

PUBLIC MANAGEMENT POLICY CHANGE IN THE UNITED STATES DURING THE CLINTON ERA

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***ABSTRACT:** U.S. public management policy changes follow a similar pattern. Despite strong ideas and active proponents, change is essentially incremental. This pattern continued under the presidency of Bill Clinton, 1993-2000. Clinton and Vice President Al Gore increased the level of attention to public management policy. They created the National Performance Review, a task force that identified problems with the management of the federal government and recommended a series of policy solutions. The National Performance Review changed a number of policies via executive mandate, but had limited success in convincing Congress to support its goals. Part of this failure was the result of the status and limited power of the National Performance Review itself. To a large degree, however, the institutional design of the U.S. system of government is not amenable to rapid or dramatic policy change, particularly when different parties control the branches of power. This article asks if active, high-level political entrepreneurship can overcome the barriers to change, focusing on Gore as an example. Evidence suggests that while Gore's involvement was helpful in some respects, he failed to overcome, and may have reinforced, legislative barriers. However, success in the area of procurement policy suggests the potential of low-level policy entrepreneurship.*

This article explains the moderate change in public management policy experienced in the U.S. federal government between 1993 and 2001. During this period, the degree of adoption of public management reforms did not reach the levels achieved by what Barzelay (2001) refers to as the NPM benchmark countries—New Zealand, the United Kingdom, and Australia—but did exceed the efforts of other countries such as Spain and Germany.

To those unfamiliar with public management policy in the U.S., the modest pace of reform may seem unusual. Why was there not greater reform? It was not for lack of ideas. The U.S. has a strong academic and professional public management community. The public choice and managerialist theories that thrived in the benchmark countries find their origins in the U.S. During the Clinton era, a related set of ideas known as reinventing government was converted into a series of policy alternatives. It was not for lack of high-level political support, with Vice President Al Gore actively championing these policies.

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To those informed of patterns of public management policymaking in the U.S., the limited reform of the Clinton period is not surprising, and fits a well-established historical pattern. Despite the presence of strong ideas and enthusiastic reformers, change is incremental. The origin of the civil service system, the Pendleton Act of 1883, seems a dramatic break with the previous patronage traditions only until we look closer. The act was more clearly the result of the needs of political parties at the time, rather than the earnest efforts of reformers (Skrowronek 1982). Initially, the civil service system applied to only 10 percent of employees, and for decades it remained a tool for the parties to secure job security for patronage appointees (Ingraham 1995). The 1937 Brownlow Committee issued recommendations from some of the leading management theorists of the time. Indeed, it became the model for public management commissions that would reoccur in the decades to follow.¹ Despite the enthusiastic support of a popular president, the Brownlow Committee failed to see its legislative proposals adopted (Roberts 1996), and other commissions suffered similar disappointments. The most significant change to government-wide public management policy was the Civil Service Reform Act of 1978. President Jimmy Carter passed this initiative while the Democrats controlled both the presidency and Congress, but took pains to present it as a bipartisan reform while trying to maintain some union support. Despite these favorable conditions the reform was essentially incremental, allowing some additional managerial flexibilities but also maintaining job protections and the role of unions (Ingraham 1995).

From a comparative perspective, there is an obvious institutional explanation. Weaver and Rockman (1993) point out that the fragmentation of presidential systems such as the U.S. make policy change inherently more difficult and incremental in nature. This tendency is exacerbated during divided government—when different political parties share the legislative and executive branches. In parliamentary systems, particularly the Westminster model, policymaking power is more clearly centralized. As a result, policy change is easier to achieve, and more likely to be dramatic and comprehensive. The Clinton administration, therefore, started with a major handicap in terms of policy change, facing both institutional fragmentation and divided government. However, even controlling for these factors policy change does occur, shaped by events and the actors involved (Baumgartner and Jones 1993; Kingdon 1995). It therefore remains instructive to examine how the Clinton administration pursued public management reform.

This article draws on previous accounts of the Clinton era to establish a narrative of how public management choices were made. By also applying a model of public management policymaking employed by Barzelay (2001), the narrative is informed by a conceptual framework that moves the article into the realm of analytical narrative. An analytic narrative of the career of public management reform during this period necessarily considers the creation and management of the National Performance Review (NPR). The NPR was the public management task force actively led by Gore, and the article examines Gore's and the NPR's efforts to bring about policy change. To do so, the article analyzes the creation and management of the NPR, and the main public management policy proposals of the era: cutting red tape, procurement reform, customer service, empowering employees to get results, and downsizing. The article

concludes by examining whether the NPR, or the high-level policy entrepreneurship of Gore, could overcome the historical pattern of incremental policy change.

CREATING AND MANAGING THE NATIONAL PERFORMANCE REVIEW

On March 3, 1993, after just two months as president, Bill Clinton announced the creation of the NPR. "Working under the direction of the Vice President for the next six months, we'll conduct an intensive national review of every single government agency and service. We'll enlist citizens and government workers and leaders from the private sector in a search not only for ways to cut wasteful spending but also for ways to improve services to our citizens and to make our government work better."²

Clinton overcame personal scandals, an incumbent president, and a mercurial third-party challenger to become the first Democrat in the White House since 1976. The surprising impact of third party candidate Ross Perot ultimately worked to Clinton's favor. Perot had used his personal fortune and public apathy with the main parties to form a serious challenge to the presidency. He tapped into popular perceptions of a faltering economy and an inefficient government, claiming that his corporate experience would enable him to improve the quality of public management and manage down the deficit. In polls he ran neck and neck with the other candidates. However, he abruptly exited the race on July 16, 1992, attributing his decision to the revitalization of the Democratic Party. Perot decided to reenter the race on October 1, but by this point much of his early support had shifted to Clinton.

Before Perot even entered the race, Clinton had been thinking about reforming the federal bureaucracy. As governor of Arkansas he had undertaken a well-regarded total quality management program. His efforts were publicized by journalist David Osborne in his books *Laboratories of Democracy* (1988) and, with Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (1992). *Reinventing Government* would become a best seller, and Osborne became involved with the Clinton campaign, "an insider who spent time in Little Rock and in meetings with the Clinton brain trust" (Stone 2001, 60). Clinton had read a copy of *Reinventing Government* in manuscript form, and as early as October 2, 1991 mentioned it in speeches and some interviews, but it did not become a major campaign theme (*Houston Chronicle* 1992; Kamarck 1992; Priest 1992).

Clinton's own background and Perot's campaign had placed public management on the reform agenda, and Clinton's transition into the White House in January 1993 kept it there. Even with his late reentry, Perot had still claimed almost 19 percent of the popular vote. Democratic pollsters argued that a key concern of this group was reforming government (Osborne 1995). The White House saw the primary political function of reinventing government as a way of courting Perot voters (Arnold 1999; Thompson and Ingraham 1996; Turque 2000, 278). Through the NPR, Clinton would give management reform an importance on the policy agenda not seen since President Carter, and a continuity of high-level attention that was unprecedented.³ Clinton's interest in public management was consistent with the campaigns of recent presidents, particularly former state governors who portrayed themselves as outsiders who understood the alienating nature of the federal government and could offer remedies.

However, Clinton did not wish to devote much personal attention to the issue of public management reform. Instead, he asked his vice president, Al Gore, to take charge of the NPR. Gore himself had little experience in government reform. He had spent his political career in the legislative branch, and was most closely identified with environmental issues. But he had reason to take the lead on reforming government. He had already run for president by the time he became vice president, and it was widely known he hoped to run again. He wanted to build a visible record of domestic achievement as vice president. He failed to convince Clinton to let him lead health or welfare reform efforts (Turque 2000, 278; Zelnick 1999, 233). Reinventing government was markedly less visible, but Gore decided he would make the most of it, and found that it appealed to his policy-wonk personality. He also found that it gained him more positive publicity than expected, at least initially.

