manage the relationship between political executives and government departments staffed by the career public service. The broadest claim in this part of governance theory is that relations between political executives and the public service should be approached as if the intellectual task were to solve a principal-agent problem. In defense of this move, he states that "relationships between ministers and their public servants are essentially relationships between principals and agents" (p. 35).[11] Later, in differentiating his argument from another referred to as the "post-bureaucratic paradigm," Aucoin states:

> The political apparatus of the state must require the public service to improve its responsiveness and performance: the prescription is 'to make managers manage'. . . . This approach derives from public choice and agency theory. It is perhaps best viewed as institutionalist in character because it assumes that behavior is a consequence of the rules that define relations among individuals in an organizational setting and between them and their customers or clients. . . . Foremost among the rules that need to be reconsidered are those that contain incentives, positive and negative, to manage up rather than down the organization and to manage inputs rather than outputs (p. 173).

Aucoin puts forward three significant arguments about the role of political executives in public management, which appear to be supported by principal-agent theory. First, since principals and agents rationally search for agreeable contractual terms to regulate their exchange relationships, responsible political executives and public servants correspondingly formulate "explicit contracts" to regulate their hierarchical relationship within executive government. Second, since rational principals specify outputs explicitly to render incentive effects,

responsible political executives correspondingly define outputs explicitly to bring about a close alignment between spending of public money with public policy. Third, since rational principals write contracts that provide automatic rewards on the basis of defined outputs, responsible political executives correspondingly hold the public service accountable for meeting output targets.[12] This line of reasoning is examined in detail in a later section.

The third topic discussed by Aucoin is how to manage government departments. On this score, the author incorporates the views expressed in a report prepared by Otto Brodtrick and issued by the Auditor General of Canada on the subject of well-performing organizations (see pages 169–70). Brodtrick identified four categories of determinants of such organizations, labeled "emphasis on people", "participatory leadership", "innovative work styles", and "strong client orientation." Aucoin went on to comment that, "The four emphases of well-performing organizations are hardly novel to normative management theory. Nevertheless, they are necessary ingredients of improved public management if public service organizations are to tap their most essential resource, namely the people who work in them" (p. 170).

Aucoin's theoretical discussion appears to be laid out on a three-tier plan, dealing with executive government corporately, relations between political executives and the public service, and management within government departments, respectively. The theory also engages ideas from public administration, principal-agent theory, and general management. The mapping between tiers and disciplinary sources is roughly one-to-one. Public administration is the primary source of warrants for his claims about responsible and good government, which prescribes a career public service as a separate, yet subordinate, institution within executive government. Principal-agent theory is advertised as a key source of warrants about how to structure relations between political executives and the public service. General management, finally, is the primary source of ideas about the veritable details of governance, internal management of government departments.

APPLYING STANDARDS OF ARGUMENTATION

As discussed above, the claims about how political executives should engage the public service are seemingly backed by warrants drawn from principal-agent theory. The issue at hand is not whether principal-agent theory is suitable as a domain from which to draw warrants for claims about performing the executive function in government. The practice of critical discussion involves granting presumptions such as the suitability of principal-agent theory, for the sake of argument. The main issue at hand is whether Aucoin's presentation meets the first standard, namely that a participant "must be willing to discuss his viewpoints and

to formulate his point of view as clearly as possible in order that it might be open to critical discussion" (Walton 1992: 91).

Absent a firm grounding in principal-agent theory, readers would inevitably experience difficulty discerning how (or even whether) Aucoin's claims about executive government are backed by warrants drawn from principal-agent theory. Unfortunately, the text does not discuss this strand of the New Institutional Economics in any detail. The reader would have to rely on cited works. However, the footnotes make no reference to works by experts on principal-agent theory. James Q. Wilson, whom he does cite, does not qualify as one. Jonathan Boston's (1991) cited work is an analysis of the ideas that influenced public management policy in New Zealand.[13] What Aucoin might have written about principal-agent theory is as follows:[14]

> Principal-agent theory is concerned with the economic analysis of relations between principals and agents. In the default model, principals and agents do not share a common master, although many applications of principal-agent theory concern cases where principals and agents are locations within a formal organization. In the default model, the principal-agent relationship is structured by means of a contract that specifies how agents will be rewarded economically by their principals.[15] Within theoretical economics, principal-agent theory centers on the structuring of incentives, which are presumed to be the sole influence over agents' choice among alternative effort levels and actions.
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> A key defining assumption of typical principal-agent models is that principals do not observe agents' actions or effort levels, either because of the physical impossibility of doing so or excessive cost.[16] The economic analysis of this type of situation quickly reaches the interim conclusion that rational principals will provide agents with an incentive contract. An incentive contract is normally described as a mathematical function relating an observed quantity to reward. The conventional term for the quantity chosen as a basis for reward is the agent's "output." Solving a principal-agent problem thus involves reaching an agreement that defines output.[17]
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> Analysis of principal-agent problems identifies considerations that rational principals and agents would bear in mind as they negotiate over the terms of "incentive" contracts, including the specification of the output. One set of considerations is the quantities entering directly the utility functions of principals and agents. Another consideration is to avoid diluting the incentive effects of a reward scheme, as would be the case where outputs are specified ambiguously. A third consideration has to do with the allocation and compensation of risk. Agents are at risk whenever the quantity defined as "output" varies as a function of factors other than their own actions or efforts. Rational agents demand compensation for bearing such risks. Principal-agent theory deals with how rational principals and agents will sort through such competing considerations to arrive at the terms of an incentive contract.

With this or similar background information, it is possible to critically discuss Aucoin's use of principal-agent theory. Let's focus on the claim that responsible political executives and public servants arrive at explicit contracts that specify the output of the public service. The question is whether the rationale for output-based

contracts in government is the same as the rationale for output-based contracts in principal-agent theory. A standard rationale for output-based incentive contracts in principal-agent theory is that they compensate for the lack of observation of agents' actions. Aucoin's description of executive government, however, does not match the assumption that principals do not observe agents' actions. Indeed, the problem he describes is one where too much effort has been devoted to monitoring the public service's actions, if not by ministers responsible for government departments then by central agencies. This apparent mismatch between defining assumptions of agency theory and the description of government raises doubts about whether the former provides backing for Aucoin's claims about public management.

When readers are familiar with agency theory, a question bound to arise is why Aucoin's discussion of public management makes almost no reference to incentives. Consider, for instance, the following passage:

> Improving public management . . . requires that managers, as agents, have explicit contracts or performance agreements with their ministers, or superiors, as their principals. . . . There must be an assertive cast of principals—that is, ministers—who, assisted by their policy advisers and corporate management support staff, set clear objectives, define concrete organizational missions, rigorous performance targets and measures and incorporate these in explicit principal-agent contracts or agreements. Agents are then given increased authority to deliver their outputs or programs and to manage their resources (p. 174).

Aucoin seems to have placed the concept of contract within a frame of reference that is radically different from agency theory. More specifically, contracts refers not to incentives, but instead to agreements that specify shared aspirations for a department's accomplishments within a specified time-frame. The notorious implication of principal-agent theory—i.e., that agents' actions must be controlled by incentives—is apparently overridden by the assumption that public servants' choices are controlled by the high-group, high-grid (or hierarchist) culture of executive government. If Aucoin had said that his procedure is to draw inferences about government from principal-agent theory, while overriding them whenever they conflict with a hierarchist conception of government, the flow of argumentation would have been more clearly described.

