

# The Diffusion of Public Sector Reforms

- Empirical Evidence from Swiss Data on the New Public Management

KILIAN REBER, PHD CANDIDATE AT THE DEPARTMENT OF  
ECONOMICS, UNIVERSITY OF BASEL, SWITZERLAND

雷凱樂 (瑞士巴塞爾大學 經濟學院 博士研究生)

## Research aims

- I) To analyse and explain the observed diffusion pattern
  - Concerning the frequent initiation of the reforms
  - Concerning the low level of substantial implementation
  
- II) To analyse and assess the economic effects of the reforms
  - Give appropriate policy measures

## Research objects

The roughly 2,700 Swiss municipalities

- Are autonomous within the limits of the state level
- NPM is generally suited for them as one of their main tasks is the supply of public goods
- Provide a comprehensive set of data for the econometric analysis

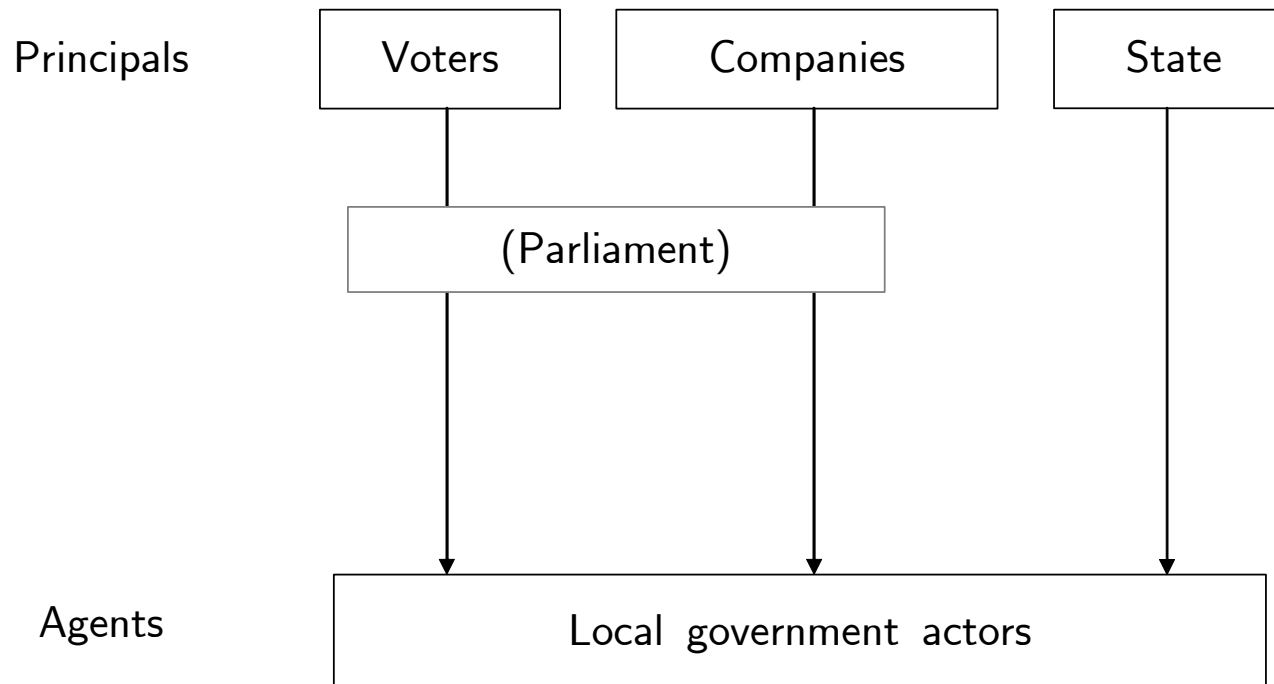
## Politico-economical framework

- Voters and other actors who provide government with resources as principals, government as their agent
- Governments' main goal is to stay in office in order to realise its ideological agenda
- Direct-democratic instruments give principals some control over government
- Asymmetric information permits government opportunistic behavior