If Gore did not bring a management background to NPR, he brought other advantages that only a high-level elected official could provide. As vice president, Gore's efforts automatically provided visibility and credibility in the policy system. He also showed a high level of energy championing its ideas to a variety of constituencies (Arnold 1999). Gore was credited with authorship of many NPR reports, conducted town-hall meetings with employees to receive feedback, reached out to business leaders for support and advice, made speeches and television appearances promoting the NPR, and presented awards to employees that had demonstrated reinvention in their work area. Gore's efforts not only raised the visibility and importance of the issue of management reform, but also raised the aspirations of reformers.

NPR Finds an Identity: New Democrats and Managerialism

Gore and the NPR met the six-month deadline set by Clinton, presenting the report, *From Red Tape to Results: Creating a Government that Works Better and Costs Less* on September 7, 1993.⁴ The announcement received high profile and positive press coverage on the front pages of most major newspapers, and led television network broadcasts. The report itself went on to become a best seller (Stone 2001, 87). The image of works better and costs less portrayed an inefficient government, but one which could be fixed.⁵ The tone was a step away from the bureaucrat bashing of the Reagan administration, while demonstrating a continuing concern with public sector performance in a way consistent with the New Democrat agenda.

How the White House approached bureaucratic reform was shaped by Clinton and Gore's status as New Democrats. The New Democrats were a subsection of the Democratic party that portrayed themselves as believing in the power of government to improve society, yet sought to distance themselves from the fiscally irresponsible, antibusiness image that had dogged Democrats since the 1960s. Clinton and Gore were leaders in this movement, cofounding the American Progressive Policy Institute that operated as the think tank for New Democrats. David Osborne was a senior fellow there. The institute published a series of papers that echoed the reinventing government themes, including a chapter by Osborne (1993) in the New Democrat's blueprint for the Clinton administration, *Mandate for Change—A New Federal Compact: Sorting Out Washington's Proper Role*. Osborne's vision of government reform began with the assumption that government could play a positive role in peoples lives, but that

traditional, rule-bound bureaucratic structures had stymied its progress. This fit perfectly with New Democrat principles, and provided a rationale by which government could remain active without becoming too large. In particular, observers tied the NPR to Clinton's health care proposal. Clinton's advisors believed that the threat of a new federal bureaucracy would sink the proposal unless the public could be convinced that bureaucracy could be made trustworthy and efficient (Ifill 1993).

Gore began building his reinvention team with Elaine Kamarck, a political appointee who advised Gore and would oversee the NPR. Like Gore, she lacked management expertise, but was a prominent voice among New Democrats and had argued during Clinton's campaign that he needed to emphasize reinventing government (Kamarck 1992). When Gore asked Kamarck what she knew about reinvention, she contacted Osborne, who in turn suggested she build a team around a number of public employees in the federal government who were committed to reinvention: John Kamensky, Bob Stone, and Bob Kniesly. These and other senior members of the team were closely familiar with and supportive of managerialist work (Kamensky 1997). Kamensky would become a deputy director of the NPR. He had worked in the General Accounting Office (GAO), a congressional oversight body, and knew Osborne through a shared interest in NPM reforms in benchmark countries. Bob Stone would become project director, the top career member of the NPR. He was influenced by the work of Peters and Waterman's (1982) *In Search of Excellence* and had become a well-known government innovator, an exemplar featured in *From Red Tape to Results* and the writings of Tom Peters. These three met with the vice president on March 14, 1993, explained what they saw as the problems with government, and urged that the NPR focus on empowerment and cutting red tape over the traditional targets of reform: waste, fraud, and abuse. Stone also argued to Gore that it was possible to create a memorable message by repeating simple, positive themes, using human stories, and praising successful efforts, stylistic elements that would become the trademark of NPR rhetoric (Stone 2001, 64). The NPR sent out a call to federal employees to join the task force. Almost all who applied were assigned to the NPR, providing a staff of 250 career civil servants who were organized into thematic areas according to their knowledge (Stone 2001, 69-71).

The NPR drew on the ideological consistency between the New Democrats and the policy ideas in *Reinventing Government* (on this point see Arnold 1999; Kamensky 1997; Kettl 1998; Moe 1994). This consistency was reinforced by the presence of Osborne as a member and intellectual guidepost of NPR (Kamensky 1997). So closely tied was the NPR to these ideas that the shorthand used to describe the task force and its members—reinventing government, reinvention, and reinventors—was the language of Osborne and Gaebler. The overlap between the NPR and *Reinventing Government*, both in terms of identification and ideology, is apparent in the following quotation from Steven Kelman, a Clinton appointee: "The political thrust of 'reinventing government' was to assist Clinton's self-identification as a 'New Democrat.' He neither wanted to eliminate government, like conservative Republicans, nor retain the old reliance on bureaucratic governmental institutions, like traditional Democrats" (Kelman 1999, 243). In line with New Democrat beliefs, Clinton wanted an active government, but one that was not perceived as large or inefficient. The NPR, therefore, had a key role to play.

The NPR adopted the problem definition and many of the policy ideas presented in *Reinventing Government* to quickly define the NPR's image of government. Osborne led the final rewrites of *From Red Tape to Results*, which bears close similarities to *Reinventing Government* in substantive content, journalistic style, and reliance on success stories (Moe 1994; Stone 2001, 86). Both texts argued that government processes were outdated, and reform could save money and make government more effective. Consistent with Aucoin's (1990) distinction between managerialism and public choice, both books could be described as managerialist in nature, underpinned by assumptions that managers could operate more effectively if obsolete red tape were removed, a customer culture established, and deregulation and decentralization occurred.

Building Relationships: The Structure of NPR and Role of Other Central Agencies

Clinton listened to John Sharp, the state comptroller of Texas and another New Democrat, when considering how to structure the NPR (Kamensky 1997). Sharp had led the state of Texas performance review, finding savings that pulled the government out of a deficit jam that otherwise could be solved only with reduced services and/or increased taxes. Sharp's influence with Clinton meant that the NPR followed the format of the state of Texas performance review, but the NPR also resembled previous reform efforts of the federal government. Like the traditional reforms, it relied on a commission of experts to study government and offer policy options on public management. As with Texas, these experts scoured government to search for ways to cut costs in most management areas. By making the experts federal employees, the NPR avoided the practice of hiring outsiders from the private sector or academia, as previous commissions under Presidents George H.W. Bush and Ronald Reagan had done, and defined expertise in terms of on-the-job knowledge of the management problems public employees faced.

Upon delivering recommendations, such commissions usually disbanded, as the NPR was scheduled to do. However, members of the NPR perceived poor agency responsiveness to many recommendations, a finding driven home when the majority of NPR staff returned to their full-time positions in their home agencies and found that NPR recommendations were frequently ignored (Stone 2001, 94). Some form of continuity, NPR leaders argued, was necessary to oversee implementation (Thompson 2000). NPR had also proved surprisingly popular politically, contrasting favorably with the failed health-care reform led by Hillary Clinton, and appealing especially to Perot voters (Cockburn and St. Clair 2000, 174).

Rather than disbanding, the NPR therefore continued in skeleton form, with 45 staff members borrowed from the federal civil service, to oversee the implementation of reforms during the rest of the Clinton era. This allowed continuity in the policy process that did not exist with previous reform efforts. The continuity encouraged members of the NPR to consider themselves closer to a central management agency rather than a temporary commission.⁶ Kettl (1998, 5) notes that "No executive branch reform in the twentieth century—indeed perhaps in the Constitution's 210 years—has enjoyed such high-level attention over such a broad range of activities for such a long

period of time.” The continuity also allowed NPR to evolve and mature, developing new policy proposals years after its creation. After the relatively demanding initial deadline, the NPR proved adept at using its time to search for ideas from the comparatively rich (relative to both other countries and other points in time) sources on offer: state and local governments, consultants, the private sector, federal workers (who continued to provide reinvention stories that were highlighted in future NPR publications), other countries experimenting with the NPM, and a relatively strong public management academic community. The original 1993 report offered 384 major recommendations alone, and the NPR would continue to offer a wide variety of reform proposals throughout its existence.