The concerns to be voiced about Aucoin's argumentation can be summarized as follows. First, Aucoin's argument may not be well-formed. The rationale for his statements about how ministers should engage the public service is not entirely clear. While principal-agent theory is cited as justification for his views, one may doubt whether these theoretical arguments apply to minister-public servant relations, where "agent" choices are considered to be excessively observed rather than unobserved. Second, Aucoin's discussion may not conform to Walton's cooperative approach to argumentation, generally, or to the standards of critical

discussion, specifically. The reasons are several. One is that some readers may be left in the dark about the economic theory of agency without a primer on the subject or references to consult. A second reason is that readers' attention is not drawn to the mismatch between defining assumptions of standard agency models and the circumstances of public management. A third reason is that the overriding of agency theory's individualist implications regarding incentives in favor of a hierarchist view of social relations in government takes place without explicit discussion. All told, the presentation does not make clear how principal-agent theory is a basis for conclusions Aucoin draws about public management.

Since the purpose of this article is to elaborate the idea that writings on NPM should conform to the scholarly practice of argumentation, the question naturally arises: how could Aucoin's argument be presented more clearly to a scholarly readership? This general question leads to three more specific ones. How might the argument be presented so that scholars in public administration can relate it to other works in their discipline? How might the argument be presented so that it is easily accessible to political scientists, economists, and management scholars? How might the argument be presented so that it relates closely to controversies surrounding NPM? The short answer to this question is that we need a model of Aucoin's argument.

Defining Theory and Policy Argument

As a preliminary step, we need to discuss the meaning of some terms. For instance, we need to be able to describe clearly what sort of an argument we are talking about. Let's consider the usefulness of describing the argument as a "theory of public management policy." The term "theory," however, has many meanings in the social sciences, some of which are more pertinent to our discussion than others. To be clear about what we mean by theory, let's discuss how this concept relates to others within our field of discourse. This field includes such works as Toulmin (1958), Lindblom (1990), Hood and Jackson (1991), Walton (1992), and Dunn (1994), as well as Aucoin's (1995) book itself.

> In the present context, *theory* refers generally to *arguments* about how to approach one or many types of *situations*. In the public management field, situations are routinely categorized in terms of *subject matter* and *institutional context*. The same is true of Aucoin's theory. The subject matter is public management policy and the institutional context is the Westminster system, also considered as a type.[18]
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> Statements about a theory vary in terms of their role within an argument. These roles include warrants/presumptions and claims/conclusions. The claims/conclusions of an argument are statements about how to approach defined types of situations. The warrants/presumptions of an argument are part of the rationale for the claims/conclusions.

Within this frame of reference, Aucoin offers a theory of public management policy. The scope of this theory's application is not universal: its claims apply

Table 1. Theory and Policy Argument Paradigms

Theory	*Policy Argument*
Type of situation	Particular situation
Indefinite time-frame	Specific periods
Doctrines	Evaluations/proposals
Standing volitions	Action volitions
Argument	Argument
Warrants/presumptions	Warrants/presumptions
Claims/conclusions	Claims/conclusions

specifically to a Westminster-type institutional context. The theory's claims are meant to be among the considerations taken into account when evaluating or designing public management policy. These claims are not logical deductions from axioms, and they are not meant to describe or explain facts. The theory's claims can be described precisely and appropriately as "standing volitions" within Lindblom's conception of social science.[19]

As a further step of clarification, let us distinguish conceptually between "theory" and "policy arguments." The latter is exemplified by Aucoin's favorable evaluation of NPM-style public management policies in the UK, New Zealand, and Australia as well as by his proposals for improving public management policy in Canada's federal government. Within our frame of reference, theory refers to types of situations, whereas evaluations and proposals pertain to particular situations. Accordingly, the claims of a theory are indefinite in their temporal horizon, whereas evaluations and proposals refer to the recent past, the present, and/or the immediate future. Lindblom captures this distinction by identifying two types of volitions. Standing volitions refer to statements about types of situations and indefinite temporal horizons, while action volitions refer to statements about particular situations and, naturally, to specific times and places.[20] What a "theory" and "policy argument" have in common conceptually is that they are instances of an argument.

Observing this conceptual discussion, a linguist would say that "theory" and "policy argument" are being discussed as "paradigms." These paradigms can be represented schematically, as shown in Table 1.

Now that it is clear what is meant by "theory" and "policy argument," let us proceed to lay out the structure of Aucoin's theory of public management policy.[21]

The Elements of the Argument

Stated abstractly, Aucoin's theory of public management policy has the following form:

$$T = A\ (\cdot),$$

T stands for the theory of public management policy (specifically, its claims), A refers to argumentation, and (·) is a place-holder for the theory's warrants. Let us now identify the elements of A (·).

In a widely-cited earlier article by Aucoin (1990), the author argued that managerialism was a major component of NPM ideas. The main text to which Aucoin pointed in characterizing managerialist ideas was Peters and Waterman's (1982) *In Search of Excellence*. By and large, this same approach is evident in Aucoin's book. Instead of referring to Peters and Waterman's best-seller, however, Aucoin (1995) referred to Brodtrick's study of "well-performing organizations" in the Canadian public service, issued as a report of the Auditor General of Canada.[22] As noted above, Brodtrick summarized his findings in terms of four key determinants of organizational performance—specifically, emphasis on people, participatory leadership, innovative work styles, and strong client orientation (p. 169). The substance of Brodrick's argument accords with theories in the field of management, as Aucoin observes:

> In several of its manifestations, managerialism can be regarded as the contemporary version of the "human relations" movement which, in its hey-day, sought to humanize the traditional scientific management approach. The four emphases of well-performing organizations are thus hardly novel to normative management theory. Nevertheless, they are necessary ingredients of improved public management if public service organizations are to tap their most essential resource, namely the people who work in them (p. 170).

On the grounds that Aucoin fully accepts Brodtrick's theory of well-performing organizations (WPO), let us include the term, WPO in A (·).[23]

Aucoin (1990) also identified public choice as a major component of NPM (the other being managerialism, just discussed). Both public choice and agency theory are discussed in the book. Although Aucoin does not say so, public choice and principal-agent theory share membership in a larger category of theories, referred to as the New Institutional Economics (NIE). NIE has been described as the intellectual basis of NPM (Boston, 1991, Moctezuma and Roemer, 1999), a point about which some debate has taken place (see Schick 1996). For these reasons, let us identify NIE as the second element of A (·).

The third and remaining element of A (·) is a recurring argument about government, specifically. This argument appears to have a hierarchical structure with two principles—responsible government and good government—situated at the apex. These principles are not analyzed abstractly as philosophical concepts. Rather, their meaning is fixed in terms of less abstract, institutional concepts. This way of proceeding is evident in the following statements, drawn from Aucoin's text.

