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The Contested Terrain of Canadian Public Administration in Canada's Third Century

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This essay examines the impact of "new public management" on the Canadian public service. It argues that, without much public debate, the principles by which the public service operates changed dramatically in the 1980s and 1990s. New public management is a complex set of ideas about the political, economic and organizational bases of modern society. It prescribes flexible organizations that seek business efficiency and greater responsiveness to citizen interests, and assumes that government services need not be delivered by governments themselves. It envisions a "partnership" society. New public management has been adopted by Canadian governments as they struggle to balance their budgets; however, its application has redefined government accountability and raised questions about the capacity of governments to deliver services in the third millennium. More robust finances are no panacea for Canada's public services. The impact of e-government, restaffing and debate about the role of government will generate demands for continuing administrative reform.

Cet article examine les répercussions d'une « nouvelle gestion publique » sur la fonction publique au Canada. L'article soutient que c'est sans susciter de débat public que les principes selon lesquels fonctionnent la fonction publique ont changé de façon spectaculaire dans les années 1980 et 1990. La nouvelle gestion publique est un ensemble complexe d'idées concernant les bases politiques, économiques et organisationnelles de la société moderne. Elle prévoit des organismes flexibles recherchant une efficacité d'entreprise et une plus grande réceptivité aux intérêts des citoyens, et elle tient pour acquis que les services gouvernementaux n'ont pas besoin d'être fournis par les gouvernements eux-mêmes. Elle envisage une société de partenariats. La nouvelle gestion publique a été adoptée par les gouvernements canadiens alors qu'ils tentent d'équilibrer leurs budgets; cependant, sa mise en place a redéfini l'imputabilité du gouvernement et soulevé des questions quant à la capacité des gouvernements de fournir des services en ce troisième millénaire. Des finances plus robustes ne constituent pas une panacée pour la fonction publique canadienne. Les retombées de la redotation en personnel et le débat quant au rôle du gouvernement créeront une demande pour une réforme administrative continue.

Early in the twenty-first century, the civil service at all three levels of government in Canada faces momentous challenges. From the late 1980s to the present, it has confronted unrelenting pressures for change, widespread criticism of its practices and significantly increased demands on its personnel in an environment of expenditure restraint. As a result, a multi-faceted administrative revolution has transformed Canadian government. It involves the restructuring of government agencies,

the creation of many new ones and the elimination of others. More deeply, the role of the Canadian public service has in many ways been redefined, the very purposes of the civil service are now contested and new relationships have been forged between citizens and governments.

The Canadian public service has faced many turbulent times. But recent administrative reform has been driven by new ideas about governance, commonly called "new public management." New public management is a complex brew of political, economic and managerial claims. It asserts that to be effective democratic civil services require radical restructuring, new priorities and much greater attention to efficient service delivery. In the new vision, the Weberian administrative state is seen as an inefficient relic of yesteryear, an artefact of a simpler economic, political and social structure. Under the weight of new public management principles and expenditure restraint, the Canadian public service has been broadly, deeply and constantly reformed over the last decade.

Profound changes to Canada's public administration have not been systematically debated. The administrative revolution, compared with parliamentary reform or the transformation of the national party system, has not been systematically explored in the mass media. Until recently, few scholars have explored its economic, sociological and political consequences, although academic interest is now engaged. Ironically, almost all Canadians have been exposed to the administrative revolution in their daily lives. Parents and students see schools and universities that advertise and that are sites for commercial advertising, that claim they are in "the education business" and that strike "partnerships" for funding and instructional activities. The governance structure of health care provision was substantially changed in every Canadian province in the 1990s; reform in this vital area continues vigorously and will do so for the foreseeable future. Social services are now often delivered through new partnerships between governments and "for profit" and/or "not-for-profit" sectors. Such partnerships will move into the political spotlight and assume greater prominence in public debate given American President George W. Bush's strong commitment to having important social services delivered to Americans through "faith-based charities." American practice and debate will, as they often do, shape and focus Canadian discourse. The principle of "user pay" is now much more widely accepted and practised by Canadian governments as they assume a more "business-like" mantle. And driven by new public management ideals, municipal reorganization and restructuring continues vigorously, especially in Ontario and Quebec.

A new vocabulary dominates public management. Public servants now speak about stakeholders, customers and clients of government agencies, and about performance indicators, business plans and vision statements. In the face of such substantial administrative reform, the tragedy at Walkerton, Ontario, where seven citizens

died from contaminated municipal water, raises hard questions about the capacity of reinvented Canadian governments to provide essential public services.

This essay provides a broad-brush interpretation of Canada's administrative revolution from the mid-1980s into the third millennium. It first examines the growth and influence of the Canadian administrative state. It then analyzes the new public management movement, especially its strong emphasis on the application of business management principles to the operations of government agencies. From there, it confronts larger questions about the impact of administrative reform on Canadian government. Two issues are paramount in this assessment – the policy capacity of governments and their democratic accountability.