If the NPR was successful in generating policy ideas, it struggled to win the support of other central management agencies. Given the natural institutional fragmentation of a presidential system, no single central agency dominates policymaking. On the legislative side the GAO is most prominently involved in public management issues, but was traditionally restricted to evaluating and auditing agencies rather than promoting policy options. During the Clinton era, the GAO became increasingly active, reflecting the desire of Congress to assess implementation of management reform efforts, including analyzing the impact of NPR recommendations and reviewing agency compliance with performance reporting requirements. Within the executive branch, public management is divided primarily between the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB), and during the Clinton era neither agency strongly pursued public management reform, for different reasons.

If members of the OPM hoped to lead management change under Clinton, these hopes were dashed with the creation of the NPR and the appointment of James King as OPM director. Prior to the 1992 election, public management academics had called for an increase in OPM capacity to enable it to take the lead in management reform. But these calls did not influence the NPR. In its first two reports, the NPR called on the OPM to reorganize itself to empower its staff and develop a stronger customer focus, but also called for decentralization of personnel matters, privatized training, investigation, and staffing services, and freedom for agencies to do their own personnel services or procure from a private company. King showed greater adherence to furthering the president’s NPR goals than in improving the capacity of the OPM itself. He envisioned that the OPM could best support the NPR by downsizing itself and privatizing many of its function to a for-fee basis (Marshall 1998). As the NPR promoted decentralization much of the OPM’s traditional function was seen as obsolete, and it was downsized by over 43 percent (U.S. OPM 2001). Since its creation in 1978, the OPM had limited its focus to public personnel issues, and had struggled to balance conflict between its mission of simultaneously regulating and supporting agency personnel practices. During the Clinton era, an already limited oversight of management issues was further restricted due to a loss of organizational capacity (Marshall 1998). An agency in apparent decline, the OPM was therefore in a weak position to lead public management change.

Given its immense budget and policymaking power, the OMB was never likely to endure a similar decline as the OPM. Such power could have served to complement many of the weaknesses of the NPR—lack of permanence and influence, poor

relationships with congressional committees—had the NPR and OMB formed a working relationship. Indeed, on the day Clinton announced the NPR, he singled out Phil Lader, deputy director for management, and charged him to take the lead in making government work better. But relationships between the NPR and OMB soon grew tense and sometimes hostile. Gore had entrusted reform to federal employees, and senior members of the NPR saw the OMB as a classic example of a stifling, control-focused central agency they had struggled with throughout their careers, and an unlikely source of reform (Stone 2001, 71, 79). Bob Stone (2001, 78) notes that “OMB's career staff had an organizational resentment toward NPR, who they regarded (with some accuracy) as a bunch of amateurs who had usurped OMB's rightful role as custodians of government management.”

Relations declined when the NPR offered recommendations on reforming the budget process, and the possibility of creating a federal management agency. Such recommendations provoked hostility within the OMB, who moved to quash the reforms. The OMB also felt that NPR reform statements lacked credibility, and the OMB risked guilt by association through any cooperation. The costing of the NPR's reform proposals reinforced this fear. Billy Hamilton, a staffer on loan to the NPR from John Sharp's Texas Comptrollers Office, had emphasized the need to make clear statements on the level of cuts in the size of government in order to establish political credibility. *From Red Tape to Results* therefore estimated cost savings that would follow implementation of its recommendations. The OMB, asked to review the figures, argued that the projected savings were unrealistic, but met resistance from Gore for more realistic estimates. A compromise figure of \$108 billion estimated five year cost-savings was produced, although OMB chief Leon Panetta believed actual savings were closer to \$30 billion (Turque 2000, 218). Subsequently, a skeptical Congress asked the GAO to analyze implementation of NPR recommendations. In various reports, the GAO agreed with most of the NPR recommendations, but reported spotty implementation (U.S. GAO 1996). In particular, they criticized the estimated cost savings, noting double-counting, errors, and attribution to NPR of savings from unrelated reforms, with much of the blame directed toward the OMB (U.S. GAO 1999).

Members of the OMB see themselves as advocates for the president, and resented coming under fire for what they saw as the vice president's project. The OMB viewed other issues—including a balanced budget and policymaking through the annual budget process—as higher priorities for Clinton. Further, members of the OMB did not consider many of the management issues that the NPR raised, such as personnel reform, as part of their job description. When the OMB did get involved, their choice of effort reflected a traditional bias toward the financial or reporting aspects of management.⁷ The 1994 merging of management and budget analysis staff seemed to further confirm this tendency, largely eliminating the management side of the OMB, which had already been in decline (Carroll 1995; Radin 1998). The OMB promoted use of contracting out or managed competition of federal services (particularly military services) and oversaw the implementation of downsizing (Carroll 1995). It also oversaw implementation of a series of financial management policy changes that centralized federal financial standards within the OMB, and established the agency position of chief financial officer.⁸ The Government Performance and Results Act

mandated strategic planning reporting requirements similar to financial reporting requirements, and the OMB was also tasked with overseeing this process.

Moving from Process to Ending the Era of Big Government

Clinton's victory saw Democrats in control in the White House and Congress, raising hopes for substantial legislative achievement. Clinton struggled, however, barely succeeding in passing his antideficit budget in 1993 and experiencing dramatic failure with his comprehensive health-care reform proposals (Woodward 1994). The outlook became worse for Clinton when the Republican Party won the House in 1994. Led by Newt Gingrich and fuelled by the antigovernment themes in the campaign platform Contract with America, Republicans called for the elimination of large parts of the federal government. Clinton used NPR to blunt the goals of the House Republicans, by coopting a less extreme version of the smaller-government rhetoric. In calling for NPR to enter a new phase, he said, "We propose to stop doing things that government doesn't do very well and that don't need to be done by government."⁹ Arnold summarizes this tendency to reshape the NPR to meet changing political needs: "The NPR has a chameleon-like quality. It adapted to the president's changing political needs by asserting new priorities in reform at these various stages" (1999, 234).

In September 1995 the NPR published *Common Sense Government* (Gore 1995), featuring 200 additional recommendations. As before, there were calls for legislative actions, but the majority of recommendations called for changes in executive branch behavior. While the original NPR report explicitly focused on how government performed its tasks, the NPR now widened its focus to examine what tasks the government undertook, and whether these tasks could be privatized or contracted out. The NPR helped Clinton and Gore appear willing to reduce the size of government, while characterizing House Republicans as antigovernment extremists. Shortly after *Common Sense Government* was published, and during a budget negotiation impasse with the president, the House refused to pass spending resolutions that enabled government to continue. Public opinion sided with Clinton, who blamed the Republicans for what he characterized as an irresponsible government shutdown. Despite this political victory, the possibility of legislating NPR policy ideas grew dimmer, as Republicans proved unwilling to give Gore victories he could carry into a future presidential campaign. During the mid-1990s, the Republican-controlled House Committee on Government Reform and Oversight held hearings and issued a report critical of NPR efforts (Carroll and Lynn 1996). Republicans were also critical of the credit that Clinton and Gore sought to take for NPR-related savings and employee cuts, claiming that savings were exaggerated and pointing out that the majority of downsizing came from huge reductions in the Department of Defense enabled by the end of the cold war.¹⁰

POLICY ISSUES

Between 1993 and 2000 the NPR proposed an enormous number of policy ideas. We can best categorize and understand these ideas by grouping them in terms of common themes, and I adopt the themes outlined by the NPR in *From Red Tape to Results: cutting red tape, putting customers first, and empowering employees to get results*.¹¹

Within these themes I explore three prominent policy cycles in this period: procurement, part of cutting red tape; downsizing; and the passing of the Government Performance and Results Act, linked to empowering employees to get results.

