UNIVERSITY of EXETER

ADMINISTRATIVE REFORM IN THE UK: The Next Steps Agencies Refom its Applicability to Turkey

Ph. D. Thesis

by

Önder KUTLU

June 2001

UNIVERSITY of EXETER

ADMINISTRATIVE REFORM IN THE UK: The Next Steps Agencies Reform and its Applicability to Turkey

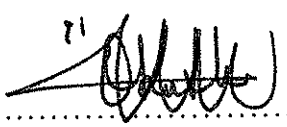
by

Önder KUTLU

Submitted to the Exeter University as a thesis for the degree of Doctor of Philosophy in Public Administration

This thesis is available for Library use on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement.

I certify that all material in this thesis which is not my own work has been identified and that no material is included for which a degree has previously been conferred upon me.



.....

June 2001

ABSTRACT

The thesis examines the Next Steps Agencies reforms in Britain using concepts drawn from the new public management, public choice theory and principal-agent theory. Drawing on insights from comparative public administration it employs the policy transfer literature, and especially the theoretical positions developed by Hogwood, to analyse the possibilities of the transfer of reforms to Turkey. The Turkish administrative system is analysed in its historical evolution and in contemporary problems to assess its suitability to accept transferred reforms.

The thesis aims to provide a comprehensive and systematic picture of reform movements in the two countries. The central focus is on organisational design and the relations between governmental actors in the introduction of reform. The thesis picks out the core concepts underlying the Next Steps agencies to analyse the possible transfer of principles, aims and organisational features to the Turkish public administration.

The empirical sections of the thesis deal first with the Vehicle Inspectorate Executive Agency which serves as an example in analysing the characteristics of the Next Steps reform. Being the first agency created under the initiative, and by representing the three key aspects of government (service provision, regulation, and commercial activities) the Inspectorate reveals valuable lessons for practitioners as well as academics. Detailed research explores the way in which the agency reform delegates power from the core department to agencies and their chief executives with the effect of providing a supportive environment for them to concentrate on their implementation functions. This increases efficiency and minimises political interference of political actors in day-to-day running of agencies. This, together with analysis of performance, leads to a positive evaluation of the British agency model.

Turkish administration suffers from politicisation of public administration and the resultant lack of impartiality prompts misuse of resources causing ineffectiveness and inefficiency. Extensive original research on contemporary reform proposals reveals a strong desire to reform public administration with the support of internal and external (including European) factors.

Aspects of Next Steps, embodying features of the new public management, hold promise of addressing the needs of Turkish administration. Therefore a policy transfer initiative is likely to become successful. However, certain critical aspects of the Next Steps should be reproduced; some aspects need adaptation to suit the different circumstances of Turkey; a number of aspects are not necessary and need not be reproduced; and, in the peculiar circumstances of the Turkish case, reform must go beyond the British model.

ACKNOWLEDGEMENTS

I have many people to thank and much to be thankful for in acknowledging those who have played a part in making this research possible. First of all I am deeply indebted to my supervisor Professor Stephen Wilks, for all his support, encouragement and thoughtful guidance of this thesis. Without his invaluable help and scholarly advise this thesis would not have been completed.

I am most grateful for the scholarship granted by the Turkish government through the University of Nigde.

I would also like to thank senior officials of the VI and interviewees in Turkey for sparing their valuable time and taking part in my interviews. Mr Paul Mugenyi, Press Officer of the VI, deserves special thanks for arranging interviews in the VI and providing material and information.

I would like my gratitude to Mrs Sue Jackson for her help and support during my stay in Politics Department.

Finally, I would like to thank all my family members for their physical and morale support and encouragement, especially my parents who missed their grandsons a lot during my MA and PhD studies in the UK. My thanks also go to colleagues and friends, in Exeter and Turkey, who have always supported me.

CONTENTS

Abstract 2

Acknowledgements 3

List of Tables and Figures 8

List of Acronymus 9

Chapter I: Introduction 10

A- Introduction 10

B- The Purpose of the Thesis 12

C- The Existing Literature 14

D- Research Questions 19

E- Methodology 20

F- The Comparative Method 22

Policy Transfer Conditions 25

G- Organisation of the Thesis 27

Chapter II: Administrative Reform 30

A- Introduction 30

B- Pressure for Reform 32

1- Fiscal Crisis 33

2- Public Discontent 35

3- Concerns about Economic Competitiveness 36

4- Response to New Ideas 37

5- Various Political Motives 38

6- International Agencies 39

C- The Conceptual Underpinnings of Reform 41

1- From Administration to Management 41

2- Rejection of Traditional Weberian Bureaucracy 42

3- The Rise of the NPM 43

4- The Concept of Market 44

D- NPM and Beyond? 46

1- Roots of the NPM 46

2- Elements of the NPM and the Next Steps 48

3- Critique of the NPM 51

4- International Dimension 55

E- Conclusion 56

Chapter III: The British Administrative Reform Experience Since 1979 61

A- Introduction 61

B- The Nature of the Civil Service 62

C- Reasons for Reform 64

D- Direction of Reform 67
E- Most Significant Changes 71
F- Reasons for Success 79
G- Comparative Lessons 81
H- Conclusion 82

Chapter IV: The Next Steps Initiative 87

A- Introduction 87
B- Theoretical Basis of the Reform 88
1- Public Choice Theory 88
a- Actors of the Theory 89
b- Arguments for Public Sector Growth 93
c- An Alternative Model: Bureau-shaping 96
d- The Next Steps 98
e- Validity of the Theories 99
2- Agency Theory 100
a- Basic Assumptions 101
b- Implementation of the Theory 103
c- The Next Steps Case 106
C- Basic Elements of the Initiative 107
1- Identity of Reformers 108
2- Dichotomy Between Policy and Implementation 109
3- The Tension Between Autonomy and Accountability 111
D- Physical Structure of the Initiative 115
1- Volume of the Next Steps Reforms 115
2- Variations in Agencies 118
E- Categorisation of Agencies 119
1- Typology of Agencies 119
2- Selection of the Case 121
F- Conclusion 122