My conclusions probe the future role of the Canadian civil service, and I speculate that the public service will face continuing instability and further debate about its role in Canadian society. I argue, perhaps surprisingly to some readers, that the advent of "post-deficit politics" as characterized by budget surpluses in governments and changing public demands may, far from being a panacea, lead to further serious problems for the Canadian civil service.

This analysis is not comprehensive, nor does it pretend to be. The scope and impact of extensive administrative change over more than a decade cannot be chronicled in detail in a short article. To the contrary, my purpose is to examine the broader forces of change, to probe the major controversies and underpinning principles and to examine the different interests and forces at work.

The Canadian Public Service in Perspective

For most of the twentieth century, the civil service, especially that of the federal government, was both respected and respectable. In the nineteenth and early twentieth centuries, it was a stable force in the processes of nation- and province-building. As an amalgam of British and American influences and practices, Canada's fledgling public service contributed to the construction of essential infrastructure, to the delivery of important public services and to the opening up of frontiers. Donald Savoie captures this "heroic" role of the federal civil service: "All in all, the pioneer work performed by civil servants was impressive. When new communities were established and new economic enterprises undertaken, federal civil servants provided the necessary infrastructure to regulate activities in the public interest" (151).

The welfare state and the extension of government's role in the economy during and after the Second World War greatly expanded the influence and roles of the civil service. Governments undertook new activities that led them to rely heavily on the expertise and policy capacity of a permanent civil service. Both scholarship and practice came to acknowledge that civil servants, especially senior civil servants, were extremely influential in policy development, and that policy implementation, far

from being a technical process, gave civil servants many opportunities to shape the agenda. The image of civil servants as passive implementors of politically dictated public policy made little sense in the world of Keynesian economics, foreign policy challenges in a changing world and the demands of a growing, increasingly urbanized Canadian population. The policy development role of Canadian civil servants was magnified by the notoriously vague policy platforms of most Canadian political parties that, at best, gave general impressions of directions where governments might head.

A civil service élite, armed with a powerful work ethic, a deep commitment to public service and a shared vision of Canada's future course, emerged in Ottawa during the Second World War. Dubbed the "government generation" by Douglas Owram, such civil servants worked in tandem with successive Liberal governments (Owram). They saw democratic government as a positive force in society, and worked with their provincial colleagues to construct a modern welfare state despite the challenges of Canada's federal constitution. The 1960s and 1970s also witnessed the rise of activist, bureaucratic élites in Canada's provinces. For example, the political development of Alberta and Quebec, two turbulent provinces, is seen as heavily shaped by the policy preferences, visions and energies of senior civil servants.[1]

In the 1960s, the civil service became more visibly controversial to Canadians. A crucial development was federal and provincial legislation that permitted civil servants the right to join trade unions, to bargain collectively with their employers and, in some circumstances and some jurisdictions, to strike legally. Controversy mounted as Pierre Trudeau's vision of a bilingual Canada led to an emphasis on the civil service's capacity to serve citizens in both official languages and to be more representative of francophones, especially in the senior ranks. The Royal Commission on Government Organization, the Glassco Commission, recommended improved managerial competence in federal ranks and called for the introduction of modern management techniques that would achieve greater efficiency in federal operations. The apparent centralization of policy and administrative power within the Prime Minister's Office, the Privy Council Office and the Department of Finance led to concerns about prime ministerial government and the rise of an influential class of "superbureaucrats."

New ideas about how government budgets should be struck echoed through the corridors of Canadian governments. Inspired by American innovations, the government of Canada and several provinces revamped their budget-making structures and processes. Their purpose was to lessen incrementalism in budgeting, to emphasize the broader goals being sought by government spending and to extend political control over the purse strings. Governments sought greater rationality in financial decision-making, explored new ways to bring better information to bear, began to think systematically about the longer-term impacts of government spending, and

government budgets began to be conceived as multi-year exercises. Finally, anxiety arose about Crown corporations and regulatory agencies that had grown up around the traditional departments; in the eyes of critics, these diverse agencies comprised a rudderless, unaccountable power bloc.

A more general concern was the capacity of civil servants to shape policy, to generate support for policies and, generally, to exert an independent influence on public affairs. The growth of bureaucratic discretion and power worried those concerned with the accountability of governments, the rights of citizens and democratic government (Whitaker). A particular Canadian twist was the fear that the senior federal civil service had, after decades of uninterrupted Liberal rule, become an ally of the Liberal party. Claims that the senior civil service was "politically neutral" were unconvincing to critics who saw the federal civil service as both product and partner of Liberal dominance. Could the federal civil service work with Conservative governments if the Liberals were electorally banished? Another anxiety was the emerging view in the 1970s that Canadian civil services were not sufficiently representative of the citizenry. Such concerns were heightened and inspired by American debates about affirmative action, by the government of Canada's own concerns about the representation of francophones and by such powerful forces as changing immigration patterns and Canadian women's greatly expanded presence in the workplace.