Examining the policy career of these issues provides additional insight into public management change in the U.S. The cutting red tape issue arose from a belief, consistent with the managerialist perspective, that government workers were restricted in their effectiveness by rules that had built up over generations. Reducing red tape would free managers. Closely linked was the idea of empowering managers—not just simplifying and eliminating old rules, but offering managers new freedoms. Such freedom would be linked to results. The inability to clarify goals or measure performance was perceived as a drag on performance, one that could be addressed through strategic planning and performance measurement. Together, cutting red tape and a focus on results was expected to foster increased innovation. But greater innovation and efficiency was only part of the goal. The NPR wanted public organizations to provide citizens with a level of service associated with the best private companies.

Cutting Red Tape

From Red Tape to Results described the growth of well-intentioned regulations as the main barrier to better performance. Rules enacted to prevent corruption and foster desirable behavior constrained managerial innovation and process reengineering. NPR targeted cutting red tape at a number of levels. It called for the elimination of half of existing internal regulations, reform of procurement practices, waivers for organizational units or whole agencies from civil service rules and other rules (reinvention labs), and decentralization of personnel policy.

NPR's call for internal red tape reduction swiftly took effect. By September 11, 1993 Clinton had signed Executive Order 12861, *Elimination of One-Half of Executive Branch Internal Regulations*. While NPR struggled to overcome legislative rules—the procurement exception is discussed below—it targeted regulation that originated with the executive branch, particularly central agencies. Employees were urged to search for regulations that could be eliminated or substantively revised in common sense language. By the end of the Clinton administration, the NPR claimed that 640,000 pages of internal agency rules were eliminated (Kamensky 2001). The most conspicuous victim was the *Federal Personnel Manual*. Over 10,000 pages of personnel lore, and largely created by the OPM, the manual's elimination was marked by a White House ceremony. Agency personnel offices could now create their own personnel guidelines within existing personnel legislation. This change illustrated two things about NPR analysis and expectation. The NPR demonstrated that many of the regulations on the executive branch were self-imposed and could be easily removed. The NPR also had expectations that each agency had the capacity to develop new alternatives, an assumption explicitly criticized by the GAO (1993). As it turned out, many agency personnel officers simply readopted the rules from the discarded manual (Ingraham 1997).

From Red Tapes to Results also encouraged agencies to create their own reinvention laboratories—parts of the organization that were given waivers from

specific federal rules to enhance mission effectiveness. By 1998, 340 reinvention labs were created. Organizational politics meant that it was sometimes difficult for agencies to gain lab status or waivers from specific rules (Thompson and Ingraham 1996). As a result, President Clinton issued a memorandum in 1998 that made it even easier to obtain waivers, essentially putting the burden of proof on those who argued against granting the waivers.

Clinton also made similar grants of flexibility through the use of personnel demonstration project authority. This authority was created in 1978 with the Civil Service Reform Act, enabling the OPM to allow for agencies to experiment with innovative personnel practices, which would inform government-wide personnel policy. The Clinton administration dramatically expanded the use of the authority, creating fifteen demonstration projects, more than twice as many as had been created in the previous fourteen years. Clinton granted such authority largely for the purpose of enabling agencies to tailor personnel rules to their needs rather than the original goal of informing wider personnel policy (Thompson 2001).

In contrast to the success in turning NPR recommendations into presidential directives, efforts to turn NPR proposals into legislation struggled. The Government Reform and Savings Act was sent to Congress shortly after *From Red Tape to Results* was produced, and contained many of its recommendations. The act found support in the House in November 1993, but was rejected by the Senate in March 1994. Senate rejection of the reforms rested to a great degree on the fact that multiple committees had jurisdiction over the wide range of reforms included, and none had a strong sense of ownership of the bill (Carroll 1995). The White House had hoped that the strong and largely positive publicity associated with the NPR, together with the appeal of the works better, costs less motif would generate enough momentum to win support in Congress. But there was no strategy to directly consult with key members before NPR recommendations were made, a mistake which limited legislative success.

Attempts to create new government-wide personnel rules also failed in Congress. In 1995 the White House sent civil service reform legislation to Congress that called for increased agency discretion in classification and pay. Attempting to blunt outright public service union opposition, the White House included provisions for increased bargaining on workplace issues. However, union opposition remained, and would prove fatal (Thompson 2001). Unions had become frustrated with NPR. As discussed below, the NPR had promised unions that downsizing would target mid-level managers, but it had actually claimed a high number of lower-level union positions. Another reform effort in 1996 failed to emerge from committee in either Senate or House. Similar proposals in 1999, this time in partnership with the OPM, also failed to garner support. Throughout, Gore chose not to actively champion the legislation. He had been devoting less time to the NPR since promoting the initial report, and knew that unions would actively fight civil-service reform, a confrontation he hoped to avoid (Turque 2000, 281, 288). After the initial burst of positive publicity with the NPR, Gore's staff increasingly directed his energy away from reinvention, which they perceived "as a hobbyhorse of Gore's that was irrelevant, or even harmful, to the main act of practical politics" (Stone 2001, 109).

While government-wide civil service proposals failed, some agency-specific personnel reforms had greater success, although the NPR had little responsibility for

these outcomes. Under separate legislation the Federal Aviation Administration (FAA), in 1996, and the Internal Revenue System (IRS), in 1998, were given enhanced discretion in personnel matters, especially hiring and pay. The NPR supported the FAA legislation in *From Red Tape to Results*, as part of its customer service initiative, but idea had been promoted by commercial airlines since the 1980s. Problems with the IRS emerged independent of the NPR. The GAO and a specially convened commission investigated the agency's management problems, which were further exposed after a series of well-publicized Senate hearings that portrayed the IRS as overly aggressive (Thompson 2001).

The effect of reinvention labs, demonstration authority, and agency-specific personnel rules was to contribute to the patchwork nature of personnel policy in the U.S. federal government, where groups or entire agencies were increasingly able to find loopholes that enabled them to readjust their personnel rules. Frustrated with their inability to change government-wide rules, the NPR sought the further expansion of tailored personnel rules by calling, largely unsuccessfully, for Congress to create a number of performance based organizations (PBOs). PBOs were explicitly modeled on the Next Steps agencies in the UK, taking the idea of private sector-style personnel and financial freedoms and high reward for performance.¹² PBO legislation was first introduced in 1995 and again in subsequent Congresses. However, when Congress finally passed PBO legislation it was 2000, and the selected candidate—the Office of Student Financial Assistance in the Department of Education—was not one of those favored by the NPR. One of these favored candidates—the Patent and Trademark Office—did become the next PBO, albeit without the personnel flexibilities originally sought. Public service unions had objected to these personnel flexibilities.

Changing Procurement Policy

One area where the Clinton administration did succeed in changing government-wide rules was in procurement. In 1994 the Federal Acquisition Streamlining Act was passed, with the goal of making government procurement less paper intensive, quicker, more flexible, and cheaper. Purchases under \$2,500 could be made through government purchase cards, and purchases under \$100,000 were exempted from several statutory requirements. In addition, the legislation called for the converting of the procurement system from a paper-based system to an electronic-based Federal Acquisition Computer Network (FACNET) for purchases between \$2,500 and \$100,000. In 1995 the Federal Acquisition Reform Act was passed, further reducing the requirements on government vendors by allowing agencies to attain maximum practicable competition rather than full and open competition, integrating the appeals process, and reducing audit requirements on vendors.

Steven Kelman was the policy entrepreneur who successfully built a consensus for procurement reform, convincing lawmakers that federal acquisition regulations were slow, expensive, and bound by rules with little obvious benefit. Kelman left Harvard's Kennedy School of Government to take a position as the administrator of the Office of Federal Procurement Policy, part of the OMB. Kelman's previous academic work aligned with the procurement recommendations in *Red Tape to Results*, which advocated increased discretion in order to achieve cost savings and improve vendor

performance. He describes his appointment as a “mandate to take responsibility for the administration’s reinventing government program as it affected procurement.” (1999, 241). Procurement had become a policy priority for the NPR with the decision to focus reform proposals on overhead costs that offered little added value, of which procurement and supervisory positions were deemed primary examples (Kamensky 1997). In seeking to frame the policy issue, Kelman deliberately sought to characterize existing procurement procedures as bureaucratic—slow and inefficient—and alternative proposals as commercial.

