



## CHAPTER ONE

# GOVERNING IN AN AGE OF TRANSFORMATION

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As American financial markets were crumbling in fall 2008, I had the chance to catch up with a friend. A very senior career official in a European nation, he had been watching closely—and nervously—the collapse of several investment banks and the drop in the stock market. “Has this affected your country much?” I asked. “Well, so far, not much,” he replied. “We have very good financial regulation and a sound banking system, and I think we will be okay.” When our lunch ended, we shook hands, I wished him luck, and he left for the airport. By the time he got home, everything had changed. The financial crisis had followed him across the Atlantic, and, like many other senior officials around the world, he dove into the formidable challenge of trying to keep his economy afloat in an increasingly stormy sea, with waves driven by challenges far beyond his control.

The financial collapse was not only a wrenching economic event. It was a policy milestone as well. For those who still had any doubts, it made the inescapable point that no longer can any nation unilaterally set its own policy. In the first decade of the new century, financial managers in Baltimore made what they thought was a safe investment in interest rate swaps to even out its investment returns. They charged that some of the world’s largest banks—including Barclays, Bank of America, Citigroup, HSBC, JPMorgan Chase, and UBS—had tinkered with interest rates to

cheat the city out of its investment income and boost their own profits. No single government organization can any longer fully control any problem that really matters (Kettl, 2009).

Baltimore's suit against the financial giants powerfully made the point about how truly interwoven the global public administration community has become. Indeed, if the twentieth century was the era of the "administrative state," as Dwight Waldo put it (1948), the twenty-first century might well be the era of stateless administration. Public administration is increasingly dealing with issues that stretch across the traditional boundaries of the governmental program, the public agency, and even the state itself. In Waldo's administrative state, boundaries defined both the strategies for administrative effectiveness and political accountability. As these boundaries have eroded, the work of the state has stretched considerably past its boundaries, and that has multiplied the challenges for the fundamental role of bureaucratic power in a democracy: creating programs that work and bureaucracies that do not threaten liberty.

## The Changing Environment

Public administration, of course, has forever been in flux. Some issues, like finding the balance between headquarters leadership and field administration, have preoccupied the field for millennia (Fesler, 1949). In his assessment, Leonard D. White (1933) found a growing impetus toward centralization of power in Washington, which he called "one of the major phenomena of our times" (p. 136). In addition, chief executives became politicians more than managers, management became more the province of executive agencies, and recruiting and retaining skilled public managers became far more complex and difficult. Nevertheless, at least in the United States, Americans had engaged in little "thinking about the fundamental reorganization of their institutions of government" (p. 330). White concluded his book by confidently predicting that ongoing readjustments "should spell greater public confidence in government as one agency of social amelioration, and should make more certain the gradual displacement of the police state by the service state" (p. 341).

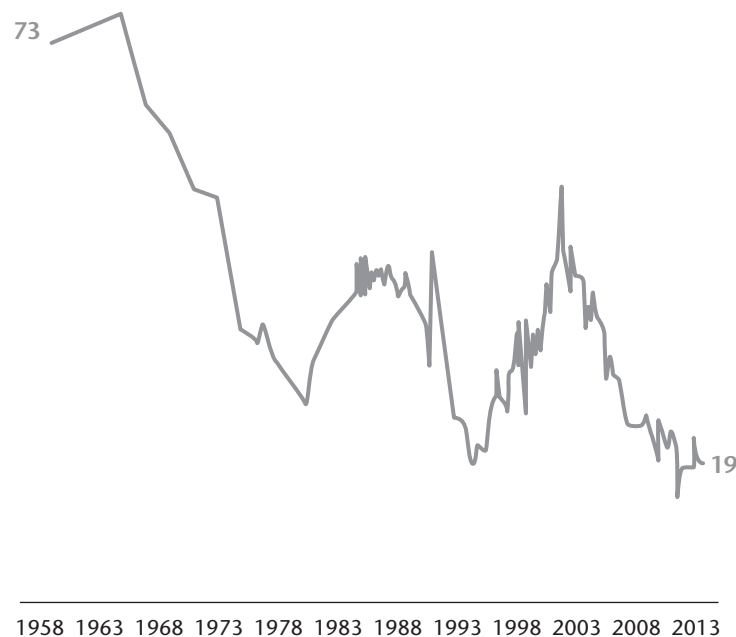
White turned out to be right about the enduring issues of centralization, political leadership, the rise of the permanent bureaucracy, and the difficulty of managing human capital. He pointed to the challenges to responsiveness and accountability posed by the growth of public bureaucracy and increasing discretion exercised by public bureaucrats (White, 1942; Perry & Buckwalter, 2010). But after World War II, his prediction

about the stability of the administrative state and public confidence in government did not hold up. Public confidence in government eroded in the United States but in and other industrialized nations. At the same time, fiscal stress grew, especially after the economic crisis of the Great Recession. The combination of declining trust and rising stress proved a deadly cocktail.