Chapter V: The Case Study: The Vehicle Inspectorate Executive Agency 128

A- Introduction 128
B- Structural Characteristics of the Agency 133
1- Physical Description 133
2- Organisational Specifications 138
C- Working Conditions of the Agency: The Agency Environment 140
1- The Framework Document 141
2- Accountability 144
3- Responsibilities of the Agency 146
D- Performance of the Agency 149
1- Targets 149
2- Performance Indicators 152
3- Efficiency 155
4- Quantity of Services 160
5- Quality of Services 163
E- The Developments in VI Since 1997 167

F- Conclusion 169

Chapter VI: The Turkish Civil Service 178

A- Introduction 178
B- Social Background 179
C- Historical Background 181
D- Administrative Reform and the World Bank 187
E- Administrative Structure 192
F- The Dimensions of the Civil Service 197
G- Problems of the Bureaucracy 200
H- Conclusion 205

Chapter VII: The Future of the Turkish Civil Service 210

A- Introduction 210
B- The Reform in the Law 214
1- The Norm Posts 214
2- The Civil Servants Bill 216
C- The Public-Net Project 223
D- The Journey Towards Excellency Project 225
E- Evaluation of the Initiatives 231
1- The Reform in the Law 231
2- The Public-Net Project 232
3- The Journey Towards Excellency Project 233
F- Conclusion 235

Chapter VIII: Applicability of the Next Steps to Turkey 242

A- Introduction 242
B- Examination of Transfer Conditions 244
C- The Problems and Solutions 251
1- Separating of Policy Making and Implementing Functions 252
2- Empowering Chief Executive and Agency 255
3- Minimising Political Involvement of Politicians 257
4- Promoting Openness 259
5- Creating a Common Culture 262
6- Focusing on Targets and Performance-Related Pay 263
D- Relevancy of the Solutions to Turkey 265
E- Conclusion 277

Chapter IX: Conclusion 285

A- Summary of Research 287
1- British Administrative Structure Prior to the Next Steps 287
2- The Next Steps Agencies Reform and Agency Performance 288
3- The Turkish Civil Service 292
B- The Transfer of the Next Steps? 294

C- Research Contributions 303

APPENDIXES

APPENDIX 1: List of the Next Steps Agencies 306

APPENDIX 2: List of the Activities Announced as Agency Candidates 311

APPENDIX 3: Key Targets for the VI 312

APPENDIX 4: Testing Stations and Enforcement Areas 313

BIBLIOGRAPHY 314

LIST OF TABLES AND FIGURES

Tables:

1.1: Transfer Conditions and the Structure of the Thesis 14

1.2: Policy Transfer: a Framework for Analysis 23

1.3: Policy Transfer Conditions 26

2.1: Summary of the Developments 31

2.2: New Public Management Elements 49

2.3: Comparison of the Next Steps and the NPM 51

2.4: Critiques of New Publi Management 53

4.1: Agency Creation Over Time 117

4.2: Prime Ministers and Agency Creation 117

5.1: The Band System in the VI 134

5.2: Agency Personnel 135

5.3: Financial Figures of the VI 136

5.4: Source of Income 137

5.5: Performance Indicators of the VI 152

5.6: ACE Index 156

5.7: Real Rate of Return 159

5.8: Levels of Activity 161

5.9: Failure Rates 163

5.10: Quality of Service 164

5.11: The Inspectorate's Service Since Becoming an Agency 165

6.1: Number of Civil Servants in Ministries 199

Figures:

4.1: Agency Types 120

5.1: Chronological Events in the Inspectorate 139

5.2: Agency-Department Relations 150

6.1: The Evolution of the Relations Between Bureaucrats and Politicians in Turkey 183

6.2: The Political Parties in the Political Swing 201

LIST OF ACRONYMS

ADA	*Administrative Development Authority*
CC	*Chamber of Commerce*
CE	*Chief Executive*
CSI	*Customer Service Initiative*
DALAs	*Decrees As Legislative Acts*
DETR	*Department of Environment, Transport and Regions*
HGV	*Heavy Goods Vehicle*
JTE	*Journey Towards Excellency*
LGV	*Light Goods Vehicle*
MAIN	*Ministries Administrative Information System*
MTI	*Ministry of Trade and Industry*
NPM	*New Public Management*
PMAIS	*Prime Ministry Administrative Information System*
PSV	*Public Service Vehicle*
SAL	*Structural Adjustment Loan*
SECAL	*Sectoral Adjustment Loan*
SOL	*State Officials Law*
SoS	*Secretary of State*
SPD	*State Personnel Directorate*
TODAIE	*Turkish Acronyms for the Public Administration Institute for Turkey and Middle East*
VI	*Vehicle Inspectorate*

CHAPTER I

INTRODUCTION

A- Introduction

Public administration forms an important part of the constitutional structure of all countries. This structure therefore specifies the organisational and functional components of public administration. Administration carries out the implementation of governmental decisions with the mandate of constitution. Even though their organisations vary in terms of physical elements, administration fulfils more or less the same functions in different countries as regards to carrying out service provision, regulation, and commercial activities of government.

As a dynamic activity, public administration is changing in many countries as people begin to understand the progress that can be derived from new management approaches and a more responsible society. Therefore, this realisation of the virtues of a management approach, and the change of understanding pose a strong incentive in motivating governments to find better ways of delivering services and satisfying their citizens. The private sector has played a certain role in this, but also developments in public administration itself have been influential in the outcome. The improvements in new management approaches accelerated by a more responsible society idea have mobilised governments and people in the street to consider the way public administration runs and to demand more.

In general terms, it is natural for countries to look at the experience of other countries and, as society becomes more globalised, this tendency to look abroad becomes perhaps a necessity rather than a luxury. Someone might have regarded the issue as the case of 'the grass on the other side of the fence' for sometime ago, but certainly this has not been the case especially for the last two decades or so. Increasing effects of globalisation are dictating to the countries the necessity to look at what others are doing and therefore to learn from their experiences. Globalisation in its widest sense, including economic, social, cultural, and political aspects, is being realised more by developed countries than their developing counterparts. The former countries are an intrinsic part of globalisation process, while the latter usually shows great enthusiasm to adjust its conditions to 'valid' global ideas and organisations, sometimes even in a pretentious way.