Kelman’s main task was convincing members of the House and Senate committees that oversaw procurement that rules should be centered around the overall efficiency of the process rather than the rare horror story of abuse and corruption. He was helped in no small measure by the 1993 report of a commission from the Department of Defense that aligned with the NPR vision of procurement. The report gained the support of the Secretary of Defense and led to legislative proposals for procurement within defense, and subsequently the government-wide proposals were taken up by the appropriate committees. The Department of Defense continued to champion aggressive procurement reform, even beyond what the NPR was willing to compromise on, and ultimately pushed proposals beyond what would otherwise have been agreed.

The policy issue of procurement enjoyed a number of advantages over increased personnel discretion when it came to legislation. Kelman did not face opposition from public service unions, since procurement reform does not impact their members in the way that personnel changes do. The key interest groups in procurement are private sector vendors, and they were supportive of Kelman. Further, the issue did not lend itself to an ideological divide between NPR, executive agency officials, and Congress, or the main parties. There was, therefore, little natural opposition to a loosening of procurement rules if it could be demonstrated that changes would save money and avoid reports of egregious government waste, e.g., the \$435 hammer widely (and misleadingly) reported in the 1980s.¹³

Putting Customers First

NPR viewed an increased customer orientation the surest way to move beyond a focus on process and identify results worth pursuing. Incorporating agency customer service standards did not require changes to existing statute, and adoption of NPR recommendations were swift. President Clinton signed Executive Order 12862, *Setting Customer Service Standards*, in September 1993. The order required all agencies to develop customer service standards, customer service plans, and customer surveys. Subsequent surveys of employees found high implementation of these requirements and greater employee focus on customer expectations (National Partnership for Reinventing Government 1998). In the name of internal customer service the NPR called for greater competition in the provision of services to the government, prompting a vast reduction in the scope and size of the General Service Administration, the central supplier of office space, furniture, automobiles, and other services to the federal government. The NPR also called for increased use of competitive sourcing for the huge number of services used by the Department of Defense.

Empowering Employees to Get Results

The NPR identified results-based management and cutting red tape as closely related solutions to governmental problems. As suggested by its title, *From Red Tape to Results* described a government that had become mired in red tape and needed to establish a clear sense of the goals it wished to achieve. The report called on agencies to be more mission-oriented and strategic in their actions, and to measure results. In short, the report called on agencies to implement the Government Performance and Results Act (GPRA) that President Clinton had signed on August 3, 1993.

Despite its inclusion in *From Red Tape to Results*, GPRA was a congressional initiative. GPRA required agencies to produce strategic plans and specific performance targets, with quantified indicators on the level of performance against these preset goals. Antecedents for GPRA can be traced to OMB proposals in a 1989 management report, and in the planning experience of the city of Sunnyvale, California. Based on the Sunnyvale model, a version of GPRA was first proposed in 1991 by Senator William Roth. The law was proposed once more in 1992. It was extensively rewritten and garnered bipartisan support in the Senate, but failed to emerge from the House. In revising the legislation, lawmakers looked to the experience of other OECD countries with similar models (Bruel 1994; Groszyk 1995). In 1993, the law was again proposed, this time with strong support from President Clinton, and was passed by both Senate and House without objection.

Despite its initial independence from the NPR, GPRA was embraced by Clinton and Gore, and seen as complementary to the reinvention movement in a number of ways. With NPR it shared a concern that government was not performing as well as it could, given the resources available, and that such poor performance reduced public confidence in government (Radin 2000). Further, customer service goals and measures could be incorporated into the GPRA goal-setting and measurement procedures. The NPR established a federal benchmarking consortium in 1995, to encourage federal agencies to compare goals, processes, and performance with private agencies, and in 1999 published advice on how to implement a balanced scorecard approach.¹⁴ NPR also recommended that President Clinton adopt performance agreements with cabinet secretaries and heads of independent agencies, which could employ GPRA goals. The performance agreements were put in place, although it should be noted that they were markedly different from similar agreements in benchmark countries. Achieving performance goals was not tied to pay or job tenure, and there is no evidence that the president or agency heads considered the agreements as binding in nature. The GPRA framework would also provide goals and measures for NPR-proposed performance partnerships—negotiated agreements the federal government undertook with state and local governments.

GPRA, in turn, was dependent on the NPR to pursue cutting red tape to enable managerial flexibility to occur. While GPRA itself proposed strategic planning and performance measurement requirements, it was intended to fit into a managerial framework where managers were held accountable for results, but in exchange for greater flexibility, a trademark of the NPM (Groszyk 1995). GPRA included provisions for agencies to apply for waivers, but the OMB did not utilize this authority, arguing

that the arrival of the NPR provided a more effective route to managerial flexibility which could, in turn, be married to the results focus engendered by GPRA (U.S. OMB 1997). The mixed success of the NPR in cutting red tape, especially in relation to government-wide rules, did not create the accountability-for-results/increase-in-flexibility framework intended.¹⁵

As Gore began to focus on a presidential run, the NPR would use the fruits of GPRA to serve his political needs. In search for results Americans would care about, the NPR asked the thirty-two agencies that had the greatest level of direct contact with the government—high impact agencies—to identify a series of concrete and measurable goals they would commit to achieving. The impact of the high impact agencies was—as it was intended to be—chiefly symbolic, suggestive of how Gore had led the effort to make government more results-oriented and effective. GPRA already required agencies to deliver concrete and measurable goals, but the release of the high impact agency results was timed to coincide with the latter stages of the presidential campaign (Stone 2001, 109). However, high impact agencies, or any other aspect of the NPR (with the limited exception of downsizing), failed to emerge in Gore's presidential campaign as a relevant issue.

Downsizing

The NPR included downsizing as part of its efforts to empower employees to get results, arguing that downsizing mid-level managers would empower front-line employees. More pragmatically, downsizing formed the core of the costs less part of the works better and costs less equation (Stone 2001, 80). The adoption of downsizing reform policy occurred incrementally, but with each change the target numbers of those to be reduced grew. Even before the NPR was established, President Clinton signed Executive Order 12389, which called for the elimination of 100,000 positions. *From Red Tape to Results* called for more dramatic cuts of 252,000, 12.5 percent of the federal workforce, by 1999.¹⁶ The proposals enjoyed wide support when presented to the Congress for legislation. Indeed, in passing the 1994 Federal Workforce Restructuring Act, Congress raised the stakes, calling for reductions of 272,900 and allowing the use of buyouts of up to \$25,000 each to see these targets achieved.¹⁷

Downsizing, and indeed the bulk of the NPR agenda, might have been expected to draw attack from the powerful public service unions. Gore and other New Democrats had stood against the unions on trade issues, and could not afford to further alienate unions by attacking union members' rights and job security (Zelnick 1999, 240). A meeting with private-sector corporate leaders on changing large organizations prompted Gore to realize that union cooperation was necessary if the NPR was to succeed. He created the National Partnership Council, made up of union leadership and a handful of agency heads, to oversee and advise the government on federal workplace issues. Involvement of union representatives was encouraged at the agency level also, through the creation of labor-management partnership councils.

The unions, for their part, were willing not to battle the NPR as long as they felt their members were not directly impacted. According to Kamarck, Gore's leadership of the NPR benefited from a Nixon in China effect: unions would have sabotaged a similar effort if led by a Republican president (Zelnick 1999, 240). And unions found

that Gore was willing to promote policies without offending unions. For downsizing, he announced that the cuts targeted mid-level managers, who were nonunion. Shortly thereafter, in a presidential memorandum, Clinton encouraged the use of firing as a last resort, instead preferring the use of contract buyouts and early retirements. The OMB was given charge of implementing downsizing. NPR staff were critical, arguing that an OMB emphasis on headcount reduction undermined targeted cuts of middle managers (Stone 2001, 80).