### Trust in Government

The second half of the twentieth century was a time of declining trust in government, especially in the United States. The trust of Americans that the federal government will do the right thing fell precipitously from the late 1950s through the early 1980s (figure 1.1). Recovery in the 1990s proved short-lived, and trust hit a record low in the first years

**FIGURE 1.1. TRUST IN AMERICAN GOVERNMENT: PERCENTAGE SAYING THAT THEY TRUST THE FEDERAL GOVERNMENT TO DO WHAT IS RIGHT ALWAYS OR MOST OF THE TIME**



Source: Pew Research Center for the People and the Press (2013).

Note: The line represents a three-poll average.

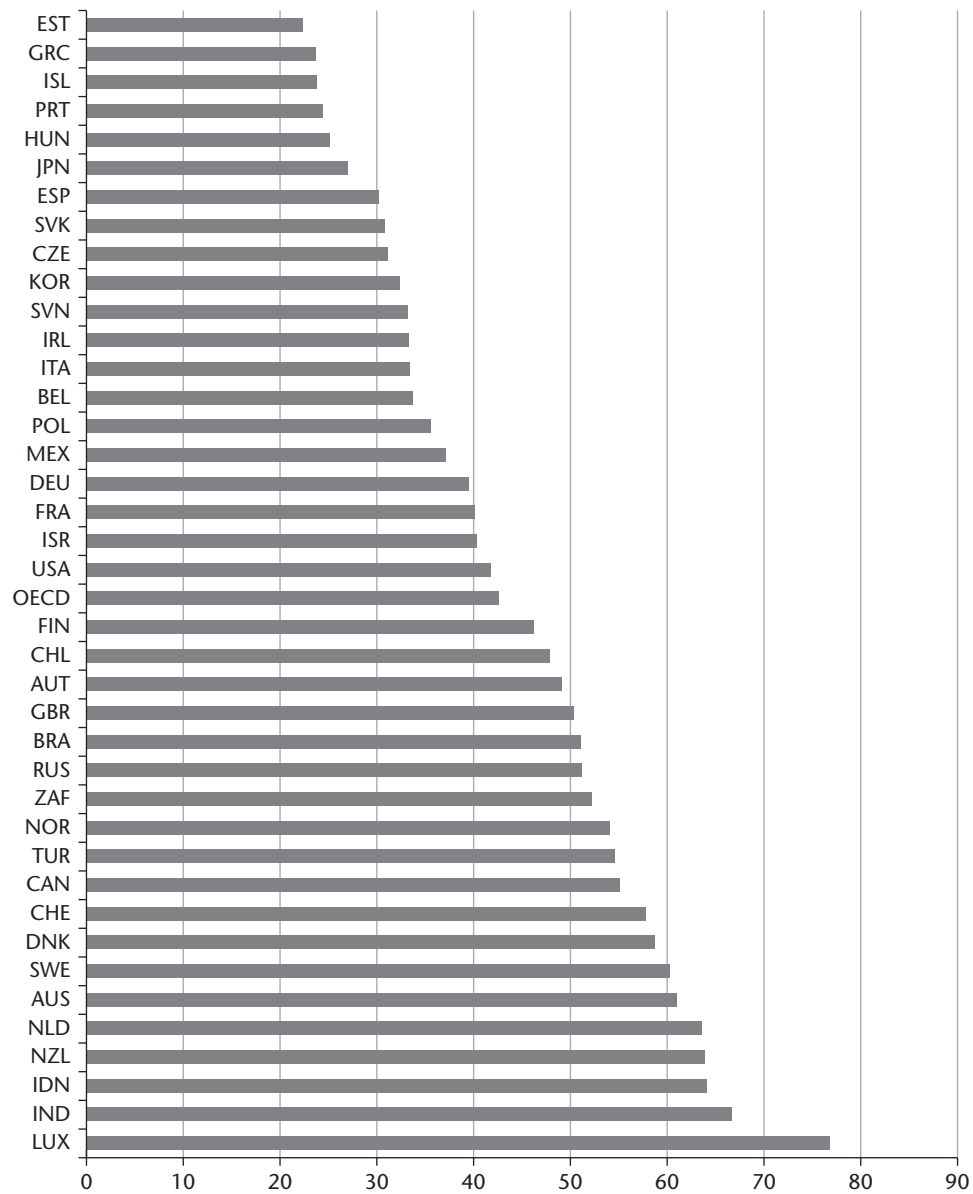
of the twenty-first century. But falling trust in government is not just an American phenomenon. In the world's major industrialized democracies, trust in government has been declining since the mid-1960s (Blind, 2007; see also Llewellyn, Brookes, & Mahon, 2013). As figure 1.2 shows, despite the erosion of trust in the US federal government, it ranks about average compared with the world's industrialized nations: higher than Greece, Portugal, and Hungary and lower than New Zealand, Australia, and the Scandinavian nations (Organization for Economic Cooperation and Development, 2013; compare Edelman, 2012).