All these issues put considerable pressure on the senior civil service and led to considerable civil service reform in the late 1960s and early 1970s. But demands for change, while widespread, were responded to in a piecemeal way. For example, the Glassco Commission's concerns about excessive bureaucracy, administrative inefficiency and outmoded management practices were either rejected as wrong in principle or incrementally responded to by organizational and policy change. Such matters attracted an élite audience and did not capture the minds of Canadians, although senior civil servants themselves expressed anxiety about the endless parade of management reforms that were touted (Laframboise). Concerns about the "representational deficit" in government employment were also responded to in a manner that seemed broadly satisfactory to Canadians. Anxieties about the politicization of civil services in circumstances of one-party dominance continued, but were muted by the apparent ability of the Diefenbaker Conservatives to work with the senior civil service and by the fear that wholesale "housecleaning" of the civil service would be a damaging adaptation of American practice. The proliferation of unaccountable agencies, while acknowledged as a problem, was countered by the argument that Crown corporations were integral parts of a distinctive Canadian "public enterprise culture" that was a wholesome antidote to American *laissez-faire* ideals (Hardin).

Seen in a broader context, the public management revolution of the 1980s and 1990s had no obvious precursors in Canadian political or intellectual life. No

major political party had traditionally advanced either a coherent critique of the interventionist state or a fundamental attack on its handmaiden, the bureaucratic state. Nor were Canadian intellectuals much impressed by anti-government and anti-bureaucratic sentiments. "Public choice" theory, whose assumptions are implicitly critical of bureaucracy, had few adherents in Canada, even though many political scientists and economists in the United States and Britain analyzed government through its prism. Canadian scholarship excelled in federalism, political economy and strands of political philosophy. It made no major theoretical advances in thinking about bureaucracy and was little shaped by *laissez-faire* ideals. Theoretical work on such subjects was the preserve of American, British and continental European scholars.

The New Public Management Revolution

In the late 1980s and through the 1990s, Canada's administrative revolution was driven by a set of management ideas and organizational processes commonly called "new public management."[2] New public management is braced by several underpinning assumptions. First, its advocates see the modern world as rapidly changing in all its major dimensions. They contend that the economy is being restructured, that globalization is reshaping society and that an unstoppable information revolution, presently driven by advanced computer technology, is at work. In such a turbulent environment, civil services must be profoundly altered to take into account the pace and scope of change. The corollary is that the extensive restructuring of major corporations in the 1980s, to be effective, requires a comparable reinvention of government agencies. A second assumption is that Weberian bureaucracy, while arguably adequate to the demands of a "smokestack economy," is unsuitable for the "new economy." Its hierarchy, its division of labour and its emphasis on rules are at variance with the needs of modern society and its "knowledge workers"; the new order requires flexible, adaptable administrative organizations. A related premise is that modern institutions are profoundly interdependent. Governments, corporations and "not-for-profits" have too long proceeded in isolation. Their skills and energies must be harnessed through partnerships that recognize and promote interdependence; above all, organizational "silos" must be avoided. Finally, new public management demands a sea change in the attitudes of public employees, who must become entrepreneurial agents of management reform.

New public management is a multi-faceted doctrine whose flexibility is magnified by Canadian federalism. Different governments have applied its principles in different ways, with differing degrees of vigour and with somewhat different rationales. That said, new public management has core principles, all of which have challenged the civil service as it has developed in Canada since the Second World War.

Steering not Rowing

The first major principle of new public management is that governments must "steer not row." Governments must be structured so that politicians are able to establish basic priorities. On the other hand, the delivery of public services, "the rowing," need not be undertaken by governments themselves.

The notion that the civil service may not be the ideal mechanism for delivering government services is the most complex of new public management's ideas. It reflects a deep concern about the dysfunctional "monopoly" allegedly enjoyed by governments in service delivery. A second premise is that "voluntary" or "not-for-profit" organizations are often, or even generally, better vehicles for the delivery of public services, a notion stressed by the Conservative governments that dominated Ontario and Alberta politics in the 1990s. While vigorously asserted, the positive attributes of voluntary organizations as mechanisms for the delivery of government services are seldom fully delineated.

The idea that governments themselves are ill-prepared to deliver public services has generated an "alternative service delivery" movement in Canadian government. Its advocates presume that government bureaucracies are not ideal vehicles for the delivery of government programmes. They search for novel alternatives including "partnerships," complex forms of privatization and contracting out and innovative mechanisms for "co-production" of government services. The rationales for alternative service delivery are impressive in their diversity; among other things, advocates see it as a vehicle for decentralizing power, for maximizing administrative efficiency, for reducing the role of government and for capturing expertise external to government.