With the introduction of the Next Steps agencies reform in 1988, and experiencing a transformation ('a quiet revolution' in John Major's words) British public administration has achieved a degree of success. This has been manifested in the

modification of the classical Weberian bureaucracy (together with the Welfare State tradition), and of the ascendancy of the New Public Management (and the Minimalist State approach). In the UK, the widespread criticism of the civil service and complaints about its performance shaped mainly by the severe economic crisis were counteracted by the introduction of a managerial type of administrative reform. The success of the reform, the Next Steps, lies not only in its achievement in increasing efficiency and effectiveness, but also in its highly competent way of transforming the structural elements of the civil service, adopting prevailing values and techniques from the streams of thought and experimentation which has become known as the NPM. Support from all political parties and the incremental way in which it was implemented were two of the factors, which ensured the enduring nature of the initiative even in difficult times and circumstances.

The Next Steps reform offers a division of departments, based on 'manageable' and 'discrete' semiautonomous agencies, and a 'core' department. The fundamental distinction in the determination of functions is made according to an idea, which has been long discussed, both in theory and practice, the dichotomy between policy making and implementation functions. Empowered separate executive units managed by an active Chief Executive were envisaged to solve the problems which had dominated the agendas of developed countries in general and the UK in particular. Certain lessons from the case of Britain may be valuable to other countries, such as Turkey, which has been suffering to a certain degree from similar problems.

Having inherited from its predecessor, the Ottoman Empire, a 'strong' state and a 'weak' society tradition, Turkey experienced serious problems with its bureaucracy in terms of inefficiency, 'clumsiness' and lack of 'direction'. At the beginning of the 21st century, its internal conditions as well as the prospective candidacy status to the EU focused attention on the urgency of the country to catch-up with its developed counterparts as to public sector structures and to make the bureaucracy the facilitator of development in terms of economic, political, and social dimensions. The role of bureaucracy in the development and 'catching-up' should not present any kind of barrier or threats to the 'market', but rather should facilitate progress by working efficiently, with minimum 'disturbance' to private entrepreneurs. This role is to be organised in line with the neo-liberal ideology and market economy, because these concepts are now in 'action' throughout the world. Although the thesis recognises the crucial distinction between public and private sectors, at the same time it recognises a fundamental need to increase efficiency and effectiveness, especially in countries where resources are more scarce. In Turkey, the negligence of the successive governments since Mr. Özal's

departure in 1989, to reform the bureaucracy and even the reversal of the reform policies he had implemented aggravate the issue by pressurising the country to deal immediately with the aggregated problems.

This study contrasts the administrative structures of the UK and Turkey, and examines the possibility of drawing lessons from the British case, the Next Steps, for Turkey. This chapter presents the general intention of the thesis. Firstly, the purpose and scope of the thesis are discussed, a brief review of literature is given and research questions are specified. Secondly, the methodological aspect is examined; this includes a detailed analysis of comparative method in public administration, its limitations, and the problems encountered. Finally, the organisation of the thesis is explained.

B- The Purpose of the Thesis

As a comprehensive administrative reform initiative, the Next Steps has deeply affected the administrative structure of Britain, involving the transfer of over 80 % of the civil service personnel to work in agencies and a change of philosophy in terms of priorities and relations between ministers and bureaucrats. All these changes demand a closer look at the theoretical and practical dimensions of the system, taking into account its traditional features and the current elements of the public administration. These developments especially since the beginning of the 1990s are not country specific, small-scale changes. On the contrary, because of the connection and derivation of the Next Steps from the NPM model the British initiative has evolved hand-in-hand with its international counterpart and role model, the NPM. This resemblance gives the Next Steps a golden opportunity in two ways, making it practically and theoretically sound: first, it provides a reform which has 'sisters' in many countries; and, second, it contains the benefits of being an applied theory. Thus, the initiative can easily be evaluated and contrasted with other countries which have deployed similar types of reforms in their bureaucracies.

The evolution of the reform and its components did not emerge out of the blue, neither did it occur overnight. It has had its own reasons, process, and consequences, all of which require an examination as to their performance and applicability to another country such as Turkey. Even though a number of criticisms have been made against the methods and success of the Next Steps, there have also been an equal amount, if not more, praise for the attempt. These dimensions of the Next Steps make it a valuable case

to examine in great depth and to find ways to transfer the lessons to address the bureaucratic problems of Turkey.

With regard to the Turkish bureaucratic system, clearly it has significant problems which have to be dealt with in the immediate future. The system is malfunctioning not only structurally but also functionally; even very basic responsibilities of the bureaucracy are not properly fulfilled due to the lack of co-ordination, co-operation, and ability to act sensibly. It would be an injustice, however, to attribute the cause of the problem to a single person or actor. A system has different components and elements; if one part does not function properly the rest should heal the problem itself (the internal solution) or alert the supervisor of the system (an external remedy). Thus, a broken system does not distinguish the person responsible for the problem, and the whole system is charged with failure. Unfortunately, there has been no substantial effort to mitigate the issues surrounding the bureaucracy in particular and the public sector in general. Nor have there been any attempts to adopt managerial reform techniques existing extensively in Western countries, namely the EU and the USA. So, this thesis has been motivated by the lack of enthusiasm for improving the quality of the civil service. One ray of hope has been the recent enthusiasm to find ways of reforming the administrative system and, in fact, the government of Turkey, in line with EU standards, as a part of the accession process and requirements of the EU. This proves the value of the study in providing certain clues as to whether the Turkish government is sincere in its claim to join the European Union, or only pretending to be enthusiastic. Thus, the accession process and membership restrict the government's actions in the sense that it can no longer breach Human Rights, the rule of law, neither can it practise patronage, disregard laws and regulations and favour its supporters politically and economically.

It is therefore the purpose of the thesis to understand the possibility of policy transfer from the British Next Steps initiative to Turkey. In its performance and international transferability, the NPM, prompt us to customise the idea of lesson-drawing in public administration. The successful examples from history encourage us to have faith in the method and virtues it brings. Moreover, the study is designed to apply comparative theory to the Anglo-Turkish policy transfer case. Seven elements have been derived from Rose[1], Hogwood[2], Dolowitz & Marsh[3], and Bennett[4]. They have influenced the chapter structure of the thesis and the presentation of these elements explains the rationale and method behind the organisation of the thesis as shown in Table 1.1.