## The initiation of public sector reforms

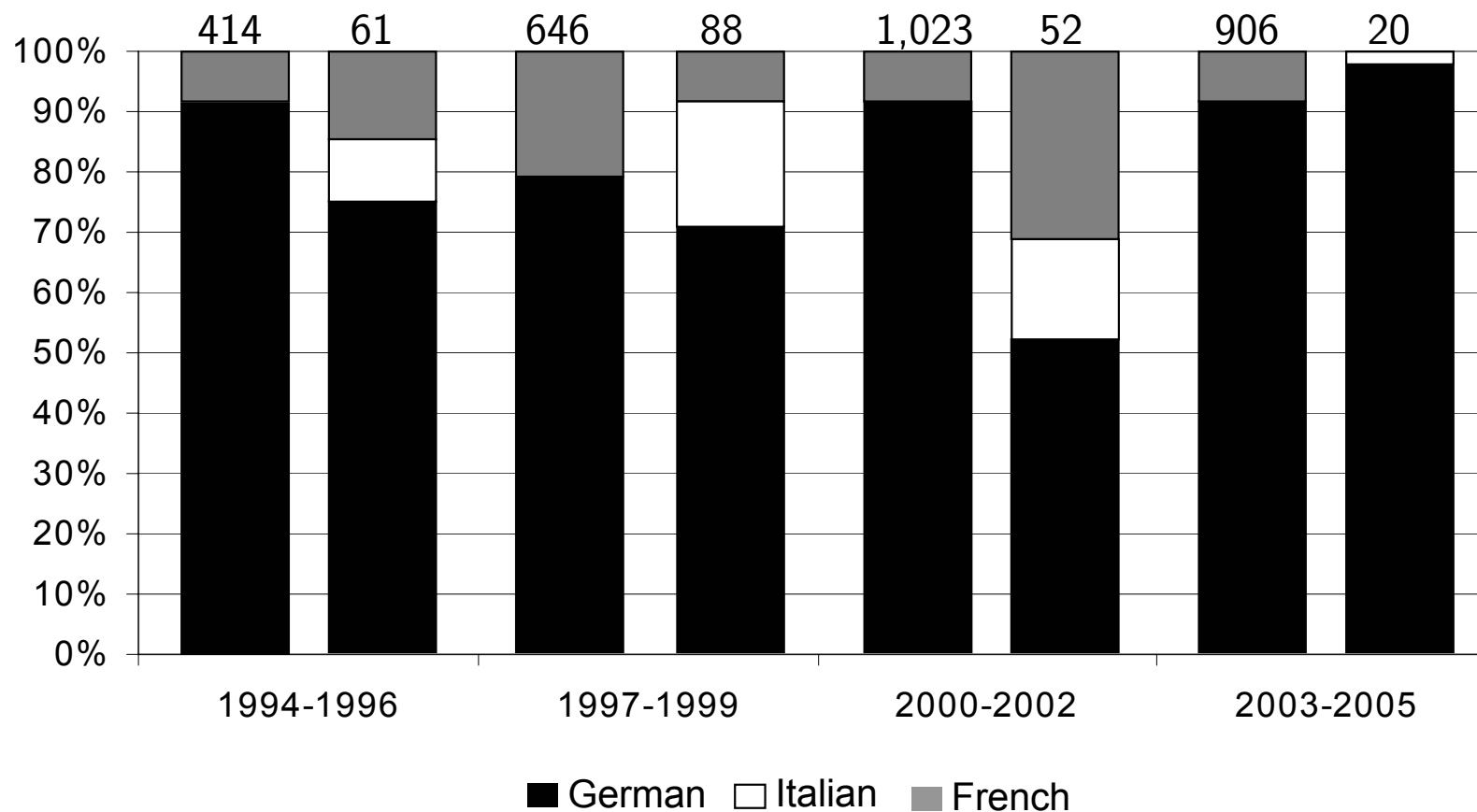
- The higher the political pressure for an efficient public sector, the more important it is for government to *show* compliance with these demands
- Governments' initiation of a public sector reform which is based on a popular reform concept is well suited for this task
- Initiation of a public sector reform which is based on an unpopular and debated reform concept is less suited for this task