Managing for Results

As an article of faith, new public management urges that public administration be animated by clearly defined organizational objectives. The premise is that traditional government bureaucracies systematically misallocate scarce resources. This is so because they are obsessed with, and hampered by, excessive rules and procedures, the management of "inputs" and shifting, contradictory and ambiguous policy and administrative priorities. An output-focussed organization, on the other hand, is clear headed, knows its priorities and, hence, knows how to allocate resources. Most government organizations now engage in "business planning" where they select "product lines" and priorities and allocate resources accordingly.

Measuring Results

In new public management, results management, to be effective, demands continuous, quantified measurement of progress. To this end, Canadian government agencies now employ "performance indicators,"which allegedly inform administrators of

the success of their policies. Performance indicators are commonly used in such areas as health care delivery, social services and education, where the traditional assumption has been that "success" cannot be meaningfully measured given the complexity of democratic policy-making and, in many instances, deep disagreement about the ends to be pursued. The current emphasis on measurement of results in government organizations is also manifest by a strong interest in "benchmarking," which evaluates organizational performance against allegedly comparable organizations.

Citizen Responsiveness

New public management argues that responsiveness to citizens must be a priority for government agencies – a reflection of the notion that government "monopoly" over service provision leads to a cavalier disregard of citizen needs. A related claim is that civil servants have become too responsive to the whims of politicians and indifferent to the needs of those they serve. The requirement that government agencies envision citizens as clients or customers vexes those who see this vocabulary as a denigration of democratic citizenship.

Employee Empowerment

New public management advocates its own brand of populism by stressing the need for greater decision-making freedom for "front-line workers," who, unlike managers, let alone politicians, are close to the action. In turn, the empowerment of public servants is a key part of the overall culture change that is apparently required in government. For its advocates, empowerment is a fundamentally different concept than simple delegation of authority. It represents a multi-faceted approach to maximizing individuals' contributions to organizations, one that stresses participation, risk-taking under certain circumstances and greater freedom from prescribed managerial control.[3] The notion of civil service empowerment, and its underpinning emphasis on administrative decentralization, stands in stark contrast to the strong centralization of authority over financial matters that characterized Canadian governments in the 1990s.

Two other dimensions of new public management are noteworthy. First, as Peter Aucoin points out, management revolutions always employ rhetoric and new vocabulary. In this vein, new public management excels (Aucoin). It is replete with the buzzwords and vernacular of the modern managerial world. Civil servants now "rightsize," "outsource" and "reinvent." They study alternative service delivery (ASD), pursue "e-government" and do "mission statements." Second, and more importantly, the very nature of public employment has changed over the past decade. Many civil servants now work on contracts and no longer enjoy tenure. Management consultants apparently provide advice and do work that was traditionally undertaken

within governments. The role of civil servants has been transformed. Rather than managing the delivery of programmes, civil servants now develop and supervise contracts for the networks of non-governmental agencies that actually deliver public services.

Over the past decade, new public management principles have been vigorously applied in Canadian government. Unfortunately, no single, comprehensive inventory exists of the changes undertaken, although recent scholarship and analysis are yielding a broader picture.[4] Suffice it to say that no level of government nor any jurisdiction has escaped change. Governments have downloaded responsibilities to other levels, "offloaded" service provision to "not-for-profits" and privatized numerous services; almost all governments now operate on a business planning basis. No major government agency has escaped substantial reorganization or, in many cases, several major reorganizations. Performance indicators are widely used: witness the government of Canada's plans to employ them to assess provincial governments' health care policies and Ontario's imposition of "report cards" on municipal governments. In Alberta, the performance pay of senior officials and departmental funding are tied to organizational improvement as determined by quantifiable indicators. Information technology, notably Internet, voice mail and electronic mail, are altering the internal structure of government organizations, the relations among governments and the interactions between governments and citizens.

The alternative service delivery movement is a particularly prominent and powerful force in Canadian government. As John Langford noted in 1997: "alternative service delivery has become an elastic concept that won't stop mutating. Contemporary applications are so numerous, complex, opportunistic and idiosyncratic that they don't immediately lend themselves to easy pigeonholing and templating" (60). Partnerships are now struck between governments as they provide "single window delivery"; toll roads, while not commonplace, are emerging as governments embark on new relationships with business in the construction of infrastructure. Schools and universities make deals with companies for the provision of physical plant, computer hardware and research funds. Health care reform has itself generated bewildering reforms: vital home care services, for example are undertaken by a range of for-profit, not-for-profit and government agencies in Canadian provinces. Research by Jane Jenson and Susan Phillips notes how home care polices in Ontario and Quebec are profoundly different in their underpinning philosophies and structures (Jenson and Phillips). If diversity of practice is an end in itself, new public management has certainly excelled. Governments have embraced new arrangements with corporations as they modernize their administrative systems with advanced computer technology. In early 2001, controversy swirls around the government of Canada's plan to "outsource" the controversial Canadian Firearms Registry.