Table 1.1: Transfer Conditions and the Structure of the Thesis

Transfer Conditions	Structure of the Thesis
1) Situation in the original country prior to the introduction	Chapter III: British Administrative Reform Experience Since 1979
2) Innovation must be based on a valid theory of cause and effect	■ Chapter IV: The Next Steps Initiative ■ Chapter II: Administrative Reform ■ Chapter VII: (Cause & Effect in Turkey)
3) Innovation must be clearly definable and operationalisable	■ Chapter IV ■ Chapter V: The Case Study
4) Objectives set for the innovation in the two countries must be similar	■ Chapter III ■ Chapter VI: Turkish Civil Service
5) The innovation must be implemented in the originating country in full	■ Chapter IV ■ Chapter V
6) The theory must also be valid in the context in which it is transferred	■ Chapter VII: Future of the Turkish Civil Service ■ Chapter VIII: Applicability of the Next Stp.
7) Innovation must be implemented in the receiving country in full	Chapter VIII

The thesis comprises two main parts: the British side and the Turkish side. Throughout the first part of the thesis, the side relating to Next Steps, the reasons and the environment in which the Next Steps originated are examined; theoretical aspects are discovered; and working methods and practical performance are gauged. In the second part, the Turkish side, the structure and general problems of the bureaucracy are identified; current elements and attempts to solve the problems and improve the system for the future are clarified; its appropriateness for EU standards and the conditions of the 21st century are sought; and the capability of the Next Steps to solve the problems of the Turkish bureaucracy are evaluated with references taken from academics, practitioners as well as politicians in Turkey.

C- The Existing Literature

It is envisaged that a Next Steps type of comprehensive administrative reform can draw upon a great deal of literature, due partly to its volume, partly to its content, and partly to the position Britain holds with its Imperial background and 'hinterland'. The interest of

the 'Westminster model', and the constitutional linkages across the 'Commonwealth' are two of these factors. Therefore, there is a substantial literature on the Next Steps produced not only within the country but also in the English-speaking world: Zifcak[5] for instance, examines both the UK and Australian civil services.

One of the most important features of the literature is its evolutionary character and its gradual development in line with the initiative. An early lack of interest in the reform implies that regardless of prime ministerial support from Mrs Thatcher, academics may not have realised the importance of the initiative or they may have underestimated its prospects. The early years of the initiative did not see the publication of many books; the policy among academics seemed to be: 'wait and see'. However, as time went by, both the number of publications increased and the content of the literature has been enriched, dealing in depth with different aspects of the Next Steps. One of the early books by Davies & Willman[6] summarised the basic points of the initiative in plain language, e.g. history, the agency model, problems, public services: a rational, and the future. Another example of this kind of book is by Greer[7], published in 1994. The book is 'detailed' and 'specialist', illustrating its examination with examples taken from the Department of Social Security. This is a clear indicator of the evolution: that by 1994 certain agencies had already been established in the DSS, and the author was therefore able to give examples from the department by looking at their performance.

Another factor, which should be mentioned, is the increasing specialisation of the academics in their books and articles, namely their focus on certain aspects of an agency/policy, or one agency's several policies or aspects. This would suggest that the academics have been assured of the endurance and pace of the Next Steps reform. It seems that this specialisation has paved the way for the publication of a number of articles rather than books, with academics and some practitioners choosing to evaluate one aspect of the initiative. For example, an article by Massey[8] examines the accountability issue, but, throughout, the article refers to the Next Steps initiative.

This last point illustrates the fact that, whenever a book is written about any aspect of the civil service in Britain, there is generally a chapter, a part or a section of the book in which the situation and position of the Next Steps attempt is clarified. Dowding[9], for instance, dedicates one section in his book published in 1995 to the Next Steps reform. One related factor is prompted by the central position of the Next Steps: because the initiative has become an integral part of the civil service, any attempt to examine any aspect of the service requires mentioning the Next Steps. As such, Foster & Plowden[10]

devote one chapter of their book to the Next Steps: *The agency: incomplete separation*; certain other parts are related to the issue.

Another point to make is the cross-disciplinary character of the initiative. In other words, material written about a variety of subjects often relates to the Next Steps. Many books written about accountability or principles of the civil service examine the Next Steps: Campbell & Wilson[11] question the appropriateness of the traditional civil service principles in Great Britain, and conclude that the Next Steps brought a ray of hope to overcoming the problems. A book examining public management is expected to deal with the initiative too: Massey[12], for instance, in his book discusses the Next Steps, together with a number of other aspects, in relation to public management. Publications on other public sector reform initiatives summarise the agency reform: for example; while Doern[13] is evaluating the Citizen's Charter initiative in his article, he clarifies the position and effects of the Next Steps.

Distinctive features of the initiative also attract attention: performance measurement, efficiency, effectiveness, delegation of power, and the dichotomy between policy making and implementing.

The literature on public policy theories displays another dimension of the Next Steps material: e.g. James'[14] article, and Dowding's[15] book. They elaborate on the theoretical discussions based in general on bureau-shaping and public choice explanations of the initiative respectively. Though they discuss the issue at different levels, they both use the same kind of theories in order to explain the theoretical base of the Next Steps. The literature on administrative reform and the European dimension are two other types of literature in which reference to the Next Steps reforms is made: for example; Case Study: Next Steps Agencies by Flynn & Strehl[16].

As mentioned, there is a considerable amount of secondary data, whether in the form of book or article. The list given above is an illustrative one, trying to highlight the amount and type of material, which contain information about the Next Steps reform. Besides this, there are plenty of official publications and data, concerning the agencies and their performance: *Annual Next Steps Reviews*, Agency publications; *Annual Reports*, *Business Plans*, and *Framework Documents* as well as the publications every agency produces regarding their business. Empowered agencies and involved parties, both politicians and bureaucrats, see a real need to publicise their work and achievements, and sometimes justify their poor performance. By and large, all agencies have Web sites to communicate with the public, academics, and even with politicians, to publicise their version of events, and to provide information about their agencies[17]. There

are also a large number of *Parliamentary Discussions*, *Select Committee Examinations*, especially the *TCSC* and *PAC* and *NAO Reports* on individual agencies. Moreover, Newspaper Articles provide a valuable insight into the affairs of the agencies.