Understanding this issue of trust and its connection to public administration is challenging. Trust and good governance are not the same thing, mistrust can arise from forces beyond government's control, good governance does not necessarily increase trust, and it is an open question about how much support modern governments need to govern (Bouckaert & Van de Walle, 2003). Corruption and polarization tend to lower trust, while increased economic prosperity enhances it. Moreover, Hardin (2013) argues that declining public trust in government might be "the inevitable result of the declining role of government in the age of economic globalization." The loss of trust might "simply be an expression of intolerance of ambiguity." As problems get more complex and interconnected, "people who do not like ambiguity may trick themselves into seeing political issues as clear by focusing on a single clear issue and neglecting the large array of other issues" (pp. 32, 48).

The decline of trust might simply be the product of a mismatch between the interconnectedness of everything and the desire of many citizens for simpler problems and more straightforward solutions. Reforms to the governmental process seem to do little more than create short-term improvements in the long-term slide (Dalton, 2005), but trust is often the foundation on which success in solving big problems depends (Rothstein, 2005). That is made worse, the Organization for Economic Cooperation and Development (OECD) concluded, by increasing polarization and growing distance between citizens and those who govern them.

Evidence on this debate is muddy. There is little support for the idea that good public administration improves public trust in government or the administrative process. Indeed, the public might rightly conclude that public servants should not receive applause for doing what elected officials ask and what taxpayers sacrifice to make possible. But there is support for the idea that poor public administration weakens public trust. Perhaps no other American president saw higher highs or lower lows in public support than George W. Bush, but the point at which his negative approval ratings exceeded his positives and never recovered was after the

**FIGURE 1.2. TRUST IN NATIONAL GOVERNMENT AROUND  
THE WORLD: PERCENTAGE OF RESPONDENTS REPORTING HIGH  
LEVELS OF TRUST, 2010**



Source: Gallup World Poll, in OECD (2013).

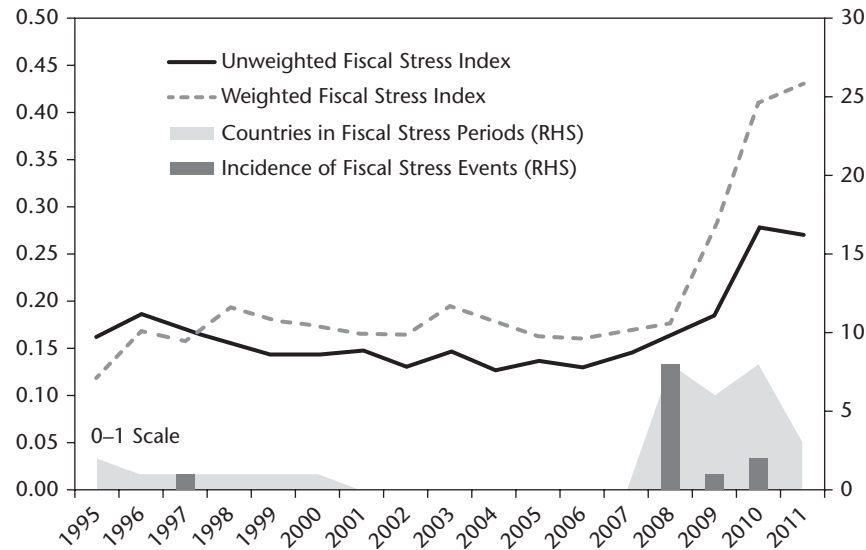
administration's initial failure in 2005 to deal with Hurricane Katrina. After the many stumbles in Barack Obama's Affordable Care Act, the president's polling numbers began mirroring Bush's unhappy trend, with the negatives increasing and the gap with his positives growing in the months after the program's launch. The Japanese government's struggles to deal with the earthquake, tsunami, and crisis at the Fukushima Dai-ichi nuclear power plant caused public trust to plummet. There seems to be little upside gain through good administration, but there is often a big downside loss.

Distrust in government and in its administrative institutions might well be an inescapable by-product of the globalized, interconnected, and hyper-ambiguous world. Public administrators have little control over the forces that tend to undermine trust in their work. But the rising distrust of government in so many countries unquestionably affects the atmosphere in which public administrators work.