    (i)   Responsible government is party government (p. 25)

   (ii)   Responsible government requires that the political executive be responsible for policy formulation and policy implementation and that ministers are accountable to Parliament for actions taken by government departments. (p. 25, 45)

  (iii)   A career public service (independent of party politics) is essential to good government. (p. 29, 81)

  (iv)   The value of a career public service, beyond the simple eradication of partisan patronage in public service staffing, is its capacity to add value to governance on the basis of knowledge applied to the management of the state. (p. 69)

   (v)   Responsible government requires that the public service be subordinate to the political executive. (p. 25, 81)

  (vi)   Hierarchy is a fundamental principle of government. (p. 8)

 (vii)   Good government requires that government departments be subject to at least a minimum set of values and standards. (p. 160)

All of these statements are consistent with what Hood and Jackson (1994) refer to as Progressive Public Administration (PPA). For this reason, PPA is sensibly represented as a third element of A (·).[24] In this connection, let us consider a few more statements:

 (viii)   Good government requires expenditure discipline. (p. 125)

  (ix)   Good government requires that the total budget be shaped in the direction of the government's priorities. (p. 125)

   (x)   Good government requires sustained political commitment to the application of objective knowledge in governance. (p. 72)

These statements have a contemporary feel to them, but they echo the major themes of PPA in the United States from its inception, as reflected in the campaigns for civil service reform, executive reorganization, and budget reform (Karl 1963). For this reason (viii) through (x) can be referred to as PPA, as well. Now, consider three more statements:

  (xi)   Good government requires line managers to assume substantial responsibility for resource use. (p. 127)

  (xii)   Executive fragmentation and administrative centralization have hamstrung both political leaders and public administrators, while failing to promote either policy coherence or expenditure discipline. (p. 108, 111).

 (xiii)   Political conviction is the force that drives change in the management of the state. (p. 68)

These three statements can be thought of as lessons from history learned during the past two decades of public administration in Westminster countries. Consider them as updates to the historical version of PPA. Accordingly, let us define PPA as statements (i) to (xiii) collectively.

The main outlines of Aucoin's argument can be described thus:

$$T = A\ (PPA,\ NIE,\ WPO)$$

A few observations can immediately be made. First, Aucoin's argument brings PPA back into the frame of discourse about public management while making room for NIE and a variant of managerial thought. Second, Aucoin formulates an alternative to the post-bureaucratic paradigm. The latter drew heavily on WPO, took no notice of NIE, and portrayed PPA and WPO as antithetical ideas.[25] Third, WPO—emphasis on people, participatory leadership, innovative work styles, and strong client orientation—specifies managerialism narrowly.[26] Fourth, the argument places rival ideas into the same conversation. As a historical matter, NIE is viewed as contributing to the repudiation of PPA ideas. Analytically, NIE and PPA embody opposing cultural biases (Hood 1998): PPA is a hierarchist approach to management, while NIE is an individualist approach.[27] Semantically, NIE and PPA represent different frames of reference. How Aucoin reconciles these rival perspectives will inevitably mark the substance of his theory.

The Argument's Internal Structure and Flow

Now that we have a handle on the broad outlines of the argument, our attention can focus on its internal structure. All indications are that Aucoin fully accepts PPA and WPO, whereas he selectively accepts NIE. His selectivity operates in two ways: first, he selects agency theory from the broader array of NIE ideas and, second, the inferences he draws from agency theory are highly mediated by PPA. Further, WPO and PPA are viewed as complementary, rather than rival, ideas. This complementary relationship might be expressed as follows: whereas PPA is focused on the institution of government, WPO is focused on the process of management; whereas PPA stresses stability, WPO stresses incremental change; and whereas PPA assumes public servants will carry out their responsibilities, WPO identifies ways to clarify these responsibilities and to motivate public servants to take actions consistent with them. With these assumptions, we can specify Aucoin's theoretical argument as follows:

$$T = PPA + WPO + D\ (PPA,\ T_{PA})$$

This expression states that Aucoin's theoretical claims about public management policy incorporate the statements about PPA listed above, the theory of well-performing organizations, and ideas drawn from principal-agent theory (T_{PA}).

The final term in expression (3) indicates that T includes the conclusions of a dialectical argument between PPA and T_{PA}. Such conclusions are added to the stock of claims that T inherits directly from PPA and WPO. For our purposes, what is important to understand is how Aucoin reduces NIE to agency theory (T_{PA}) and how he then produces a synthesis between this strand of NIE and PPA.

Specifying NIE

Aucoin's procedure is to throw public choice and principal-agent theory into a scientific contest.[28] Aucoin excludes public choice theory from consideration on empirical grounds. Summarizing, Aucoin states:

> The exercise of bureaucratic power per se is first and foremost a function of delegated authority: bureaucrats do the bidding of their ministers. . . . If political leaders are not able to provide clear policy direction and ministerial leadership, the policies pursued will often be those formulated by public servants. The result, in these cases, is that public servants, rather than ministers, will appear to be in charge of government. More often than not, where public servants exercise considerable influence in the design and implementation of public policy, it is as a consequence of the political leadership devolving discretion to them (p. 36–37).[29]

Principal-agent theory, by contrast, coheres with what is known about executive government, according to Aucoin:

> In several respects, agency theory is more useful than public choice theory in understanding ministerial-public service relations. While ministers and their public servants function in a formal structure with prescribed superior-subordinate status, the nature of this hierarchical arrangement masks an important reality. Ministers possess constitutional executive authority, but in the performance of their executive functions they depend on their subordinate officials for policy advice and administrative assistance for the two reasons that give rise to all "principal-agent" problems: limits on the time a principal can devote to making decisions, and the principal's lack of expertise on the matters for which decisions are required. . . . Relationships between ministers and their public servants are thus essentially relationships between principals and agents (p. 35)

The conclusion of this round of discussion is that principal-agent theory, but no other strand of NIE, should be considered in developing the theory of public management policy.

Clarifying Agency Theory

How far Aucoin accepts principal-agent theory might have been expressed more precisely. Consider the following alternative presentation:

> Let me explain why the minister-public servant relationship can be described as a principal-agent relationship. First, in some principal-agent models, principals are unable to review agents' decisions due to a chosen decision structure (Breton 1996).

(Note that James Q. Wilson's (1989) discussion of "compliance" invokes the better known assumption that agents' efforts—conceived as operators' actions and labeled as "bureau outputs"—are unobservable.) This latter definitional assumption matches the empirical reality that the decision structure of government departments is characterized by extensive delegation from ministers to public servants.[30] Second, principal-agent models are based on the assumption that the decisions agents make affect their principals' utility. In government, decisions made by public servants affect how well ministers perform their duties of office. Provided we substitute the concept of *duties* for that of *utility*, we can say that this second definitional assumption of agency theory matches facts about executive government. Third, principal-agent models are based on the assumption that the interests of principals and agents are not identical. That the interests of ministers are not the same as those of public servants is a reasonable inference from empirical research on government. This approximate match between agency models and empirical properties of government inclines us toward the view that minister-public servant relationships are principal-agent relationships.

The essential truth about principal-agent relations is that principals have to solve an agency problem in order to maximize their utility.[31] What is true about principal-agent relations is presumably true about minister-public servant relations. On this basis, we should presume that ministers have an agency problem to solve.