What major societal forces explain the advent of new public management and its attendant critique of bureaucracy? Neither a neat list of factors nor any obviously decisive determinant presents itself. Complex forces are at work in ways that blur cause and effect. For example, the customer service revolution in retailing and the extensive restructuring of North American corporations provide models for change that have influenced governments. Information technology also has many consequences for government administration. But it is not obvious that the advantages to be gained by governments require massive public sector restructuring according to new public management principles. The imperatives of economic globalization or, more properly in the Canadian case, continental integration, probably fit somewhere into the puzzle but in no obvious or clear way.

An interesting, in many ways appealing, perspective on new public management is to interpret it as a handmaiden of neo-liberalism, an interpretation that has a vulgar and a more refined strand. The vulgar strand sees new public management as a sort of smokescreen, a justifying ideology for the radical cutback of the welfare state and other dimensions of the post-war mixed economy. The more refined version sees new public management as a complex balancing of social and economic forces. Its application allows for the retention of important public services but under new, more business-like operating principles.

New public management has manifest, but very complex, links with the anti-government, pro-market ideas that have shaped the modern world over the last two decades and that have changed the balance between public and private sectors in advanced democracies. In contemporary Canadian politics, a confluence of attitudes about the role of government and new public management confuses and complicates debate. Citizens and interests most concerned about the decline of the welfare state are normally very critical of the rhetoric and the impact of new public management, especially of its stress on downsizing, deregulation and privatization. They see the reduced role of the state and new public management as integral, almost indistinguishable, elements of a single ideological package. By the same token, supporters of a reduced role for democratic governments are generally supporters of new public management principles. The Klein Conservatives in Alberta and the Harris Conservatives in Ontario, the governments most enamoured with restraint and limited government, are the strongest champions of new public management. They link smaller government with reinvented civil services.

All that said, new public management is much more than an ideological partner of neo-liberalism. For one thing, it has been willingly adopted by social democratic governments like the Saskatchewan New Democrats under Roy Romanow and by "centrist" governments like the Chrétien Liberals and the Clinton Democrats in the United States. The Parti Québécois government of recently retired Premier Lucien Bouchard was also committed to its tenets.

New public management has evident ideological flexibility and considerable appeal to a range of interests. For social democrats, its weight on decentralized power resonates with a desire for community involvement. It also reduces the links between social democracy and overbearing bureaucracy. For centrists, it offers the capacity to retain the benefits of active government without the vice of inefficient bureaucracy. Finally, and most importantly, it is much more firmly wedded to government expenditure restraint than to a rigid ideological vision of reduced government. New public management principles were developed prior to the era of expenditure restraint and widespread public concern with mounting government deficits in Canada, but until balanced budgets became an almost universal priority, its ideas had little real purchase. Taken as a package, new public management ideas offered governments the (utopian) prospect of effective public services delivered at much lower cost. Here lies their greatest appeal.

A fundamental question for Canadian government in the third millennium is whether administrative systems constructed by new public management principles are compatible with changing public sentiments and societal needs in an emerging era of government surpluses. Or is new public management a set of principles and structures that thrives in, possibly demands, an environment of fiscal restraint and expenditure cutbacks? Have Canadian governments been transformed in response to the particular set of public finance concerns that dominated public life in the 1990s and whose impact is declining?

Conflicting Visions of Public Service

Early in the third millennium, Canadians face conflicting visions of the public service. At best, pessimists see the civil service as an institution in disarray, if not crisis. They portray it as understaffed, operating under questionable management principles and subject to incessant restructuring. For anxious critics, a once formidable public service lacks the necessary capacity to develop and implement effective public policy. In many instances, this is part of a larger concern about an emerging Canada that is much more competitive, much less compassionate and much more unequal in its distribution of wealth and power. Optimists see a substantially reformed public service that is more accountable, more responsive to citizens and much more cost conscious. The public service now provides necessary managerial expertise to democratic government, and, armed with new organizations and operating principles, Canadian governments greet the new millennium with fiscal freedom and administrative flexibility.

The scope and pace of change has been deep and rapid. Careful studies of the impact of administrative change are only now beginning to appear and the truth of the matter is difficult to divine precisely. Moreover, social science analysis, however

skilled, is unlikely to be decisive. Analysts and policy makers are often deeply divided about the very role of the civil service and about the merits of new public management ideas. As a result, they even contest the proper criteria for evaluation.

Each side claims that its position has not been fairly heard. Defenders of traditional public service ideals contend that their views have been ignored in a sea of anti-government rhetoric. They claim that the public service was wrongly stereotyped in the 1990s as a source of financial waste and excessive political power. In their view, new public management created, and then reformed, a straw man.[5] On the other hand, advocates of administrative reform claim that critics exaggerate instability and administrative weaknesses, asserting that administrative reform is yielding great returns. And, like most reformers under fire, new public management crusaders claim that the revolution, far from being wrong in principle or misguided, is simply incomplete, stalled by overly cautious leadership or wrongly watered down in its application. To be effective, the administrative revolution requires more vigorous prosecution.