### Fiscal Stress

Accompanying the decline of public trust is the rise of fiscal stress. Developing countries have long struggled to grow their economies and raise sufficient revenue to meet the aspirations of their citizens. However, with the recent global financial collapse, the world's advanced economies encountered fiscal stress that for a time exceeded that of developing nations (see figure 1.3). Moreover, evidence mounted that most of the world's nations faced a long period of high fiscal stress, from a host of interlocking reasons: slow economic growth, weakened confidence in the economy, deep problems in managing generational transition in the workforce, sluggish growth in government revenues, rising public debt, a growing population of older citizens, a rising appetite for a host of other governmental services, and a demand for smaller government.

The economic crisis worsened the fundamental fiscal problem of many nations, including the world's most developed economies. Debt in many nations, especially in the United States, had already been rising; the crisis drove deficits up and economic growth down and transformed the problem into a crisis. Many nations, again especially the United States, made only slight progress in bringing down the debt in the years after the crisis. But even if the world's advanced economies stabilized their debts, "merely stabilizing advanced economy debt would be detrimental to medium- and longer-term economic prospects," the International Monetary Fund concluded (2013, p. vii). Sluggish economic growth coupled with rising expenditures for entitlement and pension programs

**FIGURE 1.3. FISCAL STRESS IN TROUBLED ADVANCED ECONOMIES**

Source: Baldacci et al. (2011, 23).

created a huge overhang on which nations were making scant progress. Moreover, the OECD (2013) found that the economic crisis has worsened trust and the sense of well-being in even the world's most advanced nations.

## Transformation

The twin problems of citizen trust and fiscal stress not only created major political problems for most nations around the world. They also heavily weighed on the governance of the world's advanced economies in ways that reinforced governments' difficulty of dealing with either. That, in turn, led to a strong focus on government reform.

### The Impetus toward Reform

Since White's conclusion about the relative stability of the American administrative system, reform has been almost constant. The same is true around much of the world, to the point that fundamental reform has become one of the universal constants of modern public administration (Kettl, 2005).

When the United States began its transformation from World War II, one of President Harry S. Truman's first strategies was to appoint former president Herbert Hoover to chair a commission to examine the organization of the federal government. The commission's recommendations, Truman said, offered "great promise of increasing economy and efficiency" and would "lead to more efficient performance of services by the Government and lower costs." The recommendations, he said "will invigorate and promote better management within the Government" (Truman, 1949). The president signed legislation that strengthened the role of the National Security Council inside his executive office, enhanced the role of the central civil service agency, and created performance budgeting, among other things. The Hoover Commission report led to a second effort, and then an ongoing series of special presidential reform initiatives in the United States (see table 1.1).

The United States was scarcely alone in this reform movement. Indeed, many administrative reforms started earlier and dug deeper in other nations, led by New Zealand's sweeping transformation in the late 1970s and early 1980s (Schick, 1996; Peters & Pierre, 2001). As Pollitt and Bouckaert (2011) have pointed out, it is "no longer possible for a government to sustain for very long a level of government spending that global markets deem to be imprudent" (p. 35).

At the foundation of the global transformation was the strategy of new public management. Launched in New Zealand and then in other Westminster countries like the United Kingdom, Australia, and Canada, new public management grew out of the University of Chicago school of neoclassical economics, which held that market incentives produced better decisions, better results, and cheaper government (Keating, 1998). The model stemmed from arguments that as a monopoly, government suffered from high transaction costs, information problems, and inefficiencies. The supporters of the movement believed that introducing market incentives, especially holding public managers responsible for the results they produced, providing sanctions for problems, and giving rewards for good performance, would lead to better results. The strategy relied on a collection of interlocking tactics: clear assignment of responsibility for results to individual agencies and agency managers; great flexibility for managers in delivering results; a strong focus on measuring outputs; incentives to drive results, sometimes with a leader's salary and continued employment dependent on the results produced; a strong supporting information technology system; and a commitment to serving citizens as customers, to bring private sector incentives into public sector operations. In New Zealand, for example, the government