Presented in this fashion, Aucoin's statement that "relationships between ministers and their public servants are essentially relationships between principals and agents" is clear. Ministers can be described as having to solve an agency problem by virtue of three intersecting properties of their situation: duties as ministers, decision structures that devolve authority to public servants, and some degree of underlying interest conflict between ministers and public servants. Describing ministers as principals is also presented as an early step in the process leading to conclusions about public management policy. The next step in this presumptive reasoning scenario is to draw inferences from principal-agent theory about how ministers should solve their agency problem. The step after that is to make those inferences compatible with PPA.

To draw provisional inferences from agency theory about how ministers should solve the agency problem, it is important to understand agency theory in its own terms. In agency theory, principals and agents are utility-maximizing individuals. By construction, the problem facing principals is how to exercise indirect control over agents' actions. Principals need to exercise indirect control over agents' actions if they are to maximize their own utility. By assumption, agents' actions can be controlled indirectly by incentives. It follows that rational principals use incentives to steer agents' actions. Incentives are modeled as mathematical functions relating rewards (dependent variables) to states of the world (independent variables) known as "outputs." This term can refer to any state of the world except for agents' actions. The function relating rewards to outputs is called an

Table 2.   PPA and Agency Theory

PPA (Thesis)	Agency Theory (Antithesis)
Government policy is implemented by the public service, provided that government departments are properly administered	Principals face an agency problem, under certain assumptions
Public servants normally follow rules that define their roles	Agents respond to incentives
Plans, budgets, and standard operating procedures specify the public service's responsibility	Contracts define the rewards that agents receive
The public service is responsible for performing its tasks efficiently and effectively	Agents should be rewarded on the basis of outputs

"incentive contract." Rational principals thus offer "incentive contracts" that reward agents on the basis of "outputs."

If ministers are principals, they should presumably solve their agency problem by rewarding the public service on the basis of outputs. Aucoin, however, does not conclude that the public service should be provided with incentive contracts. Instead, he points to a related but different solution to the agency problem within executive government. This solution is to develop "explicit contracts or agreements" about outputs. Discerning how this solution relates to the one that emerges from agency theory requires some careful analysis.

Reconciling PPA and Agency Theory

If Aucoin's conclusion is a dialectical synthesis, then we need to look closely at Progressive Public Administration, as well. The dialectical relationship between PPA and agency theory is partially described in Table 2.

The most significant difference between these positions is their cultural bias (Hood 1998). A culture bias is a mutually reinforcing pattern of social relations and ideological beliefs. One type of culture bias is hierarchist. A general rule attaching to roles in a hierarchist culture is to subordinate individual interests to those of the group. Roles are also defined by specific rules, such as those that define responsibility, permissible action, goals, valid knowledge, routines, relations with superiors, and the like. In a hierarchist culture, the roles people inhabit are well-defined by such rules. Hood (1998) argues that Progressive Public Administration is a hierarchist (high group, high grid) approach to public management. By contrast, economic theory exemplifies an individualist culture bias. Actors in a situation are depicted as individuals rather than as people whose social relations are defined by their roles (Montgomery 1998). Such actors maximize their utility. The idea that they would subordinate their interests to those of a larger group is foreign to economic theory. Indeed, the idea that individuals

Table 3.   Three Frames of Reference

Principal-Agent Theory	Progressive Public Administration	Theory of Public Management Policy
Principal	Ministers	Ministers
Agent	Public service	Public service
Actions	Actions	Actions
Decision structure	Delegation	Delegation
Agency problem		Agency problem
Incentive contracts	Plans and budgets	Performance agreements
Outputs		Outputs
	Resource use	Resource use
Reward	Responsibility	Responsibility
Individualism	Hierarchism	Hierarchism

select actions on the basis of what is appropriate to their role is strange from an individualistic standpoint.[32]

Aucoin resolves this tension decisively in favor of a hierarchist culture bias. Accordingly, the individualist presumption that "agents respond to incentives" is rejected in favor of the hierarchist presumption that "public servants follow rules that define their roles." The resolution of this issue has implications for how the rest of the dialectical argument between agency theory and PPA unfolds. The discussion's direction is to specify a hierarchist solution to the agency problem that faces ministers. Such a solution cannot be an incentive contract, since this solution only makes sense within an individualist culture. A hierarchist solution involves specifying the responsibilities attaching to roles. Aucoin's argument is that those responsibilities can be specified with "contracts" that express authoritative aspirations for the effects of delegated decisions within a given time-frame.

The concept of *performance agreements* within the frame of reference of the theory of public management policy thus corresponds conceptually to *contracts* within agency theory (see Table 3). Performance agreements are not literally contracts in the sense of agency theory, because they specify responsibility rather than a schedule of rewards. On this culture-theoretic interpretation, Aucoin's argument is that specifying the public service's responsibility is potentially an effective control over delegated decisions.

The conclusion of this argument is that ministers solve their agency problem by specifying the public service's responsibility in output terms; official agreements about responsibility for outputs are called "explicit contracts." This statement summarizes the term, D (PPA, T_{PA}), in expression 3. To understand the claim, it is necessary to recall the argument in broad outline. Agency theory provides a rationale for using incentive contracts to solve the agency problem facing ministers. Hierarchism or PPA provides a rationale for conceiving of incentive contracts as performance agreements. Agency theory then provides a rationale for a key property of performance agreements, namely that they are based on outputs. Although the word

"output" comes from agency theory, it has a specific meaning within the frame of reference of the theory of public management policy. In agency theory, "output" refers to states of the world selected for purposes of structuring incentives; these states of the world can be anything provided they are "observable." On this criterion, outputs cannot be agents' actions. The distinction between actions and outputs in agency theory is preserved in the theory of public management policy. However, output in the latter context is an expression of authoritative aspirations for an organization within a given time-frame.

In sum, the claim is that the appropriate way to solve the agency problem in government is for ministers to formulate authoritative performance agreements that identify observable states of the world called outputs. The public service is responsible for achieving outputs, so defined. This conclusion joins with the thirteen points about PPA and the four determinants of well-performing organization to form T. All together, these conclusions are supported by lessons from the history of governance, scientific knowledge about executive government, agency theory, and management research (conducted in the Canadian public service context). The flow of argument from these considerations to claims about T can be described precisely, clearly, and rigorously—making it relatively easy to critically discuss the views put forward. The aspect of the argument that is demanding to explain is the dialectical synthesis between PPA and agency theory. Understanding how conclusions about performance agreements were drawn from the presumption that ministers are principals required us to draw heavily on Walton's processual view of argumentation (supplementing Toulmin's structural view), Hood's recent theory of organizing in the public sector based on culture theory, and tools of conceptual analysis borrowed from contemporary linguistics (Lakoff 1987).

From Theory to Evaluation

The theory of public management policy is part of a compound argument. A further round of argument is the evaluation of public management policies in the Westminster context during the period of Aucoin's study. The broad outline of this unit of argument is as follows:

$$E = A (S, T),$$

where E stands for the policy evaluation, S stands for Aucoin's survey of policy practice, and T refers to the theory of public management policy. Let us take a look at S. This term is selected because the "survey of practice" is a venerable tradition of scholarship in public administration (see for instance White, 1933 and Schick, 1990). In terms of social science, the survey fits the category of "reporting" as defined by Lindblom (1990). Accordingly, the research activity is

not explanation. Following this tradition, Aucoin surveys public management policies and their rationales in the UK, New Zealand, Australia, and Canada.