Under such circumstances, judgement about administrative reform can only be based on cautious reflection about the past and present, careful consideration of criteria for evaluation and informed speculation about the future.

Policy and Administrative Capacity

In the 1960s, Charles S. Hyneman and Charles Gilbert wrote that democratic government has two essential "payoffs" for citizens – the development of effective public policies and their efficient and fair implementation by the civil service (Hyneman and Gilbert, esp. Chapter 10). The capacity to generate such payoffs is an essential, but not exclusive, criterion for evaluating civil service reform in contemporary Canada.

In this vein, new public management raises two major concerns. First, its heavy reliance on non-governmental agencies for the delivery of public services is worrisome. In a penetrating analysis of Canadian governments' recent embrace of "not-for-profits" for social service delivery, Michael J. Hall and Paul B. Reed raise serious questions of principle and practice. They note that governments naïvely assume that "not-for-profits" can serve as a "second social safety net," a responsive and efficient replacement for a government-delivered welfare state. Governments have proceeded unaware of the structures, finances and *modus operandi* of Canadian not-for-profits.[6] They grasp neither the voluntary sector's history nor its *raison d'être*. In heaping greater responsibility on them, governments have ignored that not-for-profits are already underfinanced and overextended. Reform has proceeded without a clear vision of a long-term relationship among governments, business and not-for-profits. Hall and Reed argue that the "second social safety net is simply too small and too vulnerable to be counted on to hold an additional load of helping, caring and

supporting services" (18). Such conclusions cast doubt on new public management's claims about the virtues of "alternative service delivery." Partnerships might reduce government expenditures but at the cost of diminished administrative capacity. They can work, but only in certain circumstances, only after extensive thought and advance negotiation and only with clearly defined and genuinely shared objectives.[7]

In Canadian governments, the civil service has been a major source of policy advice, an institution that housed the necessary expertise for the modern state. New public management raises serious questions about the state of the civil service's policy capabilities; basically, it simply downplays the civil service' s policy advisory roles. It sees the civil service as a source of managerial expertise not policy power. Moreover, government downsizing and restructuring in the 1990s have preoccupied the senior civil service at the expense of policy advice. The senior official is now seen as a "facilitator" of policy-making whose role, far from being one of leadership in policy, is to bring "stakeholders" together. Consultants, pollsters, interest groups and think-tanks take up the slack.

Governments themselves admit that their policy competence is severely diminished. In a variety of pronouncements and actions, the government of Canada has stressed the imperative of rebuilding its ability to generate and assess public policy initiatives (Bourgon). The response has not been merely rhetorical. The federal government has made systematic efforts to enhance its policy capacity, to generate links between university-based researchers and government officials and to think carefully about the necessary skills and expertise required in the millennium. The government of Alberta, itself a powerful advocate of new public management, has articulated similar concerns. In the aftermath of the Walkerton tragedy, the issue of policy capacity has become a priority in the government of Ontario. Underpinning this is the admission that no amount of "stakeholder" input or consultants' advice is a substitute for an effective civil service. After a period of intense change and government restructuring, do Canadian governments have the required expertise and structure to cope with health care reform, technological change, continental integration and economic change? And can policy capacity be easily rebuilt in a public service that, for more than a decade, has stressed service delivery and that has been systematically reorganized to that end?

Democratic Accountability

If capacity to make and deliver policy is an indisputable test for the public service, so too is democratic accountability. Advocates of new public management argue that accountability has been enhanced in Canadian government over the past decade, claiming that government accountability is fostered by clearly articulated goals and outcomes and by performance measures. In this view, accountability is

also increased by publicly available government business plans, by publicly debated performance reports and by results-driven management. As Sandford Borins argues:

> The new public management *has* thought about the question of accountability and argues that the two enemies of accountability are unclear objectives and anonymity. By emphasizing clear objectives and written performance contracts, the new public management should increase rather than diminish the accountability of public servants to ministers and of ministers to Parliament. (125-26)

Borins's claim is both compelling and incomplete at the same time. He correctly notes that the quality of public management can surely be evaluated systematically and by more than guesswork and partisan passions. On the other hand, new public management has prescribed and presided over a vast, essentially unplanned transformation of Canadian government. Alternative service delivery has redefined the very boundaries of the civil service as an institution. Governments now supervise the delivery of many public services through contracts with non-governmental "partners." No clear principles govern this maze of partnerships; its full scope is neither understood nor easily documented. Basic questions are now arising about the legal status of non-governmental employees who deliver public services, about the application of privacy and access to information laws in partnerships, and about the quality and extent of government audit and financial supervision. And, as Jane Jacobs has provocatively asked, do governments and corporations really march to the same ethical principles and imperatives (Jacobs)? Can partnerships really work, given the deep differences between profit seeking firms, not-for-profits and public service organizations?

In short, alternative service delivery has generated a system of governance, not simply a service delivery network, that operates under no clear rules or policies. Such a partnership state does not advance democratic accountability in any obvious way.