TABLE 1.1. AMERICAN REFORM INITIATIVES

First Hoover Commission (Truman: 1947–1949)	Comprehensive review of Executive Branch Structure and Function
Second Hoover Commission (Eisenhower: 1953–1959)	Follow-on to the first Hoover Commission; focused more on policy problems than on organizational structure
Study commissions on executive reorganization (Eisenhower, Kennedy, Johnson: 1953–1968)	Low-key reforms focusing on quiet but important changes
Planning-Programming-Budgeting System (PPBS; Johnson: 1961–1969)	Introduced in the Pentagon in 1961 and extended to the rest of government in 1965; brought life cycle accounting and program-based planning to the federal budget process
Ash Council (Nixon: 1969–1971)	Proposals for a fundamental restructuring of the executive branch, including creation of four superdepartments to encompass existing departments
Management by Objectives (Nixon: 1973–1974)	Replacement of PPBS with an objective-based budgetary system
Tactical reform efforts (Carter: 1977–1979)	Bottom-up, process-based proposal to reorganize government, which ended mainly in failure; new cabinet departments created independently; zero-base-budgeting introduced; civil service reform act launched
Grace Commission (Reagan: 1982–1984)	Large-scale effort to determine how government could be operated for less money, with a major focus on privatization
National Performance Review (Clinton: 1993–2001)	Effort to “reinvent” government by making it “work better and cost less”
Performance Assessment Rating Tool (PART) and the President’s Management Agenda (Bush: 2001–2009)	Strategy to enhance human capital, financial accountability, competitive sourcing, e-government, and integration of performance information into the annual budget; supported by an annual PART process that assigned “stoplight” scores (red, yellow, green) to agencies on their success in advancing outcome-based performance targets
Management Agenda (Obama: 2009–)	Agency-based efforts to define their performance goals and produce information demonstrating improvement; focus on citizen-centered services; technological initiatives; transparency initiatives through Internet; incorporation of performance improvement ideas from private sector

sold off its state-owned port and the international airport in Auckland, the Bank of New Zealand, its national airline, its telecommunications and railroad operations, the electric power company, and a state-owned forest. Under Prime Minister Margaret Thatcher, the British government privatized scores of government-owned enterprises, including such giants as British Petroleum, British Airways, Rolls-Royce, Jaguar, the collection of airports serving London, and electricity, water, and telecommunications operations.

Two different ideologies lay behind this movement. One (“letting the managers manage”) focused on giving managers more flexibility and assuming that they would devise creative new strategies to produce better results. The other (“making the managers manage”) set clear targets and then held managers strictly accountable for results. The United States has tended to follow the former strategy, the Westminster nations the latter. Scholars have debated what it is, what it should be, whether it will last, and whether it has died (Dunleavy, Margetts, Bastow, & Tinkler, 2006). Moreover, in no country has either model been closely or consistently followed, at least for long. As Lodge and Gill (2011) have pointed out, the implementation of the new public management has been dynamic, “messy,” and inevitably enmeshed in politics, in sharp contrast to the clear and logical precision of new public management theory. Indeed, the government reform movement of the last generation has been a search for “magic concepts” (Pollitt & Hupe, 2011) and “power words” (Hood, 2005) to drive complex institutions through big and fundamental changes.

### The Reform Agenda

Among the vast array of reform initiatives that have emerged since the later 1970s, several patterns stand out:

1. *Privatization and contracting out.* Reformers have been convinced that the private sector works better than the public sector and that anything that the private sector can do, it should do. In many industrialized nations, this led to the sale of big government-owned enterprises. In the United States, where the government did not own airlines or telecommunications companies, the movement accelerated the contracting out of government programs, ranging from government cafeterias to maintenance of military equipment. In fact, in US military operations in the Balkans, Iraq, and Afghanistan, there was at least one contractor for every soldier on the battlefield (Schwartz & Swain, 2011). There have been subtle differences in the approach to contracting out and privatization. Antigovernment rhetoric in the United States has produced a powerful impetus toward

contracting out for almost anything. In some nations, including Australia and New Zealand, the term of art has been *competitive tendering*, a somewhat more neutral approach suggesting that whoever can do the work cheapest and best should get the job. But there has been a broad movement to shrink government by relying more on nongovernmental organizations to do work for the public.

2. *Customer-driven, citizen-centered government.* Closely related to the privatization and contracting-out approaches is a more central role for citizens. This strategy fits neatly in the underlying argument that monopolies tend to be inefficient and unresponsive. Sending the production of some goods and services to the competitive market deals with part of the puzzle. For those that remain in government hands, reformers have urged the government to build citizen-driven forces into government programs. In the United States, Maryland introduced a new website to allow citizens to check on waiting times at Department of Motor Vehicles offices. Tax preparation and filing services have moved online in the United States, and in Canada and the United Kingdom, the government calculates the tax due. British rail passengers can get a refund for their railroad tickets. Governments worked to create one-stop shopping, so that information provided by citizens in one office could be transferred to other agencies, and the British government created a website so citizens could check to see if they were receiving all the benefits to which they were entitled (<https://www.gov.uk/benefits-adviser>). In Austria, 95 percent of all government services are available online (OECD, 2010, p. 18).