The internal structure of Aucoin's argument can be expressed simply. A policy p receives a positive evaluation when three conditions are jointly satisfied. The first is that p is practiced in at least one of the surveyed countries. The second is that the survey detects a satisfactory official rationale for p. The third is that p is consistent with T. Consistency can be interpreted in two ways. One is that principles of PPA are not violated. A prima facie violation would be a case where p's institutional rules reduce ministers' accountability to parliament for government departments. The second interpretation is that p satisfies requirements for good government expressed as T. A prima facie case for satisfying such requirements is when "performance contracting" occurs or when the determinants of well-performing organizations are fulfilled. The most important point to notice is that any statement about E refers to both S and T. A policy idea that is thought up on the basis of T requires a counterpart in practice to be qualified as good practice. Conversely, any observed p has to satisfy T in order to receive a positive evaluation.

The p that receives an extremely favorable evaluation by Aucoin is the assignment of operational and policy responsibilities to different units within the hierarchical structure of executive government. This policy is exemplified in the UK by the decision to establish executive agencies within government departments; it is exemplified in New Zealand by the way ministerial portfolios were reorganized in the mid 1980s. The survey argues that this policy has a satisfactory official rationale. The question is how organizing around policy and operational responsibilities is backed by T.

A close reading of Aucoin's text indicates that T does not provide direct backing for this evaluation. PPA is concerned with broader institutional issues, but not the specific organizing principles of government departments and bureaus. Both WPO and agency theory are concerned with the process of management, but not with the structure of organizations. The managerialist schools of thought that deal directly with organizational structure—including management accounting and control—are not included within the scope of T's warrants. What, then, is the argument that this policy satisfies T?

One clue is provided by Aucoin's statement that "the crucial advantage for good government is its requirement that ministers contract with chief executives for the delivery of specific outputs or services" (p. 142). This statement suggests that the policy is consistent with the doctrine of performance contracting drawn from the dialectical argument between PPA and agency theory. The grounds for the positive evaluation of the organizational policy is provided by evidence from the survey, namely that both performance contracting and the separation of policy and operations have occurred in the same cases. The grounds for separating policy

from operations are thus elements of the NPM policy package other than organizational structure itself.

A second clue about how Aucoin draws a favorable evaluative inference about the policy/operations split is provided by the statement that, "a greater degree of organizational differentiation for operational units can promote greater devolution for managerial effectiveness" (p. 151). The term "managerial effectiveness" may refer to greater efficiency in the use of resources. If so, the argument entails a number of steps. The first is that "good government requires line managers to assume substantial responsibility for resource use" (p. 127). This statement was inherited by T from the update to PPA, specifically statement (x). The second is that modifying the organizational structure of government is conducive to managers assuming such responsibility. The third is that the separation of policy from operations is the sort of organizational structure that selectively decentralizes responsibility for resource decisions along the vertical axis of government and its component units. The evidence supporting these last two steps comes from the survey, although Aucoin himself notes that this evidence is not strong.

The mention of "managerial effectiveness" above might also refer to determinants of well-performing organizations (see page 177). If so, the argument seems to be that WPO provides a rationale for separating policy from operations. This argument is necessarily indirect, since emphasis on people, participatory leadership, innovative workstyles, and client orientation do not refer specifically to organizational structure. The fine structure of the argument that WPO provides backing to the evaluation is not altogether clear from the text (see page 177). Presumably, the argument is that professional managers are more likely than mandarins to follow the doctrines of WPO.

All told, the argument for separating policy and operations is complex and contingent. The rationale for the policy is that it has been accompanied by other policies whose combined effect is to raise the odds that ministers will try to solve their agency problem, line managers will become more responsible for the efficient use of resources, and that operational organizations in government will be led by people who know how to satisfy the determinants of WPO. Given that many governments come to believe that establishing agencies per se is good practice, it is important to underscore the complexity and contingency of the argument for the policy/operations separation.

On this theory of Aucoin's argument, the following statement is somewhat puzzling:

> A greater degree of organizational differentiation for operating units can promote greater devolution for managerial effectiveness and greater ministerial control over the strategic direction of state agencies than is possible within highly integrated ministerial departments (p 151).

The phrase "than is possible" implies that the policy/operational distinction is not merely good practice, but rather "best practice." This stronger claim evokes three questions. One is whether the fact that Australia has retained highly integrated ministerial departments its disconfirming evidence. The second is whether the critical presumption that provides backing for this stronger claim is that that a single deputy minister cannot manage both the policy and operational dimensions of a department (see page 150). This presumption may be a reasonable one, but it has no basis in PPA, WPO, or agency theory. What, then, is the source of this presumption? One possibility is from S—specifically, the official rationale for this policy in the New Zealand context. Another is from Aucoin's personal process of forming standing volitions. The third question is whether this statement marks the transition from a critical discussion of public management policy to a "persuasion dialogue" intended to influence public management policy-making in Canada.

NPM Argumentation Guidelines

This article has sought to demonstrate that that it is possible for evaluations of public management policies to be rigorously argued. More specifically, discussions of NPM can approach the standards set out in argumentation theory. If the reader accepts this view, then attention might be drawn to guidelines for meeting such standards. This section proposes guidelines for arguing about NPM and illustrates them with references to how Aucoin's argument has been presented here. The guidelines are organized around the general form of a practical argument,

$$C = A (\cdot),$$

where C refers to claims or conclusions and A ($\cdot$) is the rationale for C. The discussion will begin with claims and then address the other aspects of an argument.

I. DISCUSS THE CLAIMS

A. Indicate subject of the claims

NPM is a catch-all term. This fact is one reason why writings on this subject, taken together, are amorphous. Where appropriate, a writer should identify a specific subject. Eligible subject categories are public management policy, executive leadership in government, program design and administrative structure, and government operations.

Illustration: the claims in Aucoin's book refer primarily to public management policy.

B. Indicate Scope of the Claims

Under scope, a major distinction is between universal and more limited claims. In limiting the scope of claims, a writer can refer to types of governmental systems, cultures, policy domains, and time-frames.

Illustration: Aucoin's limited claims about public management policy fall into two spatial categories, namely Westminster systems and Canada. The same claims fall into two temporal categories, namely indefinite time horizon and a specific time-frame.

C. Indicate Nature of the Claims

A major distinction is between theory and policy arguments, as defined above. Recall that both terms refer to practical arguments. In the case of theory, the claims are standing volitions and doctrines. In the case of policy arguments, the claims are action volitions, evaluations, and proposals.

Illustration: Aucoin's claims about public management policy include doctrines, evaluations, and proposals.

D. Match Claims to Units of Argument

Some discussions of NPM are networks or systems of arguments, which are usefully labeled "compound arguments."[33] Each major unit of argument within a compound argument requires a specific discussion of its claims.