The Turkish side, on the other hand, experiences a lack of relevant material and publications. The issue of administrative reform is perceived in a different context and therefore has different meanings. In other words, the literature focuses on personnel administration in its traditional meaning and the Weberian concepts, such as the merit principle, wages, hierarchy and promotion. Two examples are given by Cevikbas[18]; and by Sen[19] illustrate this point very well. The basic concern is the administrative law which exists in Turkey, and issues related to the legal foundation of the public administration: i.e. 'Problems and Solutions to the Administrative Process in Turkey' by Özturk[20], and 'Turkish Personnel Law in the 80s' by Güran[21]. All these factors both hamper this study, to the extent that the research lacks enough written material on the NPM and prevailing issues discussed in the west, and facilitate it by leaving room for manoeuvre in designing and shaping the discussion for a possible reform attempt.

Academics and politicians do not seem to follow the developments in public management in developed countries. They are still busy with debating the prospect of the classic Weberian type bureaucracy. Both the quality and quantity of literature reflect the problems and issues debated in the civil service. Some limited material appears on a subject which has proved to be fashionable (an American product!), Total Quality Management, such as by Tüzün[22]; by Ardic[23]; and by Akgül[24].

In order to find out about the characteristics of the civil service and identify its basic problems there are a number of academic studies: 'Bureaucracy and its Role in the Turkish Political Life' by Bayraktar[25]; 'Administrative Development Attempts in Turkey' by Albayrak[26]; and 'The Turkish Public Administration in Terms of Social and Cultural Aspects' by Emre[27].

Another source of literature has been conferences and symposiums organised by public interest institutions and foundations e.g. Politician-Bureaucrat Relations Symposium organised by Government Inspectors Society[28]; and Public Officials and Political Rights Conference organised by The Union of Architects and Engineers[29]. Both have tried to highlight the problems and prospects of the relations between government and bureaucracy, concluding that politicians have had the upper hand in determining the extent and direction of the interaction. The problem here is that every time government announces a change in policy or the introduction of a new policy, public interest groups and indeed academics discuss the issue involved. As a result, academics and interest

groups fall behind either government or an EU initiative, and follow the given agenda rather than setting it.

One semiautonomous institution, the Public Administration Institute for Turkey and the Middle-East, also promotes literature related to public administration in general and the Turkish bureaucracy in particular, either in the form of a report or academic study: The New Right and the Change of State by Guler[30] and Bureaucratic Culture by Ozen[31] are two books; and Public Administration Research Report[32] and The Central Government Organisation Report[33] are two reports produced by TODAIE.

Finally, Heper examines the bureaucracy in the wider context of democracy, ideology, and debureaucratisation, which are the centrepieces of the discussion about the characteristics of the civil service. To name a few: The Strong State As a Problem For the Consolidation of Democracy: Turkey and Germany Compared[34], The Strong State and Democracy: The Turkish Case in Comparative and Historical Perspective[35], and The State and Debureaucratisation: The Case of Turkey[36].

As this section illustrates once again, different aspects of the Next Steps have been examined in different studies e.g. accountability, contracting, public choice arguments, and performance measurement. Therefore it is difficult to name a book or an article covering every feature and dimension of the issue. Moreover, the literature mentioned above portrays the basic understanding of the Next Steps and the Turkish civil service, and therefore define the standard approach to the agencies. Greer[37], for instance, defines the basic characteristic of the Next Steps as contracts. In other words, the relations between the actors of the Next Steps are based on contracts. She also explains Public Choice theory and Agency theory, arguing that they constitute the theoretical basis for the agency reform in the UK. Besides, she discusses the dichotomy between policy-making and implementation, and the tension between accountability and autonomy, which represent the fundamental issues of the Next Steps. The book is also helpful in identifying the types of the agencies.

Different facets of the thesis are examined by employing different elements. Rose's[38] and Hogwood's[39] transfer conditions, for instance, test the feasibility of the transfer of the Next Steps from Britain to Turkey. Hood's[40] elements of the NPM also characterise the basic understanding about the theoretical underpinning of the issue. The elements draw a general picture of the NPM, and leave enough room for countries to design their own versions of it. Regarding the Next Steps initiative in particular, the Ibbs report, the Next Steps reviews every year, agency annual reports, and TCSC examinations identify the criteria to examine the case and the characteristics to criticise.

So, six criteria are mentioned for the evaluation. Mellon's[41] approach is also followed in the thesis that agencies are established to decentralise the accountability and control by allowing greater freedom to chief executives, and therefore leaving them with the 'freedom to manage'.

Beside with these literature, certain other publications and data by the TCSC and NAO are also deployed in the examination of the Vehicle Inspectorate in particular and agencies in general. The 1991 NAO report[42] about the VI has a special place to mention, as it provides valuable methodological and tactical guidance in presenting the data and reviewing its context. As an official report by an independent institution, its methodological approach is followed to a certain extent.

Regarding the Turkish side, Heper's conceptualisation of a 'strong state' is used in the thesis. However, this concept is deployed to explain the relations among the politicians, and between politicians and bureaucrats in a historical discipline. This is a new attempt to review the issue the first time by employing the 'strong state' concept. So, it is original in its exertion and therefore deserves a closer look.

D- Research Questions

Based on the purpose of the research and on comparative theory, the following questions for research have been devised:

- What was the situation in Britain prior to the Next Steps initiative?
- What are the elements of the Next Steps? Does it have a valid theory of cause and effect?
- Is the Next Steps clearly definable and operationalisable?
- Are the objectives set for the reform in the UK and Turkey similar?
- Has the Next Steps been implemented in the UK in full?
- Is the Next Steps also valid for Turkey?
- Can the Next Steps be implemented in Turkey in full?