Gore believed, and soon convinced Clinton, that downsizing held the greatest political potency of any NPR policy. In cabinet meetings he encouraged agency heads to cut headquarter staff (Cockburn and St. Clair 2000, 175). To counter the election of Newt Gingrich as Speaker of the House, Clinton, during his 1996 presidential campaign, pointed to downsizing when declaring that the era of big government was over. Lawmakers skeptical about NPR's credentials were at least attracted by the expected cost savings and reduced size of government. Downsizing and associated cost cutting was also important in demonstrating to the media that the NPR had real value (Kettl 1998). The White House believed that downsizing appealed to those who perceived government as too large and costly, traditional concerns of Republican voters. Clinton again referred to downsizing when reviewing his accomplishments at his final State of the Union address. For Gore, downsizing was the only NPR achievement that he highlighted in his presidential campaign debates in 2000, but it did not appear particularly important to voters or nullify the efforts of his opponent to portray him as a traditional tax and spend Democrat.¹⁸

ASSESSING POLICY OUTCOMES

Changes in the Public Management Policy Domain

Given the policy outcomes we have seen, what limited historical generalizations are possible about public management policymaking in the U.S.? It is hardly novel to identify the U.S. as clearly falling into the mix of countries that pursued NPM policies. It is, however, interesting to note the degree to which the U.S. reform experience was more clearly influenced by managerialist rather than public choice approaches to government, and the apparent consistency between New Democrat ideas and managerialism.

To summarize the impact of the NPR, I use the analytical categories employed by Barzelay (2001). The Clinton administration, echoing previous presidencies, held a low satisfaction level with the performance of government. The key difference with his predecessors was that the aspirations for public management improvement (rather than simply privatization) were raised and expressed in the most positive and articulate way since President Carter.

The NPR shifted the policy stream by providing a series of policy options, attempting to unify the policy domain by the sheer number of recommendations it produced. Continuity allowed the NPR to engage in certain types of learning. It was not learning in the sense of adopting a policy, implementing it, and revising the policy based on feedback (procurement is an exception here). It was learning in the sense of finding and advocating new policy suggestions, largely consistent with the original

goals of *From Red Tape to Results*. Sometimes the political environment provided cues to alter the issue image being promoted, such as the Republican takeover of the House in 1994 and the run-up to the 2000 presidential campaign. However, the nature of the NPR work did not change. During its existence, the NPR saw itself as a policy alternative specification machine. The goal of changing the culture of the federal workplace would be achieved by promoting large numbers of ideas.

The sheer numbers and grab bag nature of the policy ideas posed problems, however. The NPR lacked an overall coherence, and some of the proposals were mutually contradictory (Thompson and Jones 1995). The overall public management policy domain was not linked. *From Red Tape to Results* presented a menu of policy options that could be adopted in isolation from one another, continuing the traditional fragmentation of management areas along distinct lines, such as financial and personnel management. For example, the GPRA policy cycle occurred independent of personnel reform efforts, the success of one seemingly independent of the failure of the other. In benchmark countries reforms were cast as mutually dependent, with political leadership actively ensuring these connections remained in the policy adoption phase (Campbell and Halligan 1992).

Summarizing Changes in Public Management Policy

The Clinton administration provided a window of opportunity for the adoption of NPR policy options in three ways: executive mandates, the willingness of agencies and staff to voluntarily adopt reinvention principles, and legislation. If reform could be achieved simply by executive mandate, persuading Clinton of the validity of ideas was all that was required. The NPR had a strong record of translating policy proposals into executive orders—President Clinton signed fifty-five directives implementing NPR recommendations, including key orders related to customer service and internal deregulation previously discussed (Kamensky 2001).¹⁹ The use of such a tool is not unusual in the U.S.—many of the Brownlow Committee recommendations rejected by Congress were later enacted as executive orders (Roberts 1996).

It is extremely difficult to measure the extent to which public agencies voluntarily adopted the principles of reinvention. In a survey of ten agencies, the GAO found that thirty-three of seventy-two NPR agency recommendations were fully implemented, and another thirty were considered partially implemented, in part because the nature of the recommendation made it difficult to assess if implementation had actually been achieved. The GAO also noted that it was difficult to assess the extent that NPR was responsible for positive change, since NPR influence could not be separated from other reform efforts (U.S. GAO 2000). Since the NPR set out to change the culture of government, another approach is to simply survey federal employees and ask whether reinvention is a priority in their agencies: only 35 percent agreed that it was (National Partnership for Reinventing Government 1998). Clearly, pockets of reformers throughout the federal government adopted NPR principles enthusiastically, as indicated by the high number of reinvention labs. Most recommendations issued by the NPR were at least partially implemented. However, there is no strong evidence that the NPR, during its tenure, achieved the goal of widespread cultural change throughout the federal government.

Where reform required legislation, and therefore persuading Congress, the NPR was even less successful. It is fair to note that to some extent NPR deliberately sought to pursue reform through nonlegislative means. This strategy was based on the premise that many of the barriers to better performance were self-imposed by the executive branch and could be easily removed by the executive branch, reflecting the managerialist nature of the NPR (Stone 2001). The vice president instructed members of the NPR to search for recommendations that did not require statutory changes, and the bulk of the NPR recommendations were left to agencies themselves to implement (Kamensky 2001). As a result, the NPR spent little time developing a legislative strategy or building close ties with the legislative branch. However, it is clear that the NPR did attempt some legislative proposals, and its ambitions to reform the personnel or financial management system rested on legislative change. Given NPR's continuity, high profile, and scope of ambition, it is difficult not to conclude that its legislative achievements were limited. Indeed, the lack of legislative success reinforced the tendency to search for nonlegislative routes to reform. The next section further examines reasons for limited legislative change.

Explaining Change Outcomes

At the most abstract level, the story of policy change in the U.S. is similar to other countries. Reformers were successful to the extent they could influence the policy domain. The NPR did exert changes through the tool of executive mandate, a tool they had control over. Their success with agencies is uncertain, because it is largely dependent on agency leaders sharing the same goals, a factor over which the NPR had limited control. Finally, the lack of legislative change indicates the inability of the NPR to influence legislators.

There are a number of other reasons that contributed to the lack of legislative policy change, none of which should be unfamiliar to students of management reform in the U.S. A crucial reason relates to the nature of NPR's own status, and its limited ability to reshape the policy domain. The NPR's continued existence and high profile meant that it resembled a central agency tasked with developing public management policy, but it lacked other attributes that would allow it to unify the policy domain and foster adoption of its proposals. Its status was dependent entirely on the political fortunes of the Clinton administration, and particularly Gore.²⁰ While the NPR enjoyed continuity advantages over previous reform commissions in the U.S., it lacked the power of central agencies in a parliamentary system or even the permanence of statutorily created U.S. central agencies.²¹ It also lacked equivalent staff capacity and political clout. The NPR had only a handful of full-time staff, did not enjoy the power of the director of the OMB, or hold enough sway with the president to overcome these problems.

Fragmentation of the policy domain occurred because of the nature of the institutional system (the legislative-executive divide), and the tradition of distinct financial and personnel approaches to public management, leading to no single dominant central agency. Such problems could be partly overcome if the key central agency actors—the OMB, the OPM, and the NPR—could find a way to work together. But the policy domain was also segmented, meaning that the central agencies did not

build strong working relationships in this period. In this context, and given its own impermanence and weaknesses, the NPR was unable to coopt another central agency to further its agenda.

Other reasons for legislative failure are related to the nature of the legislative arena, and the NPR's inability to overcome these problems. Weaver and Rockman's (1993) conclusion that rapid and dramatic policy change are possible in Westminster model parliaments, while presidential systems are inherently more incremental, seems to be borne out by a comparison between public management policy change in the U.S. and the benchmark countries. In this sense the NPR had a tougher job than central agency entrepreneurs in the parliamentary systems of benchmark countries, who simply had to ensure that the executive branch supported changes. But the NPR's failure to build a network of legislative supporters further undermined its cause. Gaining congressional support is always difficult, but it was further undermined by the lack of consultation with key congressional committees in developing recommendations (Carroll 1995; Kettl 1998). Divided government made executive-legislative cooperation even more problematic, as Republicans became increasingly critical of the NPR program and reluctant to help Gore by giving the NPR legislative victories. The NPR was unable to gain support or ultimately neutralize the critical stakeholder for Democrats on public management issues: the unions. Unions were against loosening personnel rules in any way that would threaten the job stability and benefits of its members. Without their support and with Republican opposition, most NPR policies lacked a base upon which to build a coalition.