Illustration: The major units of Aucoin's compound argument include a theory of public management policy applicable to Westminster systems (T_W); an evaluation of public management policies in the UK, New Zealand, and Australia (E_W); and proposals for public management policy change in Canada (P_C). These units of argument deal with the same subject, public management policy. The spatial scope of claims about T_W and E_W is Westminster systems, whereas the spatial scope of P_C is Canada. The temporal scope of T_W is indefinite, whereas the temporal scope of E_W and P_C is relatively finite. Claims about T_W are standing volitions and doctrines, whereas claims about P_C are action volitions and policy proposals. Claims about E_W are statements about good practice; these evaluative propositions can be expected to evolve more quickly than T_W but more slowly than P_C.

E. Introduce Substance of Key Claims.

This step is to describe the claims in an initial way. It is useful to indicate if the claim is to be qualified or significantly elaborated at a later stage.

Illustration: Aucoin claims that, "improving public management . . . requires that managers, as agents, have explicit contracts or performance agreements with their ministers, or superiors, as their principals" (p. 174). It would be useful to

indicate where in the discussion explicit contracts and performance agreements will be defined and contrasted.

II. DISCUSS THE WARRANTS AND PRESUMPTIONS

A. Identify Source Domains

The elements of A ($\cdot$) are the "source domains" that provide the presumptions and warrants for the argument. In the interest of facilitating comparison among works in the field, the elements of A ($\cdot$) should be described broadly.

Illustration: Aucoin's discussion of T_W can be described broadly as follows:

$$T_W = A \ (PPA, \ NIE, \ MAN),$$

where PPA refers to Progressive Public Administration, NIE refers to the New Institutional Economics, and MAN refers to schools of thought about management. We can notice immediately from inclusion of PPA in A ($\cdot$) that Aucoin's argument is different from discussions that consider only NIE and/or MAN.

In the case of compound arguments, the claims of one unit of argument are the elements of A ($\cdot$) in another unit. In this case, it is more important to indicate precise linkages among units of argument than to identify elements of A ($\cdot$) in broad terms.

Illustration: In Aucoin's book,

$$E_W = A \ (S_W, \ T_W),$$

where S_W refers to his survey of practice in Westminster countries and T_W is the conclusion of the theory of public management policy in Westminster systems. Similarly,

$$P_C = A \ (S_C, \ E_W),$$

where S_C refers to his in-depth survey of practice in Canada and E_W is the conclusion of his evaluation of public management policies in the other Westminster countries.

B. Specify the Terms

Specification is needed when the argument selects within the broad categories of ideas that define the NPM field of discourse.

Illustration: Aucoin selects agency theory from the New Institutional Economics, and he selects the theory of well-performing organizations from managerial schools of thought:

$$NIE \ = \ T_{PA}$$

$$MAN \ = \ WPO$$

A rationale should be provided for the selection made.

Illustration: Aucoin's rationale for (6) is that public choice theory is inconsistent with empirical political science, whereas principal-agent theory encapsulates what is known about the minister-public service relationship.

Specification is needed when the terms are ambiguous. A useful technique for reducing ambiguity is to refer to the scholarly literature on the subject.

Illustration: agency theory is "ambiguous" in the sense that different models emphasize different assumptions. Aucoin could have pointed to specific agency models that emphasize delegation as a decision structure. Ambiguity about the term PPA is perhaps best minimized by listing statements that characterize this position. It might be helpful to aggregate statements by distinguishing historical PPA from recently accepted beliefs (ΔPPA).

III. EXPLICATE THE INFORMAL LOGIC

The term "informal logic" refers to how claims are supported by warrants and how conclusions are reached through presumptive reasoning. Explicating the informal logic of a practical argument is analogous to presenting the logical steps by which a result is derived from a set of axiomatic assumptions. The most suitable guidance here is to underscore the goal, namely to "formulate [a] point of view as clearly as possible in order that it might be open to critical discussion" (Walton, 1992: 91). This performance standard can be expressed in terms of specific principles for addressing scholarly readers.

A. Formalize the Argument

When the relationship between claims and warrants can be readily and crisply described, it is useful to do so. Formalizing the argument allows readers to reallocate their effort budget from identifying the argument's structure to considering the argument's substance. For instance, formalizing the argument makes it easier to inventory topics for critical discussion.

Illustration: The structure of the argument referred in Aucoin's discussion of T_w might be described as follows:

E_w refers to the set of public management policies (P_w) which qualify as good practice. A given policy (p) is deemed good practice whenever it jointly satisfies the following conditions. First, p is observed in at least one of the surveyed countries. Second, p has a satisfactory official rationale. Third, p is coherent with the theory of public management policy (T_w).[34]

Aucoin's point would come through powerfully: neither theory nor observed practice is sufficient on its own to warrant claims about good practice. Attention could focus on the approach and on how he operationalizes it. Eligible topics include the adequacy of the category scheme in terms of which p is defined and the method for judging whether any given p is "coherent" with T_W.

B. Convey the Experience of a Discussion

If Walton's perspective is taken seriously, then it makes sense to present the argument as if it were a report on how a conversation progressed from an initial point to a conclusion. One scenario of a conversation begins with a provisional claim about C drawn from an element of A (·). Next, the participants work out more specific implications of the same presumption. Next, these implications are evaluated. Eventually, the conversation comes to a conclusion, expressed as the argument's claims.

Illustration: Aucoin argues that ministers are principals and public servants are agents. An implication is that ministers have an agency problem on their hands. This implication is accepted on the grounds that it coheres with empirical knowledge obtained through "behavioral" research in political science. The discussion moves on to consider the inference, based on agency theory, that ministers should provide public servants with incentive contracts. This inference is rejected because it is based on the unacceptable presumption that the culture bias of the public service is, or should be, individualist. The conversation turns to identifying solutions to agency problems that are coherent with a hierarchist culture bias.

Ideas from management control are sensibly introduced into the discussion at this point (if not before). The presumption is that ministers should follow practices of performance planning. As a reference to the earlier discussion, the concept of "incentive contract" in agency theory is seen to correspond to "performance agreement" in management control. Similarly, the concept of "output" in agency theory is seen to correspond to "objective" in management control. The conclusion is that public management policies should allow performance planning, focused on "outputs," to occur on a routine basis.

Looking back over the discussion, the claim that "improving public management . . . requires that managers, as agents, have explicit contracts or performance agreements with their ministers, or superiors, as their principals" can be seen to follow from three key presumptions: first, that ministers have an agency problem on their hands; second, solutions to agency problems must be consistent with a hierarchist culture bias; and, third, performance agreements are the "hierarchist way" (Hood 1998) to solve agency problems.

C. Take Semantics Seriously

An important link between C and A (·) is semantic. More specifically, the conceptual meaning of terms used to describe C is normally related to that of terms used to describe the elements of A (·). To understand the rationale for C, it may be necessary to know how C's frame of reference is related to those of the elements of A (·).

Illustration: A statement about C in Aucoin's theory of public management policy is, "improving public management . . . requires that managers, as agents, have explicit contracts or performance agreements with their ministers, or superiors, as their principals" (p. 174). It should be made clear that the frame of reference of C is not agency theory. However, the concept of "performance agreement" within C's frame of reference draws its meaning, in part, from the frame of reference of agency theory. The most important property of a performance agreement is its function, namely to "solve" an agency problem.[35]

IV. PLACE THE ARGUMENT IN CONTEXT

The significance of the argument depends on how it relates to the rest of the literature on NPM in terms of method and substance. Placing the argument in this context is essential for achieving significance.