3. *Open government.* The customer service movement created a strong impetus toward a more open government. This movement has three parts: greater transparency, in opening government to more public scrutiny; greater accessibility, in making government available “to anyone, anytime, anywhere”; and greater responsiveness, in creating more opportunities for new ideas to reshape government operations (OECD, 2005a; Ubaldi, 2013). In Denmark, for example, the government created “Easy-ID,” which makes it possible for citizens to track all the information the government has on file about them (OECD, 2010). An open government, reformers believed, would make it easier for citizens to get the information they needed and to make a better case for better government.

4. *Performance management.* Starting in the late 1980s with New Zealand’s ongoing reforms, governments around the world have embraced results-oriented budgets, designed to focus public spending on the goals they seek to achieve and measure the results they produce. The movement quickly spread in the 1990s to Canada, Denmark, Finland, the Netherlands, Sweden, the United Kingdom, and the United States, with

Austria, Germany, and Switzerland not far behind (OECD, 2005b). A 1993 US law required all federal agencies to write strategic plans and measure outcomes, and that effort has expanded over the years since. Australia, the Netherlands, and the United Kingdom have developed top-down performance and budgeting systems, with the goals framed by the central government. Other governments, such as Finland, rely on bottom-up goals developed by agencies. In the United States, the performance initiatives have moved back and forth between top-down efforts (in the George W. Bush administration) and bottom-up plans (in the Obama administration). Performance management reforms, designed to help agencies identify and track their progress against goals, have advanced further than performance budgeting, aimed at using performance measures to shape budgetary decisions.

Despite the wide variance in the approaches, most advanced economies moved toward measurement of outputs, using those measures to improve the management of their programs—and, at least in broad terms, to explore linking results to spending. The measures, however, often did not affect decisions. A survey found that elected officials did not use performance measures in more than 40 percent of OECD countries. Legislators used performance measures in just 19 percent of these nations (Curristine, 2005). In the United States, some critics have suggested that performance management strategies are part of a long series of initiatives that involve a big investment of staff time in exchange for little impact (White, 2012). Other students of the process argue that it is more accurate to think of the process as “performance-informed budgeting,” with the analytical tools nudging but not dictating the resource allocation process (Anderson, 2012).

5. *Fiscal reforms.* Beyond performance management reforms, nations embraced an explicit set of fiscal rules that set tough targets on spending and debt. For example, many nations fixed the level of debt as a percentage of the gross domestic product, created new standards for balancing the budget, set limits on spending, and limited the amount of taxing. Just five nations (Germany, Indonesia, Japan, Luxembourg, and the United States) had such rules in 1990. By 2012, the number had soared to seventy-six. In addition, forty-seven nations were part of supranational currency unions—including members of the European Union, the Eastern Caribbean Currency Union, the West African Economic and Monetary Union, and the Central African Economic and Monetary Community—that established additional rules on debt as a share of the national economy and the need for a balanced budget. Almost all nations adopted some kind of rule designed to limit government spending

(Schaechter, Kinda, Budina, & Weber, 2012). As the United States proved over and over, writing rules did not guarantee that a nation would keep them. But at the least, writing the rules created a discussion around new norms and shifted the political battles, making it more difficult to stray from emerging international expectations.

6. *Human capital.* In addition to the other reforms, many countries dealt with fiscal stress by cutting the number of government employees. A 2010 OECD survey showed that three-fourths of the nations responded they were reducing the size of their workforce. Coupling those reductions with human resource management, however, proved difficult and often rare. Cutting the number of employees raised a tough challenge of ensuring that the remaining workforce was diverse, preserved diversity, produced a government with the skills needed, and helped governments manage the transition from retiring baby boomers to new generations of workers. Even more fundamental, many governments risked “seeing staff as costs rather than as assets” (OECD, 2011, 11). Changes to enhance productivity require better people management, a step in the reform effort that few nations have gotten right.

7. *Networks.* In the face of tough fiscal and operating realities, many governments moved away from broad, sweeping, top-down reforms to pragmatic efforts to improve coordination among operating agencies. This growing reliance on network management drew inspiration from the investigation of the September 11 terrorist attacks in the United States, where the investigating commission and many analysts pointed to the need to “connect the dots” among different players who shared responsibility for complex actions (9/11 Commission, 2004; Kettl, 2014). Many governments pressed their public administrators to be network managers, focusing squarely on leverage over their partners and synergies with those who shared responsibility for results. This marked an important transformation in the concept of organizational leadership, and it also proved a step away from a relatively narrow hierarchical view of administration (Kickert, 1997; Goldsmith & Eggers, 2004; Pollitt & Bouckaert, 2011; Nickerson & Sanders, 2013; Kettl, 2009). Performance-based information drove many of these partnerships, with the aim of getting information quickly into the hands of managers so they could fine-tune their policy strategies (Behn, 2014). The network approach did not acquire the high-level label that characterized the new public management strategies in many countries, but it did create a relatively coherent and far-reaching effort to improve the performance of government programs in a world of growing complexity. The urgency of the problem becomes clear in a careful look at the US Government Accountability Office’s annual “high-risk

list” of programs prone to fraud, waste, abuse, and mismanagement. Almost without exception, each of these programs involves complex partnerships that stretch across government agencies and between government and its private and nonprofit sector partners. Weaving together these major reform initiatives poses substantial challenges for creating—and assessing—the reform movement as a whole.