## Political pressure on Swiss municipal governments



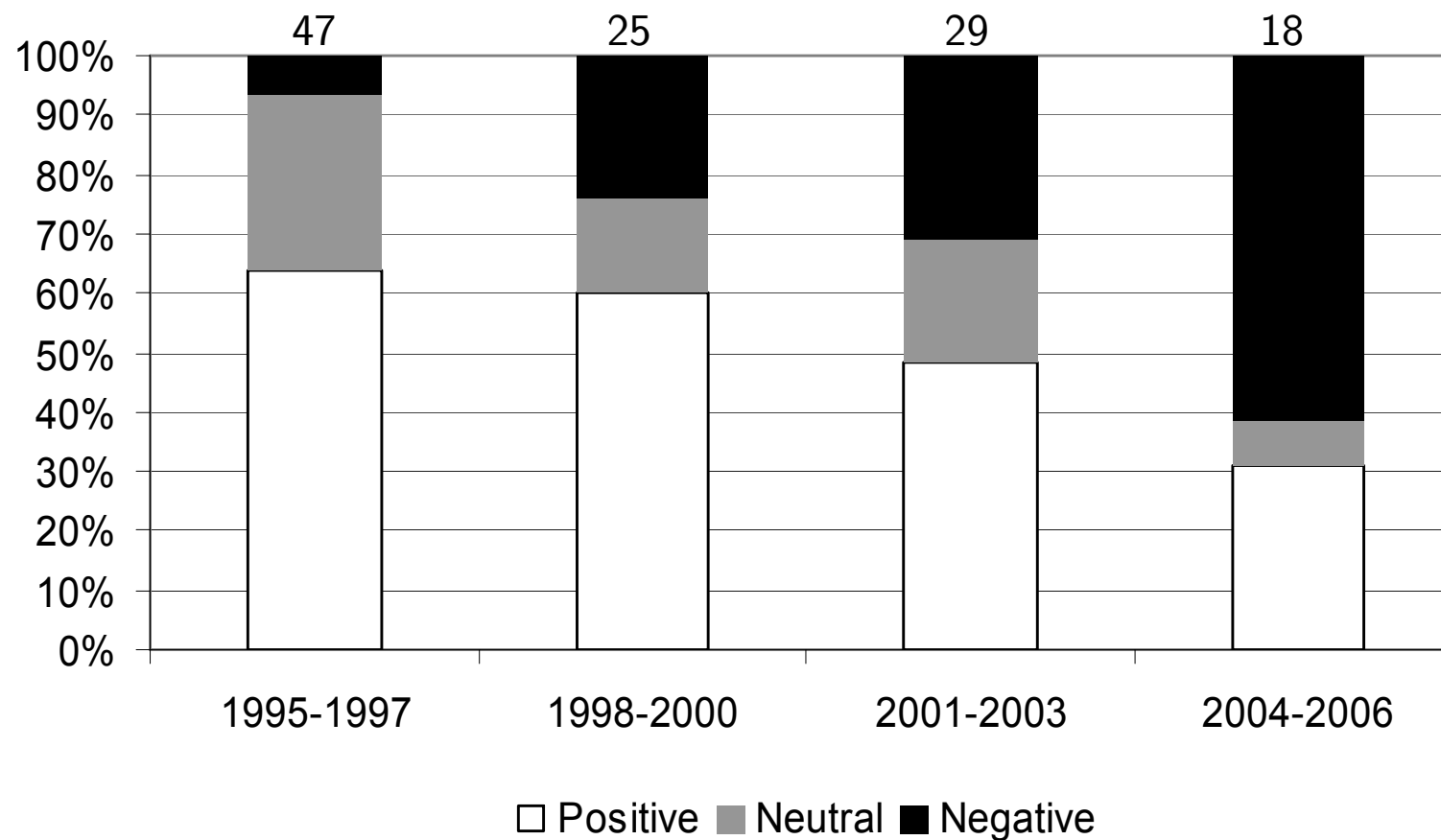
## Popularity of the NPM concept in Switzerland