Illustration: Aucoin sought to differentiate his approach from the post-bureaucratic paradigm.[36] It would have been useful to say that the book picked up where Hood and Jackson's discussion of "administrative argument" left off. He might have pointed to the advantages (and limitations) of narrowing the scope of his claims to public management policy in Westminster-type systems. Aucoin could have brought out more clearly the need to bring a theory of public management policy to bear in drawing policy lessons from the evolving practice of public management in Westminster countries.

CONCLUSION

Hood and Jackson's (1991) original discussion of NPM as an administrative philosophy should be retrieved. Doing so serves to identify two qualitatively different conceptions of NPM, as a serious administrative argument about the executive function in government, on one hand, and a historical fact, on the other. Research is the appropriate type of scholarly practice for considering NPM as a historical fact.[37] Practical argumentation is the appropriate type of scholarly practice when NPM is considered as a serious argument about the executive function in government. Practical argumentation is a well-developed scholarly practice in fields closely related to public management, including administrative

law, political and professional ethics, and public policy analysis. Practical argumentation was a core competence of political economy and public adminis- tration at their inception.

An appropriate type of argumentation process for scholars is the critical discussion, as defined in argumentation theory. A defining goal of a critical discussion is to reveal the basis of disagreements on what-to-do questions. A natural consequence of pursuing this goal is to make clear the structure of arguments. Arguments are structured, in part, by the understood relationship between their claims and warrants. A critical discussion involves assessing how far claims are supported by their indicated warrants.

When scholars adopt the goals of a critical discussion, they should consider living by the codified standards of this practice. The most general standard is for authors to formulate their point of view as clearly as possible in order that it might be open to critical discussion (Walton 1992). Additional standards relate to the acceptance of presumptions for the sake of argument and to the scrutiny of inferences drawn from such presumptions. Although some of these standards have been developed for face-to-face argumentation, they also apply to written communication among scholars engaged in critical discussion of NPM.

Aucoin (1995) is a serious argument about the executive function in govern- ment. This argument is informed by traditional public administration theory, principal-agent theory, and doctrines of high-commitment organizations as well as by surveyed practice. The overall structure of the argument is clear in that it follows a three-tier pattern. However, it is difficult to discern how claims about public management policy are backed by warrants drawn from principal-agent theory. Had the detailed structure of Aucoin's argument been clearer, the goals of a critical discussion would have been easier to achieve. Clearer argumentation might have revealed the basis of Aucoin's understated, if not camouflaged, disagreement with economic perspectives on public management.

Aucoin's book is both a hopeful and a cautionary tale for scholars who wish to undertake a critical discussion of NPM. The point of this tale is to draw attention to the codified practice of critical discussion, specifically, and practical argumen- tation, more generally (Walton 1992). The practice of critical argumentation would benefit from elaborating the abstract standards mentioned above (e.g., "be clear") into operational guidelines for scholars. The shortcomings of Aucoin's discussion can usefully be translated into such guidelines, as indicated in this article.

More than fifty years ago, Simon (1946) put forward (what became) an influential critique of the field of public administration. He made three points. First, more effort should be devoted to research on decision-making in organiza- tions. Second, practical argumentation should meet a higher standard than that reached by "classical" theorists, who were said to advocate contradictory

proverbs. Third, the envisioned fruits of empirical research should serve as warrants for claims about how to do public administration.

Fortunately, in the years since Simon wrote his critique, philosophical theories of practical argumentation, as well as empirically-tested knowledge of government and organizations, have been developed. The former provides standards of practice for critical discussion (and other types of argumentation) about practical subjects, including the performance of the executive function in government. The latter provides a basis for discussing and selecting the warrants that are put forward as support for claims about public management. Together, philosophical theories of argumentation and empirical theories of government and organization provide an opportunity to improve the practice of scholarly argumentation about public management.[38] Efforts such as Aucoin's *New Public Management* exploit this opportunity, but not to the fullest possible extent.

NOTES

1. Although Hood and Jackson's *Administrative Argument* is not widely cited, Hood's (1991) article, "A Public Management for All Seasons?" is regarded as the seminal article on NPM. The two works covered much the same ground as far as conceptualizing NPM is concerned.
2. Hood and Jackson identified three clusters of administrative values. *Sigma* values assign priority to the efficiency and effectiveness of task performance; *theta* values assign priority to honesty and fairness; and *lambda* values assign priority to flexibility and robustness. NPM, it was argued, was different from some other serious administrative arguments in the weight given to *sigma* values.
3. Pèters and Wright (1996), in effect, lament the difficulty of drawing the analytic distinction between administrative argument and administrative philosophy when examining the scholarly literature: "This transformation [of public administration in many developed countries] has made clearer than in recent years the intimate connection that exists between theory and practice in this area of the discipline. Indeed, theory appears to be more dependent on practice than vice versa, and seemingly theories arise to help justify what is already true in practice" (p. 630).
4. On the subject of researching NPM as an empirical phenomenon, see Barzelay (in press), Chapter 3.
5. The concept of public management policies refers to institutional rules (decided centrally) on such matters as expenditure planning and financial management, civil service and labor relations, procurement, organization and methods, and audit and evaluation. See Barzelay (in press).
6. In this survey-level discussion, the role of rebuttals in generating qualifications and provisos is ignored. For a fuller discussion, the reader is encouraged to consult Dunn (1994). Walton's distinction between "presumptions" and "assumptions" is of no substantial relevance in the context of the present discussion and is similarly ignored.
7. The convention of italicizing words is adopted when drawing attention to the meaning of concepts within an identified frame of reference (see Lakoff and Johnson 1980).
8. Available models of argumentation for public management specialists include what Walton refers to as "planning dialogues" and "persuasion dialogues." Planning dialogues occur when the role of problem-solver is evoked. Persuasion dialogues occur when the role of inculcator of

professional knowledge-cum-values is evoked. In this case, changing or reinforcing views is given priority over getting to the bottom of differences in opinion.

9. The standard relates to the unresolved question about whether bureaus and firms should be assimilated into the broader category of *organizations* and, similarly, about the extent to which government and industries should be assimilated into the larger category of the *economy*. The standard also relates to the plausibility of claims that are backed by warrants of best or smart practice *within* the public sector (Bardach 1998).

10. Since Aucoin's chapters mix description of public management policies, description of the context surrounding policy change in the Australia, New Zealand, United Kingdom, and Canada, policy commentary, and normative public administration theory, a clear line of argumentation can be discerned only with interpretation. I believe I have been true to his intentions, yet caveats apply. The most important caveat is that I assume "agency theory" refers to the economic theory of agency as explicated, for example, in Breton (1996:155–162).