### Assessing the Reform Movement

Since the late 1970s, government reform has been global, constant, relentless, and sweeping. Many of the ideas have been very big. And many of them have deep roots in the modern state and the debates that have shaped modern democracies (Pollitt, 2008; Kettl, 2002). None have produced permanent answers, and few (if any) work everywhere. Indeed, reform is the constant, but the national context is the great variable in the reform movement. Some have been abandoned (Light, 1997), while others have stumbled in crossing the big divides that often separate national cultures and political systems (World Bank, 2011).

The Westminster countries—most notably New Zealand, Australia, and the United Kingdom—have introduced some of the biggest ideas and most fundamental reforms. Continental European nations have been more cautious (Pollitt, 2013). The Scandinavian nations have taken relatively small steps, have very large public sectors, yet retain high levels of trust in their governments and high levels of happiness among their citizens. China has engaged in a surprising level of reform, focusing on both domestic change and global integration (Xue, 2012). Indeed, if there is any truly universal element to public administration around the world, it is the universal, sometimes frenetic pace of reform.

At the core of this reform movement, however, is also a very large problem. The first generation of this movement saw remarkable activity on a host of fronts, focused on addressing what critics saw as the pathologies that monopoly power, based in government, posed for economic efficiency and effectiveness, on the one hand, and democratic responsiveness and accountability, on the other. Most of the reforms aimed at bringing private sector ideas to and simulating private sector incentives within government. The economic crisis in the first decade of the 2000s, however, transformed the basic problem. The problems of efficiency and responsiveness, effectiveness, and accountability remained. But fiscal stress became the far larger problem, and the reforms of the previous generation gave little traction on this fundamental challenge. As it became clear that the economic pressures were more than a short-term, cyclical crisis from which

the world's economies would quickly bounce back, the distance between the management reform movement and the large, inescapable realities grew. Government officials could not abandon the public administration reforms that had proven so important for decades, but they also faced more fundamental questions for which the reforms provided few answers. Pollitt and Bouckaert (2011) conclude their classic summary of a generation of management reforms with a conclusion that, they say, is "gloomy," with ambitious ideas that rarely achieve what their promoters hoped and often with scant examination of the results that the ideas produced.

## From the Administrative State to Stateless Administration

The pace of reform, the globalization of world economies, the rise of fiscal stress, and the decline of public trust have combined to force a major change in public administration. If the mid-twentieth century produced Waldo's administrative state, the turn of the twenty-first century produced stateless administration: sweeping waves and eddies, often beyond the boundaries of existing management strategies and administrative orthodoxy, that pushed the field into new and often challenging new puzzles. This stateless administration only fueled the impetus toward administrative reform.

Finding common administrative threads among the vast array of the world's nations is a daunting challenge. There is always a gap between bold public pronouncements and management realities, between what policy-makers say and what public managers can do and among the vast array of cultures and politics. Nevertheless, patterns have emerged from the breathtaking pace of change in public administration around the globe since World War II:

1. *Rapid change.* Big ideas about the dangers of monopoly government and the power of information spread fast and have driven reforms around the world, to the point that administrative reform has become a universal, even accelerating phenomenon.

2. *Evolutionary transformation.* Revolution in strategy has become evolution in government's tactics through several stages: efforts to improve the function of administrative structures; new processes to bring economic efficiency and better policy analysis into government decisions; a focused effort to spin off from government operations that the private sector could do better or cheaper—or, in some cases, simply that the private sector could take on; reductions in government spending, motivated by fiscal stress and driven by rule-based processes; and network-based reforms to

focus government managers on producing better outcomes by harnessing the power of partners, outside their organizations, who share responsibility for results.