In the light of these questions, the thesis examines the following hypothesis: that the Next Steps initiative has been a successful administrative reform, and Turkey can benefit from its elements, especially the idea of minimising the involvement of politicians in administration.

It seems to be possible to say that all these questions (with reservations) can be answered in the affirmative. Therefore, to understand a possible policy transfer exercise from Britain to Turkey there is a need to answer them in a simple way. There is also a

need to examine the hypothesis by breaking down its elements into four: success, transferability, Turkey is fertile soil, and role of politicians. This breaking down is potentially beneficial as the transfer conditions test these four elements.

E- Methodology

The thesis is a comparative study involving two countries, the UK and Turkey, with the intention of examining the possibility of drawing lessons from the former to the latter. The examination is based on qualitative analysis in both countries. The UK part is limited to the Next Steps agencies reform, as a form of the NPM model applied to the public bureaucracies of many countries ranging from the other side of the Atlantic, the USA and Canada, to the other side of the world, New Zealand and Australia. The Turkish side is not limited to a ministry or an agency partly due to the fact that the country does not have a reform programme in the same sense of the British, and partly due to the advantageous situation that the civil service is a unified one, following the same structural and functional pattern in almost every ministry.

During the study both primary and secondary methods of data collection are used. Official documents from the government and agencies in the UK, especially from the Vehicle Inspectorate Executive agency, are widely used. As will be explained in chapter IV and V, the selection of the Vehicle Inspectorate case is not a random one, but rather a carefully-thought out choice. It represents three of basic functions of a government: service provision, regulation and commercial activities.

To supplement and test the 'soundness' of the official data, the interview method is employed, both in the UK and Turkey. As there is a particular organisation, a model, in the UK, it is relatively easy to gather data, and evaluate them. In Turkey, interviews are deployed to a great extent rather than questionnaires, because interviewees in the country occupy senior positions in the bureaucracy, the politics, and the academia. Therefore they would not be happy to complete questionnaires. Instead, they prefer to generate their own answers in their own words. Secondly, as their number is limited, it is practical to employ interviews. The interview questions are designed to match the criteria specified from the Next Steps in Chapter IV and the problems of the Turkish civil service identified in Chapter VI. Meanwhile, the identification of the problems is also refined through interviews. Furthermore the interviews need to be more open ended in order to find out whether the Next Steps criteria provide answers to the problems of the Turkish civil service.

Limitations and problems were encountered during the data gathering. The nature of the problems were different in the UK and Turkey: in the former, it was difficult to get primary data, and civil servants were relatively reluctant to reveal 'secret' information; whereas in the latter, interviewees were quite open and willing to answer questions, but secondary data were either lacking or dealt with different issues. In Turkey, it is important to take into consideration 'friends' and 'family' in arranging the interviews. The response from the Vehicle Inspectorate agency was better than expected. The author must have been over-influenced by the claim that the 'British civil service was secretive'.

In Turkey, all interviews were conducted in Turkish, so the author translated them into English. The meanings of some words could have been distorted, so in order to prevent this, all the translations were double-checked by a bilingual person. Another difficulty was faced in the UK resulting from of the concern of the author, whose fourth language was English, that it would be somewhat difficult to conduct interviews with native English speakers. Fortunately, the people with whom the interviews were conducted were kind and helpful enough to speak clearly, in plain English.

The study examined basically the periods starting with the Thatcher era (1979 onwards) in the UK, and the Özal epoch (1980 onwards) in Turkey. In the case of the agencies, it starts with the general election in 1987, just before the establishment of the Vehicle Inspectorate as the first agency in 1988, and continues until the end of 1996, covering a ten-year period. However, the time period stretches forwards and backwards where appropriate, referring to points before 1987, and after 1996.

This thesis is concerned about the need for reform in the Turkish public administration. So, it therefore tries to find solutions for the civil service's problems. Although this study is not an applied project, as a student of reform, the researcher intends to shed lights on the need and extent of reform. Currently, Turkey has recognised this need by the pressure of its internal and external factors. However, details of the reform are not clear at the moment. The person invited in March 2001 from the USA to reform the public sector in general, Mr Kemal Dervis who is a Turkish born the Deputy President of the World Bank, hints the frame of the reform by emphasising the need 'to separate economy and politics'. To a great extent a similar kind of separation is evident in the Next Steps reform and NPM. Hence, there is a reasonable amount of evidence to state that Turkey is looking for a reform which is similar to that of the UK, the Next Steps. An implicit purpose of the thesis is to define the scope for improvements and that the implicit purpose becomes explicit in chapters VII, VIII and IX where reform prospects are evaluated.

F- The Comparative Method

The comparative method in public administration is a phenomenon which has existed for a long time and which, can be traced back to ancient nations and countries. There has always been a desire to contrast bureaucracies and draw lessons from others' experiences. The intention to learn from others, therefore, is a natural instinct. But, two preconditions put forward by Rose[43] should be considered: easy access to information about what other governments are doing, and different responses to common problems. Policy transfer, and lesson drawing are products of comparative method. Both Dolowitz & Marsh[44] and Dolowitz[45] provide a brief table of policy transfer. Table 1.2 illustrates the issue very clearly, detailing the following aspects of policy transfer:

- Why and when do actors engage in policy transfer?
- Who transfers policy?
- What is transferred?
- From where are lessons drawn?
- Are there different degrees of transfer?
- When do actors engage in policy transfer and how does this affect the process?
- What restricts/facilitates policy transfer?

The situation in terms of these questions needs elaboration for Turkey. In order to continue examining the case, we should ascertain the need and its extent. An examination of the Turkish civil service shows that there is an urgent need to take precautionary actions and reform the civil service fundamentally. According to the terminology of Table 1.2 it is in the 'Crisis' stage. Why? It is both voluntarily and coercively required to reform. Both internal actors and external institutions pressurise the government to take immediate measures. These institutions include: the EU, IMF, and OECD from 'outside', and the media, academics, political parties, trade and business unions, and pressure groups from 'inside'. Who is involved in the transfer is again a question of who wants it.