Articles and newly available publications concerning NPM



## Popularity of the NPM concept in Switzerland

Assessment of NPM in the Swiss print media





## Regression analysis: variables

<i>Dependent variables</i>	<i>Description</i>
NPM initiated	Dummy if a municipality has started working with New Public Management
NPM considered	Dummy if a municipality has considered working with New Public Management but has not started a reform yet

## Regression analysis: variables

<i>Independent variables</i>	<i>Description</i>
Political parties	Number of active political parties in a municipality
Contact media	Contact of a municipality to the media
Contact companies	Contact of a municipality to private sector companies
Contact municipalities	Contact of a municipality to other municipalities
State pressure	Importance the state level puts on NPM reforms
Parliament	Dummy for the existence of a municipal parliament
Language area	Dummy for the german speaking area
Reform activity	Number of reforms undertaken in past years other than NPM

## Regression analysis: initiation of NPM reforms

	Wald-values			
	(1)	(2)	(3)	(4)
Political parties	9.731**	10.199***	25.565***	20.271***
Contact media	16.598***	14.463***	18.607***	24.639***
Contact companies	8.367*	5.436*	4.864*	2.887
Contact municipalities	31.216***	27.375***	32.366***	34.829***
State pressure	13.743***	10.420***	10.181***	7.981**
Parliament	9.372**	5.021*	9.295**	9.414**
Language area	40.174***	32.558***	53.753***	55.886***
Reform activity	46.549***	49.202***	30.341***	38.423***
Constant	87.107***	75.285***	65.404***	65.302***
<i>Pseudo-R<sup>2</sup></i>	.434	.492	.412	.462

Own calculations using Geser et al. (1994); Ladner et al. (1998); IDHEAP/BADAC (2001)  
 Significance levels: \*\*\* $p \leq .001$ ; \*\* $.001 < p \leq .01$ ; \* $.01 < p \leq .05$ ; N=1411; 1292; 1462; 1348

## The implementation of public sector reforms

- Requires long-run commitment, patience and perseverance
- Often collides with governments' short-term interests
- Government fears losing influence and power
- Government will tend to implement the reforms only as little as necessary according to the extent of political pressure

## Regression analysis: variables

<i>Dependent variable</i>	<i>Description</i>
Implementation degree	Measures the implementation degree of NPM in a municipality.  0 = NPM considered but not implemented. 1 = NPM initiated but not implemented. 2 = only secondary instruments. 3 = some core instruments. 4 = all core instruments.

## Regression analysis: additional variables

<i>Additional independent variables</i>	<i>Description</i>
Special Interest Government	Dummy “special interest in NPM”
Special Interest Administration	Dummy “special interest in NPM”
Full Time Government Actors	Fraction of full time actors in government