The Role of Policy Entrepreneurship

Given otherwise inclement conditions for fostering public management change, what role could policy entrepreneurship play? The U.S. is an ideal case to help answer this question. The efforts of Gore provide one of the most pronounced examples of dedicated and consistent high-level political entrepreneurship of any country engaged in public management change. The evidence suggests that Gore's efforts were successful in keeping public management ideas visible in the policy stream and converting recommendations into executive mandates. Perhaps just as importantly, the case demonstrates that policy entrepreneurship can come from different sources, but if it is entirely absent or sporadic, the potential for policy change appears severely constrained.

The association with Gore clearly worked in favor of the NPR early on. His clout helped in organizing the NPR quickly. His influence made it relatively easy to turn recommendations into presidential directives. His high profile drew media and public attention to a topic that rarely enjoyed either. Gore also benefited from the NPR, enjoying favorable publicity, especially relative to policy difficulties and scandals in other parts of the Clinton administration. As time wore on, particularly in the second Clinton term, Gore became less actively involved in NPR, judging perhaps that the meager political benefits of reinvention had been exhausted, and that its legislative agenda was risky and likely to be unsuccessful.

The impact of Gore's involvement appeared to have limited rather than enhanced the prospects for NPR legislative success. High-level political entrepreneurship not

only serves to give the policy issue visibility but, in parliamentary systems in particular, improves the chances policy solutions will be adopted. In a divided presidential system, however, executive branch policy entrepreneurship can be a double-edged sword. The NPR was viewed as a creature of the vice president, a fact which increasingly drew opposition from Republican members of Congress as it became increasingly obvious that Gore would run for president in 2000 (Kettl 1998).²² In the legislative arena, NPR's association with Gore became an impediment rather than an advantage. This remained true even as Gore reduced his advocacy for NPR initiatives.

While, with the exception of the UK, the benchmark countries did not have the same level of individual political entrepreneurship as we see in the U.S., strong central agencies effectively operated in this role over a sustained period, linking problem and policy streams over successive governments. The NPR offered policy solutions over a sustained period of time but, as discussed above, its lack of permanence and status in a presidential system prevented it from taking as effective a policy entrepreneur role as central agencies in benchmark countries did. Similar weaknesses afflicted the Lean State Commission in Germany, and MAP in Spain. The weaknesses of temporary task forces are compounded by disinterest from actual central agencies in pursuing their proposals. In Spain's *Ministerio de Hacienda*, as with the OMB in the U.S., we see the limited interest in pursuing public management reform.

Policy entrepreneurship can be effective in a subdomain of public management policy.²³ In the area of procurement, where Kelman operated as a lower-level policy entrepreneur who developed congressional consensus, the NPR scored legislative victories. These victories were rendered all the more conspicuous due to the absence of similar victories elsewhere on the NPR agenda. Unlike other NPR policies, procurement was led by a relatively senior-level official within a permanent central management agency who focused exclusively on reform of a specific issue area, cultivating working alliances with both interest groups and Congress. By virtue of his specialization, Kelman could focus on all phases of the policy cycle, including implementation, improving his credibility among policymakers. The fact that he was a member of the OMB also meant that he enjoyed the influence and connections associated with this agency, a benefit not enjoyed by those who worked directly for the NPR. Kelman's status as an outsider, an academic who had performed research in his area of specialization, also helped create the perception that he was a neutral expert. Republicans who were otherwise reluctant to support what they saw as Gore initiatives were convinced by Kelman that procurement reform was not a partisan issue.

CONCLUSION

The U.S. offers a mixed picture of public management policy change in the Clinton era. On one hand, the NPR called for a great deal of change, and frequently succeeded when change was not dependent on legislative support. When such support was

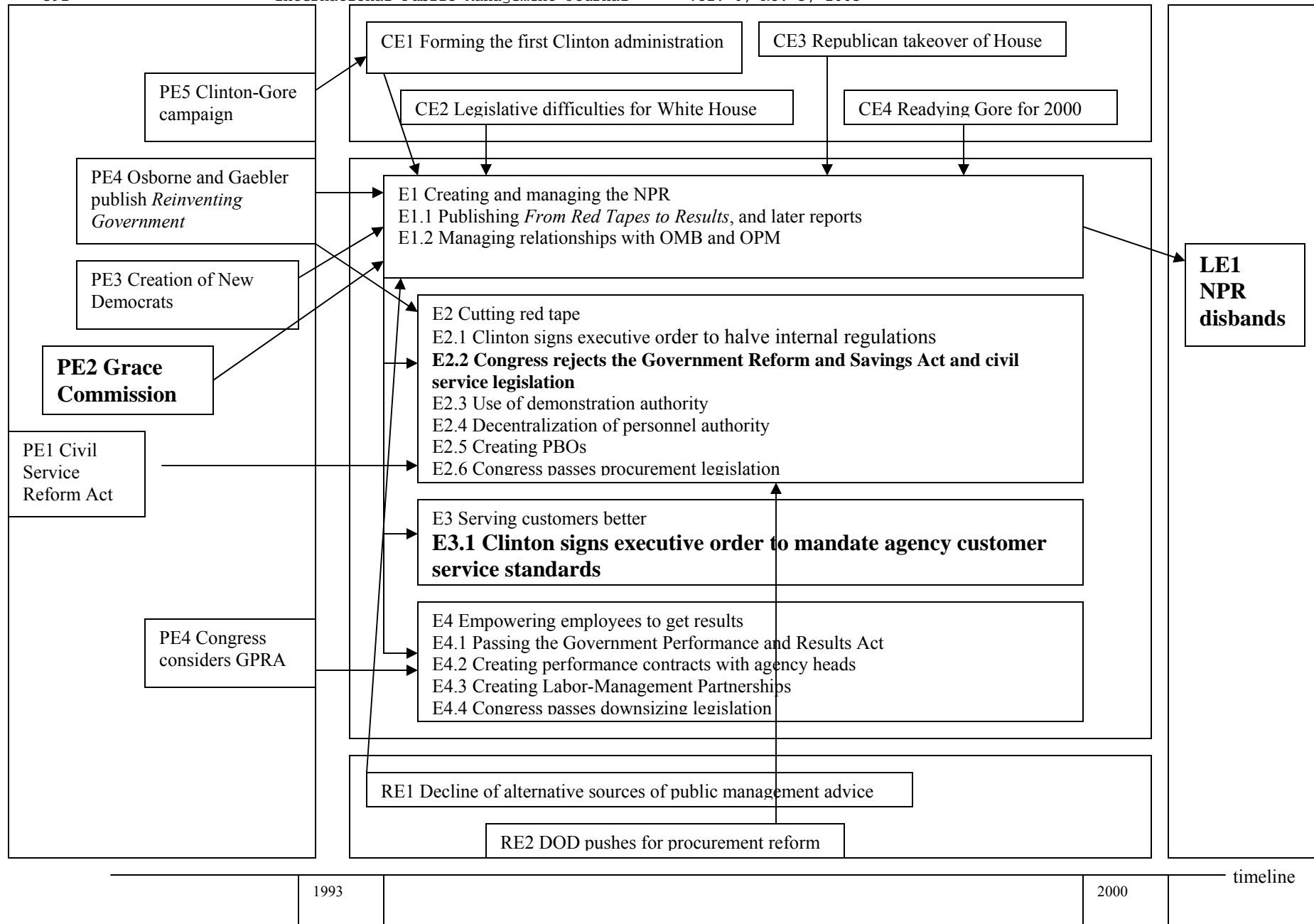


Figure 1: The US Managerial Reform Policy Experience 1993-2000

Note: PE=prior events, CE=contemporaneous events, E=events within the episode, LE=later events, and RE=related events

necessary, the NPR's record is less impressive. This mixed outcome owes much to the efforts of Gore: he energetically championed reform, and successfully used his leverage in the executive branch; but was greeted by much greater suspicion in Congress, particularly among Republican lawmakers. If the traditional Democratic constituency of public service unions actively opposed an issue, there was no base upon which to build a coalition. Where significant legislation was passed, it was a congressional initiative (GPRA), a traditionally Republican issue (downsizing), or was due to the ability of low-level policy entrepreneurs to portray issues in non-ideological ways (procurement).