The above persons and institutions can be mentioned here. What is transferred or what should be transferred are policies, institutional structures, ideas, and negative lessons. From where? Basically, it is from the Next Steps to Turkey, a cross-country-policy-transfer-issue, from central government level to central government. It has a time dimension, but this is not a fundamental issue, because in general the initial policy still exists in the UK in the same form as the introduction 13 years ago. The degree of transfer varies according to the person who carries out the transfer, in some policies copying, in others emulation, mixtures or inspiration[46]. The final factor, restrictions and facilitators,

Table 1.2: Policy Transfer: a Framework for Analysis

When does transfer occur?	Why transfer? Continuum Want to .....Have to			Who is involved in transfer?	What is transferred?	From where? Past	Within a nation	Cross-national	Degrees of Transfer	Restrictions/ facilitators
	Voluntary	Mixtures	Coercive							
Regular policy cycles (mixtures)	Problems/ dissatisfaction	Perceptions of falling behind	Direct imposition	Elected officials	Policies	Internal	International organisations	International organisations	Copying	Policy complexity
Crisis (copying)	Cycling events	International consensus	Supra-national institutions	Bureaucrats Administrators Professionals	Institutional structures	Global	Regional State Local governments	Regional State Local governments	Emulation	Past policies
	Political conflict	Externalities	Inter-governmental Organisations	Entrepreneurs/ consultants	Ideology				Mixtures	Structural/ institutional
	Legitimate conclusions already reached		Trans-national corporations	Political parties	Ideas				Inspiration	Feasibility *ideology *cultural *proximity *technology *economic *bureaucratic Language
				Pressure groups/non governmental organisation	Negative lessons					
				Think tanks International organisations Networks Issue Advocacy Epistemic	What not transferred					Past relations Symbols

Source: D. Dolowitz & D. Marsh, 1998, "Policy Transfer: A Framework for Comparative Analysis", in M. Minogue *et.al.*

is examined in more detail in chapter VIII, during the evaluation of whether the Next Steps is applicable to Turkey. However, we should highlight certain points again here.

Policy complexity is a sort of dependent variable which can be softened by the receiver country, namely by the people who transfer policy. Although a number of academics, Hogwood[47] for example, assert that the initial policy should be transferred in full, they should not object to the idea of 'softening' or making more 'flexible'. This does not mean the alteration of the original policy, but rather the simplification of the relations and rules and organisations to adjust to the receiving country. Meanwhile, certain alterations could also be made to orientate an alien policy to the institutions and actors of the country. Since Turkey has suffered considerably from the copying of certain alien laws and institutions which have created much confusion, copying a hundred percent or translating policies literally would not provide the solution Turkey looks for. 'Past policies' can both facilitate and restrict policy transfer. 'Structural and institutional' features of the country can facilitate and hamper policy transfer.

In the case of the Next Steps transfer, a policy transfer from Britain should cause only modest problems for Turkey, because both countries have a more or less similar institutional background; parliamentary system, ministerial responsibility, merit principle, anonymity. These aspects all receive attention in Chapter VIII and other relevant parts. 'Feasibility' is a comprehensive concept, involving ideology, proximity, technology as well as economic, bureaucratic and cultural features. Some constraints are expected to occur in the transfer, such as cultural differences not only in the bureaucratic sense but also within the society at large. In addition, the economic conditions of the country and bureaucratic differences also pose a degree of difficulty. However, as discussed, they are not serious enough to prevent an administrative policy transfer across countries such as Britain and Turkey.

'Language' is no longer such a problem as fifty years ago. A reasonable number of bureaucrats know English as their second language, and, for those who do not, there are plenty of auxiliary staff to translate. 'Past relations' and 'symbols' are similar concepts in the sense of meaning and symbolising something which has a 'past' dimension and a 'moral' aspect. They are still important elements but the 'policy to be transferred', the NPM or the Next Steps, emphasises entirely different issues, e.g. 'flexibility', 'competition', 'efficiency' and 'freedom to manage'. The level of examination therefore, is in different categories, so they should not pose problems for the transfer.

Having a multi-disciplinary character, policy transfer attracts the attention of many scholars of a wide-range of subjects from law to economics and from public policy to engineering. A major difficulty, therefore, is the lack of a coherent theoretical and methodological base[48]. Contrary to this problem, there have always been policy attempts to draw lessons from other countries' experiences. As Rose[49] argues: "Aristotle examined the constitutions of city-states for the sake of civic betterment. The American Founding Fathers studied the English Constitution to avoid its presumed defects". Hill[50] states that the 'policy learning' school is based on the idea that "policy making is a process of policy learning". Apart from the practical difficulties one should not object to the idea of drawing lessons from others, and learning from their successes and failures, because it enables learners to become experienced without experiments. The issue has differing dimensions depending on the position a commentator takes. For example, as Table 1.2 shows, why a transfer is attempted, voluntarily or coercively, may concern people who deal with international relations, economics, political science, or law. So the researcher with academic concerns, intends to discuss the possibility of transfer, but this research is neither an applied project nor does it have purely practical results. Therefore, the transfer conditions deserve to be examined rather than the need and extent of a transfer. In addition, certain discussions such as the process of lesson drawing (i.e. recognition, search, contact, etc.[51]) and who is involved in the transfer (elected officials, bureaucrats, pressure groups, etc. see Table 1.2), are not dealt with in the study. This relates to the explanation made concerning the position of the study whether it is a concrete project or not. In doing so, the thesis can set up the conditions for a policy transfer, which facilitates the examination undertaken in this study and provides a blueprint to follow throughout the examination.

Based on Rose, Hogwood and Bennett's conditions (Table 1.3), which are more or less the same, the study seeks answers as to whether Britain and Turkey can satisfy them. Conditions set by both Rose and Hogwood show a great number of similarities. Therefore conditions with similar meanings are placed on the same line. It seems that only the language and presentation are different: Rose presents his conditions with the concern more on the originator country, whereas Hogwood sets his conditions clearly by mentioning both countries as originator and receiver. Besides, Hogwood's conditions were established in order to examine the possibility of transferring the Next Steps to European countries. The conditions set by Bennett, however, do not seem to reflect the

same meanings attributed to the conditions by both academics. So his conditions are placed on the table according to his own order, not based on the similarity with the other two. Contrary to Rose's conditions (he emphasises the originator), Bennett's elements are related mainly to the receiving country and its special conditions: bureaucrats, public opinion, and goals all signify the receiving country. Consequently, it would seem more appropriate to use Hogwood's conditions for transfer and comparison in the study. However, throughout the study, Rose's, and Bennett's conditions and studies together with those of a number of others[52] are used to explain and contrast certain issues. Each condition is also mentioned in its related individual chapter as illustrated in Table 1.1. In order to avoid too much abstract discussion, comparative material is also evaluated in detail in the relevant chapters, namely Chapter V, and VIII.