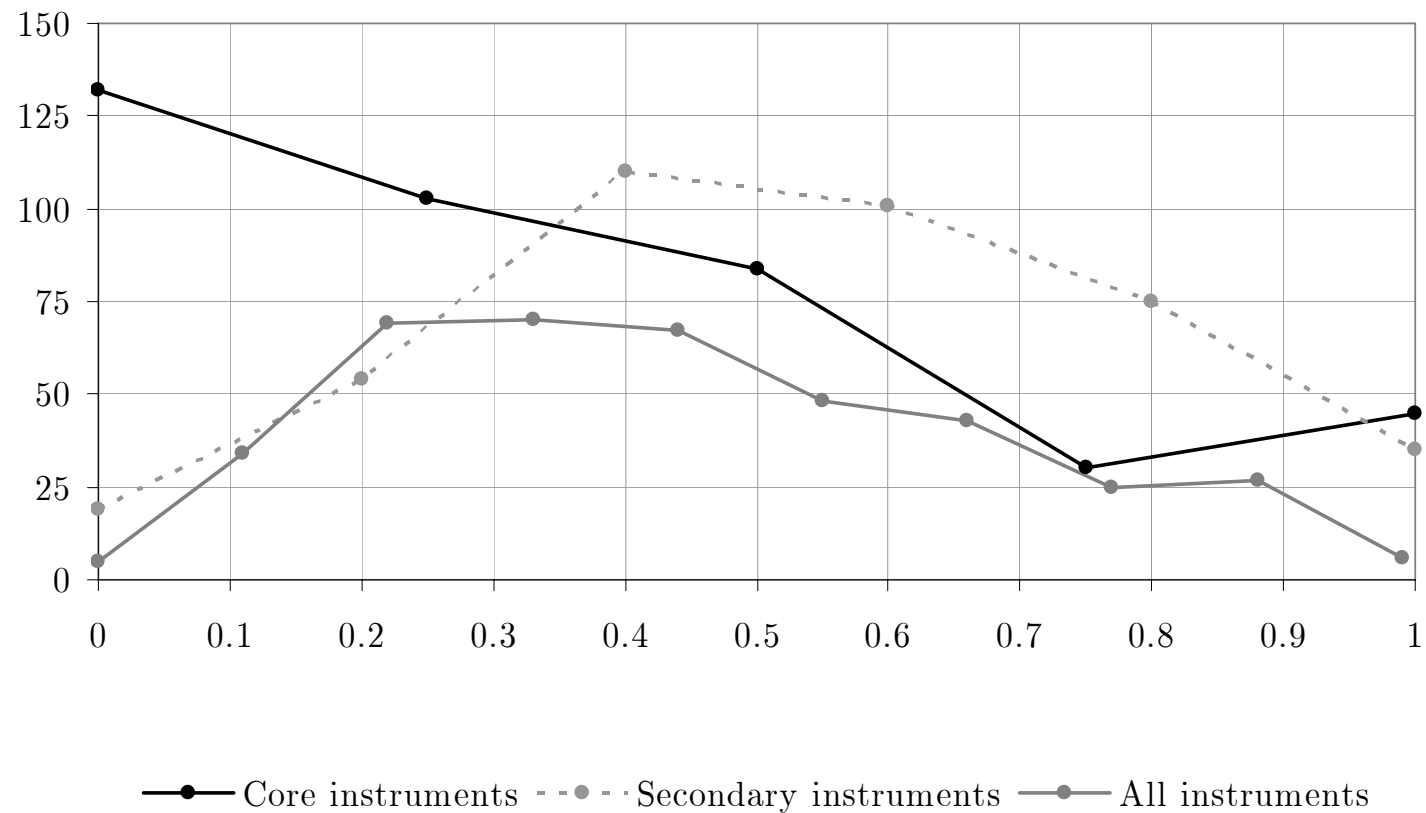
## Regression analysis: implementation of NPM reforms

	(1)	F-test-values	(2)
Political parties	6.552***		8.987***
Contact Media	3.780*		1.915
Contact Companies	7.241**		4.662**
Contact municipalities	11.630***		10.962***
State Pressure	9.074***		10.454**
Parliament	1.576		.676
Language Area	.236		1.500
Reform Activity	22.761***		20.878***
Special Interest Government	4.891**		5.639*
Special Interest Administration	11.207***		13.696***
Full Time Actors	10.998***		11.500***
<i>R</i> <sup>2</sup> / <i>Adjusted R</i> <sup>2</sup>	.358 / .320		.435 / .392

Own calculations using Geser et al. (1994); Ladner et al. (1998); IDHEAP/BADAC (2001)  
 Significance levels: \*\*\* $p \leq .001$ ; \*\* $.001 < p \leq .01$ ; \* $.01 < p \leq .05$ ; N=431; 344

## Implementation indices of NPM reforms

Number of municipalities





Kilian Reber  
Ph.D. Candidate  
Department of Economics  
University of Basel  
Switzerland

瑞士巴塞爾大學  
經濟學院 博士研究生  
雷凱樂

web (網頁): <http://www.wwz.unibas.ch/wige>