In a provocative analysis, Christopher Pollitt, a British political scientist, noted the worrisome growth of "institutional amnesia" in modern civil services. He defined "institutional amnesia" as "the declining ability – and unwillingness – of public sector institutions in many countries to access and make use of possibly relevant past experiences" (Pollit 10). Pollitt's analysis, which is directly relevant to Canada, argues that public service memory loss results from extensive administrative reform undertaken through new public management principles. He sees a troubling decline in governments' ability to retain policy knowledge, to recall past experiences and, hence, to think clearly about the future.

In Pollitt's view, institutional amnesia flows from the widespread assumption that rapid, unstoppable change is the norm in modern societies. Past lessons are ignored as governments stress change not continuity. The pervasive bias towards newness is reinforced by a consultant-dominated change industry that stresses the

sources and pace of change and the proper governmental responses. This emphasis on change is reinforced and given reality by extensive government reorganization and downsizing. Memory is also lost as governments transfer records from paper to electronic formats. The cycle recurs as the application of new software and new hardware causes government data to be transferred frequently and always with some loss of material. New public management, with its heavy emphasis on networks and partnerships, raises new questions about record keeping. In Pollitt's words, "To put it at its simplest, in a multi-organizational, public/private network, who keeps the authoritative records?" (10). Finally, the careers of civil servants are themselves very different. Years of experience have been lost through layoffs and early retirements. Many civil servants are hired on a contractual basis and do not necessarily serve for long periods in one organization.

All these forces – partnerships, restructuring, unstable public employment and an obsession with change – create a turbulent environment in the civil service. Government organizations in contemporary Canada are prone to management and organizational fads, to "stop/go" policy-making as past lessons fade and too frequent leadership changes occur.

The Future of the Canadian Public Service

In the 1990s, once stable, seldom controversial civil service organizations were recreated in Canada. Almost every Canadian citizen has somehow been influenced by this transformation, but the full extent and impact of the shift have not been systematically discussed. A new millennium, the shift in public debate away from public finance issues and evidence of deterioration in public infrastructure provide an opportunity to take stock of change, to assess its full impact and to probe the larger picture as it has unfolded since the mid-1980s.

In Canada, the civil service has borne a tremendous burden of reform in recent decades. Subject to far greater pressures than any other institution, since the mid-1980s the civil service has been identified as the source of both political and economic problems. Ironically, the reinvention of government organizations has been seen as a solution to many of the problems that plagued democratic governments in the 1980s and 1990s.

The weaknesses of the civil service have probably been systematically exaggerated; regardless, the civil service has been subject to severe expenditure restraint and extensive reorganization according to new public management principles. The time has come to ask hard questions about how much further change should be demanded of the civil service. Are we perhaps in a period of diminishing returns from further government reinvention? Is ceaseless government restructuring now

a commonplace response and a symptom of a deeper lack of political vision in a changing environment?

In contemporary Canada, what should happen and what will happen are probably quite different things. Early in the third millennium, interest is growing in "electronic government." In its recent report on this topic, *The Economist* notes the emerging view that application of advanced telecommunications technology to public administration might save substantial amounts of money and improve the quality of public administration ("Government"). Advocates of electronic government paint a picture of convenient 24-hour access to government services, greater convenience for citizens and prospects for enhanced intergovernmental cooperation. Whatever the merits of such claims, information technology will generate further instability as governments experiment with new organizations, new technologies and new personnel in the information age. Canadian governments are moving towards "on-line" services through "single windows" that will be expensive to develop, will generate demands for all sorts of new expertise within government and will require considerable attention from senior officials. Moreover, electronic delivery will co-exist with more conventional service delivery for the foreseeable future, so further substantial reorganizations and upheaval seem inevitable.

The aging of the public service itself is another source of instability. Canadian governments now worry that their management staff is decimated by downsizing and attrition, and that the civil service is middle aged. Little systematic personnel renewal has been undertaken for more than a decade, a point that was raised emphatically by the Auditor General of Canada in his annual report for the year 2000:

> The public service is getting older and needs more knowledge workers. About 70 per cent of executives could retire by 2008, and the people who could eventually replace them have a similar retirement profile. It takes an average of 10 years to move from a professional entry level to an executive level. Recruitment has therefore become urgent to ensure a well-functioning public service in the future. (Office of the Auditor General)

The auditor general criticized the government's apparent unreadiness to undertake the required recruitment and retention of qualified staff.

Governments are embarking on campaigns to recruit and attract "the best and brightest" young Canadians. So in the midst of an ongoing management revolution Canadian governments are also planning to embrace many new employees. In their quests, they encounter competition from other employers and the attitudes of a generation of young Canadians who see public service as an inferior career. Questions about the representational role of the public service were downplayed for most of the 1990s, but it is unlikely that this trend will continue. Conflict may

vigorously re-emerge about the representation of women, Aboriginal peoples and visible minorities. Long-term salary restraint, poor working conditions and labour shortages in crucial areas like nursing are generating an explosive industrial relations environment in Canadian governments.