NOTES

1. The most prominent examples are the 1949 and 1955 Hoover Commissions, President Richard Nixon's Ash Council, President Carter's Personnel Management Project, President Reagan's Grace Commission (staffed by private businessmen), and the Volcker Commission under President George H.W. Bush.

2. Remarks by President Clinton announcing the initiative to streamline government, March 3, 1993. Available at <http://govinfo.library.unt.edu/npr/library/speeches/030393.html>, Internet.

3. Carter's (1977-1980) efforts peaked with the creation of the Civil Service Reform Act (CSRA) in 1978, creating the Senior Executive Service and the Office of Personnel Management. Pfiffner and Brook (2000) offer a detailed analysis of the CSRA and its subsequent impact.

4. Other countries took much longer to deliver reform recommendations. An example is Germany, whose Lean State commission took two years to deliver a report. In this regard, the U.S. experience is similar to New Zealand, where an incoming government rapidly identified the reforms it wished to pursue. In the case of New Zealand, the Treasury packaged preexisting problems in its report to the Labor government. In both countries, therefore, the broad nature of the problem was predetermined before the government took power (by the Treasury in New Zealand, by Osborne and Gaebler in the U.S.), allowing the government to move rapidly. A quick start for the NPR was also enabled by borrowing staff expertise from other agencies.

5. Inefficient government was the issue image in the NPM benchmark countries also. However, whereas the issue image of inefficient government was chiefly tied to poor economic performance in the benchmark countries, distrust of and discontent with government seems more deeply cultural in the U.S., a point argued by Huntington (1981).

6. The Clinton administration effectively shelved the Volcker Commission, the predecessor of the NPR, by refusing to fund the National Advisory Council on Public Service, established to implement recommendations from the Volcker Commission. Carroll (1995) notes that the Volcker Commission's call for increased investment in the public service was at odds with the NPR focus on downsizing and cost cutting.

7. This appeared to change with the arrival of the Bush administration. The Bush administration eschewed creating an external reform commission, and called on the OMB to deliver prescriptions for policy reform. By August 2001 the OMB crafted *The President's Management Agenda*, but legislative progress on these proposals was stymied by the departure of the deputy director of management, Sean O' Keefe, to become head of NASA.

8. The Chief Financial Officer Act of 1994, the Government Management and Reform Act of 1994, and the Federal Financial Management Improvement Act of 1996.

9 Remarks made during a White House press conference on December 19, 1994, shortly after the Republicans had regained control of the House. A transcript of the full press conference (“Remarks by the President on the Middle Class Bill of Rights”) is available on the Internet at <http://govinfo.library.unt.edu/npr/library/speeches/2556.html>. Accessed August 4, 2003.

10. At the beginning of 1993 the Department of Defense employed 966,087 employees, over 44 percent of the nonpostal executive branch federal employees. By December 2000 the Defense workforce declined to 673,613, and made up over 68 percent of total employees downsized in the executive branch (U.S. OPM 2001).

11. I do not explore a fourth theme, cutting back to basics. This theme focused largely on agency-specific cuts and revenue-raising techniques, and general calls to increase productivity and reengineering to cut costs. This section offered little new or innovative in terms of government-wide proposals. In terms of reforming government, NPR energy went elsewhere, dictating that the narrative do so as well.

12. The concept of the PBO, the criteria for selection, and potential candidates, is discussed in the NPR publication, *The Blair House Papers* (Clinton and Gore 1997).

13. James Q. Wilson (1989, 319-320) explains how the illusion of the \$435 hammer was born. “This is what happened. The navy ordered a package of maintenance equipment. One of the items was an inexpensive hammer; some of the other items were very expensive test devices. Under the accounting rules then in effect, the supplier was allowed to allocate overhead costs in equal percentages to each item. This was simpler than trying to figure out how much overhead should be attributed to each individual item (in which case the difficult-to-make items would, of course, have accounted for more of the overhead than the easy-to-make ones such as a hammer). As a result, the bill showed the hammer costing several hundred dollars in ‘overhead,’ for a total of \$435. When a sailor unpacked the box, he found this bill and, not understanding the equal-allocation formula, called his congressman. A myth was born.”

14. The NPR report was entitled *Balancing Measures: Best Practices in Performance Management* (NPR 1999). The balanced scorecard approach was pioneered by Robert S. Kaplan and David P. Norton (1996). It describes having multiple goals in place that reflect different aspects of an organization’s process and outcomes.

15. However, the pursuit of this framework continued after Clinton, evidenced by the George W. Bush administration’s *The President’s Management Agenda*, which called for increased managerial flexibility and the use of GPRA goals in performance agreements.

16. The number of cuts was, according to Zelnick (1999, 237), reached rather arbitrarily. He quotes Bob Stone, who says that the 252,000 was reached after figuring out there were 670,000 mid-level managers, deciding that only half was needed (335,000) and restoring one-quarter of the cuts (83,000) on the basis that these managers would perform tasks that would support reinvention.

17. The final tally exceeded all targets. By the conclusion of the Clinton administration, the OPM calculated that between January 1993 and December 2000 the executive branch was downsized by 427,269 (U.S. OPM 2001).

18. A quotation from the presidential debate between George W. Bush and Al Gore on October 3, 2000 illustrates this point. Bush contrasted his proposed tax cuts with Gore’s plans, “which will increase the size of government dramatically. His plan is three times larger than President Clinton’s proposed plan eight years ago. It is a plan that will have 200 new programs—expanded programs—and creates 20,000 new bureaucrats. It empowers Washington.” Full transcripts of the debate can be found at the website of the Commission on

Presidential Debates: <http://www.debates.org/pages/trans2000a.html>, Internet. Accessed August 4, 2003.

19. A full list of these executive orders and directives can be found at the archived version of the NPR website: <http://govinfo.library.unt.edu/npr/whoweare/appendixb.html>, Internet.

20. The NPR was swiftly disbanded after the election of President George W. Bush.

21. In benchmark cases we see examples of central agencies able to develop policy ideas and dominate the policy subsystem in a way that ensured implementation of these ideas (Barzelay 2001).

22. In other country cases political attention is less committed. While an issue image of inefficient government may be popular, public-sector reform rarely offers tangible electoral rewards, leading politicians to devote their attention to policies that have more visible and targeted benefits for the public. Important and pressing external events may also draw attention away from the task of public management reform, especially for senior politicians, e.g., Kohl in the run-up to German and European unification. If we incorporate the experience of the benchmark countries, it appears that political commitment is a function of the importance politicians assign to management reform. In New Zealand and Australia, public management reform was a policy priority because it was associated with economic performance. This is true in the UK, but to a lesser extent, since the political ideology of Thatcher also played a role.

23. It is worth noting that NPR assumed that policy entrepreneurship occurs at even lower levels of the governmental hierarchy than discussed here. A premise behind increased discretion through waivers is that lower-level managers will have their own ideas about how public management should occur, and that implementing these ideas is effectively making policy (Thompson 1999). Some would argue that this does not constitute policy entrepreneurship in the way that Kingdon (1995) proposed. In any case, it is extremely difficult to track and compare such examples of lower-level use of discretion across countries, but it is sufficient to note that an increased range of discretion is embedded in public management change in many countries.