3. *Erosion of boundaries.* Waldo's "administrative state" was a public administration based on boundaries. Max Weber's classic analysis explained how hierarchy and specialization could structure complex problems through bureaucracy (Weber, Gerth, & Mills, 1946). Even earlier, Woodrow Wilson (1887) had suggested how a powerful bureaucracy could remain democratically accountable by separating the tools of administration from decisions about their use (1887). As administrative systems evolved in the post-World War II era, however, these boundaries broke down. Especially in the United States, policy execution relied increasingly on a complex collection of grants, contracts, loan programs, and tax preferences that shared a single important feature: they pursued the delivery of public goods and services through mechanisms that crossed boundaries, outside traditional hierarchies. Other countries relied increasingly on these policy tools, although not to the same degree as the United States did (Lane, 2000; Schick, 2011). Schick (2011) argues persuasively that "there is pervasive recognition in strong democracies that to govern is to share authority, ideas and information, often with partners, sometimes with rivals . . . . From the vantage point of government, governance is about leveraging; from the perspective of partners, it may be more about openness and inclusion" (p. 20).

4. *Challenge to accountability and public law.* The rise of transboundary policy tools, coupled with governments' struggles to deal with the decline of public trust and the rise of fiscal stress, pose a tough puzzle for accountability. The traditional theories and approaches to accountability in terms of efficiency and responsiveness have long depended on boundaries. Clear lines of authority tell public administrators what to do, how to do it, and who to do it with. The rise of networked government, driven by accelerated change, erodes these traditions (Freeman, 2003). That complicates governments' efforts to rise to the challenges of public trust and fiscal stress, with rapid change making it even more difficult to create new strategies of accountability and new patterns of public law to replace the old traditions that reforms have eroded.

These dimensions frame the central paradox of administration today: as policy systems and structures have become ever more intricate and complex, the importance of individual leaders has grown (IBM, 2005). Policy reformers have paid increasing attention to policy design, whether through administrative restructuring (in New Zealand), accountability through performance measures (in the United Kingdom), public-private partnerships

(in Canada, Australia, and around the rest of the world), and in complex public-private health insurance systems (in the United States).

Citizens expect government to work as easily as their interactions with the private sector, which allows transactions with the swipe of a card, commerce on the Internet, considerable choice, and a high level of attention to satisfaction. They expect a government that is more citizen centered, with administrators weaving together different programs to improve their lives where they live. Moreover, citizens do not expect to have to understand how inserting a card into a machine can transfer cash from a bank account to their hands. Neither do they expect that they need to know how government programs work for the programs to work well for them. Indeed, that poses the sharpest challenge of all.

## Summary

As administrative systems have become more complex, public administrators have the responsibility for making them seamless. Citizens do not like the intrusion of government power, but they expect government to be powerful enough to solve public programs. They expect high-quality and effective services, but they do not expect to pay higher taxes. Indeed, one of the most fundamental realities of government today is the emergence of a permanent paradox: the expectation that government will solve a far wider range of problems, including protecting citizens for a far larger range of threats, combined with fiscal stress that strains government's ability to operate. Some of these challenges require systems-level solutions, including better information technology and improved governance by elected officials. But on an unprecedented scale, these problems require highly trained, nimble public administrators with uncommon skill and an innate sense of the public interest.

That is the core puzzle for stateless administration. If anything seems certain in public administration, it is that the challenges of low public trust and high fiscal stress will continue, governments will innovate even more frequently with an even larger variety of tools, and these forces will pose an even greater challenge to administrative orthodoxy. That frames huge challenges for public administrators around the world in rising to these puzzles—and for public administration scholars pursuing the eternal search for efficiency, effectiveness, responsiveness, and accountability in a turbulent world.

It is the challenge I encountered while driving home several years ago. There had been news reports of the risk of rollovers in collisions involving sports utility vehicles, and one of those collisions happened right in

front of me. Fortunately for the occupants of the SUV, it was a low-speed collision, and no one seemed hurt. However, the SUV rolled over onto its roof, and the passengers were hanging upside by their seatbelts. And there was an extra note of risk: the collision happened precisely at the boundary between two adjoining jurisdictions. I called the 911 emergency service, run by the county, and they promised help was on the way. I then realized that four things could happen, and that three of them were bad. The county's dispatchers could fail to connect with the local government's emergency response teams. The local emergency responders could each assume that the other jurisdiction would respond, and no one would arrive to help. Or emergency responders from both jurisdictions would arrive, the passengers would be helped out, but taxpayers would have to pay double for the emergency. Or the county and the local governments could coordinate the response, ensure that each jurisdiction sent the help needed (and no more), and would jointly help the passengers safely from their precarious position.

In a very short time, I heard sirens coming to the scene, from opposite directions. It soon became clear that the result was the fourth, happy outcome: just the right response, carefully coordinated, with passengers helped and taxpayers protected. From the point of view of those hanging upside down, they did not care what the decals on the side of the vehicles said: they just wanted help. It was a model of effective, efficient, responsive, and accountable public service, and it was led by public servants who understood how to bring resources to bear to help citizens. For the age of transformation, the constant challenge is bringing just that approach to scale—and aggressively pursuing the public interest.