In Canada, the rapid emergence of a "post-deficit" politics has many implications for public management and for government more generally. "Post-deficit" society is an admittedly vague term, but its core claim is that the severe expenditure restraint of the 1990s is over, that public finances are substantially improved and, thus, that new options are available to governments. Experts differ about these assumptions, but all Canadian political parties operated under them in the 2000 general election. The obsession in the 1990s with deficit and debt is unquestionably weakening, although the deeper values and political attitudes of Canadians cannot be precisely divined.

Budget surpluses are obviously good news for financially starved, sometimes understaffed government agencies, although not all areas of public expenditure will be increased. Early in the third millennium governments are hesitant to embark on costly new programmes that demand long-term expenditure commitments; their preference is for one-time repairs. Moreover, Canadian governments are committed to tax reform which is a costly business. Revenues are, by definition, foregone, so cost reductions, and hence, continuing restraint and restructuring, may well be demanded of many government agencies.

More deeply, Canadians anxious for the rebuilding of health care systems, for the refurbishing of social assistance, for the reinvigoration of infrastructure and for improved education will soon confront the partnership state created in the 1990s. In that decade, government service delivery and policy-making were restructured, not merely cut back. Policy-making expertise has thus been lost, public sector workforces have changed dramatically in size and government services are often delivered through partnerships with non-governmental organizations.

In the new millennium, new programmes will be launched and existing ones refurbished in a radically reformed administrative structure that is the handmaiden of expenditure restraint. Increased expenditures and major new policy initiatives may have reduced or greatly delayed impacts as they meander through decentralized, "networked" administrative organizations where vigorous leadership is hard to exercise.

For this reason, post-deficit politics may deeply disappoint citizens and further strain public services. In the 2000s, Canadians will be caught between a Weberian administration that cannot be resurrected and a networked partnership that was designed for a past period of restraint and from whose grasp they may soon want to escape.

Notes

1. On Alberta see, for example, John Richards and Larry Pratt, *Prairie Capitalism: Power and Influence in the New West* (Toronto: McClelland & Stewart, 1979); for Quebec, see Kenneth McRoberts, *Quebec: Social Change and Political Crisis*, 3rd ed. (Toronto: McClelland & Stewart, 1993).
2. For an excellent overview, see Peter Aucoin, *The New Public Management in Comparative Perspective* (Montreal: Institute for Research on Public Policy, 1995); see also Christopher Hood, "A Public Management for All Seasons?" *Public Administration* 69 (1991): 3-19; see also B. Guy Peters and Donald J. Savoie eds., *Governance in a Changing Environment* (Montreal and Kingston: McGill-Queen's University Press, 1995); B. Guy Peters and Donald J. Savoie eds., *Taking Stock: Assessing Public Sector Reforms* (Montreal and Kingston: McGill Queen's University Press, 1998) and Mohamed Charih and Arthur Daniels eds., *New Public Management and Public Administration in Canada* (Toronto: Institute of Public Administration of Canada, 1997).
3. For a helpful introduction to the idea of empowerment, see Kenneth Kernaghan and David Siegel, *Public Administration in Canada: A Text*, Fourth ed. (Scarborough: ITP Nelson, 1999) 110-13. In their words, "At this point, empowerment is one of the latest management buzzwords. A relatively limited number of organizations have actually implemented it properly. In some cases, senior managers have been accused of using the word in a very hollow fashion in order to force more responsibilities on lower-level employees. The jury is still out on whether empowerment will actually catch on and produce a radical change in management style or whether it will be just another passing fancy" (113).
4. For a very helpful overview of recent developments, see Evert A. Lindquist ed., *Government Restructuring and Career Public Service in Canada* (Toronto: Institute of Public Administration of Canada, 2000).
5. See, for example, Henry Mintzberg, "Managing Government: Governing Management," *Harvard Business Review* (May-June 1996): 75-83; and Donald J. Savoie, "What is Wrong With the New Public Management?" *Canadian Public Administration* 38.1 (Spring 1995): 112-21.
6. An anonymous external assessor of this article observed that it is unlikely that many experienced public servants embraced a naïve view of the virtues of service delivery through not-for-profits and partnerships. This raises interesting questions that require careful study. In particular, what are the considered viewpoints of senior officials and ministers about the scope and impact of administrative reform in Canadian government over the last decade?
7. See, for example, Susan D. Phillips and Katharine A. Graham, "Hand-in-Hand: When Accountability Meets Collaboration in the Voluntary Sector," *The NonProfit Sector in Canada*, ed. Keith G. Banting (Kingston: School of Policy Studies, 2000) 149-90; and J.P. Boase, "Beyond Government? The Appeal of Public-Private Partnerships," *Canadian Public Administration* 43.1 (Spring 2000): 75-91.

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