11. This quote is drawn from a section that begins with a discussion of "ideological and intellectual attacks on the policy foundations of the modern state." In Chapter 4, agency theory is discussed as follows: "Agency theory is appealing because it provides the theoretical justification for delegated authority to government departments in order to promote productivity in the use of resources in pursuit of organizational missions. . . . [A]gency theory is appealing because it emphasizes transparency in ministerial-public service relations: ministers decide what they want to see accomplished and then contract with their public service managers to deliver the results." (p. 107). Aucoin thus conveys the impression that he regards agency theory as providing backing for the claims he makes about governance and public management.

12. These points are stated so as to highlight what might be taken to be the connection between the economic theory of agency and Aucoin's claims.

13. See reference 19 on page 46.

14. My understanding of principal-agent theory is anchored in lectures given by my colleague James Montgomery in a course we co-taught at the LSE. The stylistic mode of proposing alternative ways to make other scholars' points is borrowed from Lynn (1996).

15. Literal principal-agent contracts and legal codes regulating principal-agent relations typically specify impermissible and required actions, as well. The economic theory of agency is exclusively concerned with permissible actions, which makes sense given that the defining assumption is that actions are unobserved.

16. In a well-known discussion, Wilson (1989) names this condition of public management as "output unobservable." The reasons why the concept of *effort* in principal-agent theory corresponds to *output* in Wilson's contingency theory of public management need not concern us here.

17. As can be seen, *output* gets its meaning from the theoretical discussion of principal-agent relations, rather than from expert discussions of the practice of production and service delivery. In the U.S. context, for instance, *output* is usually conceived in terms of the latter rather than principal-agent theory.

18. By way of contrast, the subject matter of Bardach (1998) is collaboration among separated program organizations whose roles and responsibilities potentially intersect. His institutional context is the US governmental system or parts thereof. As another example, Barzelay's (1992) subject matter was organizational routines through which public management policies are implemented; the institutional context was again the US.

19. This concept of theory appears similar to the one Peters and Wright (1996) call for: "It is therefore not too much of an overstatement to say that the new public management is not a theory in any meaningful sense of the term. It does not provide a coherent and integrated set of propositions about running the public sector, but rather appears to generate 'principles' that are

compatible with the political thinking of the day" (p. 639). I assume that "a well-formed argument" leading to "standing volitions" is a "theory" in what they would regard as a meaningful sense of the term. Doubts on this score are due to the fact that their description of theory as "a coherent and integrated set of propositions" seems to refer to scientific theories, whereas my description of theory refers to practical argument (which I regard as more appropriate in this context).

20. Hood and Jackson's (1991) framework draws on Dunsire's distinctions among theory, doctrine, and policy. These concepts can be related to the ones discussed within the framework presented here. Policy arguments express action volitions, while both theory and doctrine express standing volitions. The concept of a doctrinal argument corresponds to a theory of public management policy. The claims of a theory of public management policy are doctrines in Hood and Jackson's sense.

21. Aucoin's survey of public management policies in these countries obviously contributes to the policy argument, as will be discussed later.

22. At the time, Brodtrick was pursuing a doctorate in education at Harvard, specializing in organizational behavior and leadership. My recollection is that his study was designed to speak to some of the issues raised by Peters and Waterman in their study of US corporations.

23. Aucoin's specification of managerialism is much different from Pollitt's (1993), who uses managerialism mainly to refer to scientific management. From the "customer perspective," it is inconvenient to have the same term "managerialism" refer to scientific management in one work and to human relations in another, given that these schools of thought are normally seen as thesis and antithesis in a dialectical argument. This problem can be attributed, in part, to the fact that Pollitt was writing in a UK context while Aucoin was writing in a North American one.

24. Saying that PPA is an element of A might appear to fly in the face of Hood's (1994) contention that PPA became "extinct" in the 1980s. Referring to the statements quoted above as PPA makes sense, however, because Aucoin's project is radically different from Hood's. Whereas Hood (1994) discussed PPA as an administrative philosophy, Aucoin's theory of public management policy is an administrative argument. The contention that PPA became extinct or that its ideas were repudiated in the 1980s has no necessary bearing on whether PPA should be considered in conducting an administrative argument, such as fashioning a theory of public management policy.

25. Aucoin claims that consideration of NIE is what differentiates his approach from the post-bureaucratic one (p. 173). Since NIE plays a modest role in his argument, this point is unpersuasive. Aucoin's approach is mainly different in portraying PPA and WPO as complements.

26. Aucoin's text discusses performance management practices, but does not refer to the literature on the subject by specialists in management accounting and control. For the most part, performance management ideas enter the discussion via the empirical part of his book, a survey of public management policies. For instance, he states: "Concerns for economy and efficiency have been given a new priority in public management. Enhancing cost-consciousness, doing more with less and achieving value for money became the objectives of this finance-centered perspective on public management reform" (p. 9). Performance management ideas do enter the discussion via his theory, but the ideas are drawn from principal-agent theory rather than from the management accounting and control literature.

27. On the culture theory dimensions, hierarchism is high-group and high-grid, while individualism is low-group and low-grid. For a cultural theory approach to public management, see Hood (1998). On culture theory in relationship to organizations generally, see Douglas (1990). On culture theory and social inquiry generally, see Thompson, Ellis, and Wildavsky (1990).

28. Aucoin does not identify transaction cost economics as a strand of NIE, for reasons that may have to do with the scope of his argument: he is centrally concerned with public management policies for the whole of government. He is not much concerned with program design decisions taken at the departmental level or with procurement as a subject at any level.

29. In the concluding section of the same chapter, Aucoin adds: "When public servants exercise great power in the design and implementation of public policy, it is invariably as a consequence of the political leadership devolving authority to them and usually because a consensus exists between ministers and public servants as to the general direction of public policy" (p. 45).

30. I have called attention to assumptions about the decision, rather than information, structure of principal-agent models for two key reasons. First, Aucoin's conclusions about what ministers should do as overseers of government departments do not depend on any assumptions about the information structure. A decision structure of delegation is sufficient to support his argument. Second, the relationship between agency theory and Aucoin's discussion of reliance on the public service's advice is quite different from that between agency theory and his discussion of public service oversight and leadership by ministers. In the former case, he is using principal-agent theory to support the claim that the public service should be a separate if subordinate institution within executive government. In the latter case, he is examining the "problem" that ministers face, given that they govern within a Westminster system. Whether agency theory is relevant to the first claim is debatable. Agency theory does seem relevant to the second claim, however.

31. The specific nature of the agency problem depends on details of the particular principal-agent model.

32. See generally the discussion of the logic of consequences and logic of appropriateness in March and Olsen (1989).

33. I borrow the term from Breton's (1996) discussion of compound governments.

34. Similarly, the structure of the argument represented by expression (7) might be described as follows. P_C refers to public management policies that the Canadian federal government should adopt and implement. P_C includes all P_W not observed in the survey of public management policies in Canada (S_C).

35. Readers who want to take semantics seriously may wish to consult Lakoff (1987), Lakoff (1996) and Lakoff and Johnson (1999).

36. The present writer finds the discussion mentioned unpersuasive on many counts.

37. Research would contribute to explaining change and variety in formulated and implemented public policies, including public management policies (Barzelay, in press). Case outcomes (Ragin 1987) are appropriately defined in ways that make sense within the context of scholarly discussion of NPM.

38. For an exemplary work along these lines, see Mashaw (1983).

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