Table 1.3: Policy Transfer Conditions

Richard Rose	Brian W. Hogwood	Colin Bennett
1) The fewer the elements of uniqueness, the more fungible a program.	2) The innovation must be clearly definable and operationalisable.	1) A basic consensus on goals
2) The more substitutable the institutions of program, the more fungible a program.	7) The innovation must actually be implemented in the receiving country in full, not just in form.	2) A low salience in public opinion
3) The greater the equivalence of resources between governments, the more fungible a program is.	3) The innovation must have been successfully implemented in the origination country in full.	3) A dominant role for bureaucrats
4) The simpler the cause-and-effect structure of a program, the more fungible it is.	1) The initial innovation must be based on a valid theory of cause and effect.	4) A low salience for public opinion
5) The smaller the scale of change resulting from the adoption of a program, the more fungible a program.	2 & 7	5)The existence of exemplars
6) The greater the independence between programs undertaken in different jurisdictions, the more fungible the impact of a program.	4) Objectives set for the innovation in the two countries must be similar.	N/A
7) The greater the congruity between the values of policy-makers and a program's values, the greater its fungibility.	6) The theory must also be valid in the contexts to which it is to be transferred.	N/A
N/A	5) The situation in the original country prior to the introduction of the initiative must be understood.	N/A

(Sources: R. Rose, 1993, **Lesson-Drawing in Public Policy**, New Jersey, pp.118-142; B. Hogwood, 1994, 'A Reform Beyond Compare?', **Journal of Public Policy**, Vol.1/1, pp.72-73; and, C. Bennett, 1990, 'The Formation of a Canadian Privacy Policy: The Art and Craft of Lesson-Drawing', **Canadian Public Administration**, Vol.33/4, 569-570)

G-Organisation of the Thesis

This thesis is organised into nine chapters. After this introduction, Chapters II, III, and IV establish the theoretical framework of the study. Chapter II examines the concept and methods of administrative reform, taking into account the transformation it has experienced recently with the emergence of the NPM. Current understanding of the concept is explored, focusing on the pressure, method and outcome of the transformation process. In line with the comparative material, Chapter III summarises the developments in Britain since 1979 to find out the situation 'prior to the introduction of the Next Steps', setting up the conditions and the context in which the initiative was introduced. Chapter IV evaluates the Next Steps reform in order to highlight whether there was/is 'a valid theory of cause and effect' to apply to Turkey. Chapter V deals with the case study of the Vehicle Inspectorate Executive Agency by examining its organisational and functional elements of performance.

Chapters VI, VII, and VIII expound on the situation in Turkey. Chapter VI analyses the conditions and whether there is a need for a reform of the bureaucracy in Turkey, identifying the problems it faces. It also demonstrates the 'conditions' in which the policy is to be applied. Chapter VII focuses on the current, so-called, reform agenda of the government and predicts the future of bureaucracy, clarifying the 'objectives of Turkey'. The penultimate chapter evaluates the possibility of transfer from Britain to Turkey, by once more taking into account the conditions which have already been discussed in the study. Chapters V, VI, VII, and VIII draw on interviews with various people both from the UK and Turkey. They form therefore the empirical part of the thesis.

The basic function of Chapter IX is to overview the whole research and summarise the findings of the thesis. Based on the evaluation of Chapter VIII and the general frame drawn throughout the study, it highlights the pros and cons of a transfer attempt and reveals the fundamental outcome of the research, which involves both countries and the developments which have taken place especially since the 70s. So this chapter involves an overall consideration of the seven transfer conditions, weaving them together and eventually providing leverage for future research.

[1] Rose, R. 1993, **Lesson-Drawing in Public Policy**, Chatham: Chatham House, pp.118-142
[2] Hogwood, B. 1994, "A Reform Beyond Compare? The Next Steps Restructuring of British Government" **Journal of European Public Policy**, Vol.1/1, pp.72-73
[3] Dolowitz, D. & Marsh, D. 1998, "Policy Transfer: A Framework for Comparative Analysis", in Minogue, M. *et al.* (eds) **Beyond the New Public Management**, Cheltenham: Edward Elgar, pp.53-56
[4] Bennett, C.J. 1990 "The Formation of a Canadian Privacy Policy: The Art and Craft of Lesson-Drawing", **Canadian Public Administration**, Vol.33/4, pp.569-70
[5] Zifcak, S. 1994, **New Managerialism: Administrative Reform in Whitehall and Canberra**, Buckingham: Open University Press
[6] Davies, A. & Willman, J. 1991, **What Next? Agencies, Departments, and the Civil Service**, London: IPPR
[7] Greer, P. 1994, **Transforming Central Government: The Next Steps Initiative**, Buckingham: Open University
[8] Massey, A. 1995, "Civil Service Reform and Accountability", **Public Policy and Administration**, Vol.10/1
[9] Dowding, K. 1995, **The Civil Service**, London: Routledge
[10] Foster, C. & Plowden, F. 1996, **The State Under Stress**, Buckingham: Open University
[11] Campbell, C. & Wilson, G. 1995, **The End of Whitehall**, Oxford: Blackwell
[12] Massey, A. 1993, **Managing the Public Sector**, Cambridge: Edward Elgar
[13] Doern, B. 1993, , "The UK Citizen's Charter: Origins and Implementation in Three Agencies", **Policy and Politics**, Vol.21/1
[14] James, O. 1995a, "The Agency 'Revolution' in Whitehall: A Bureau-shaping Analysis" in Lovenduski, J. & Stanyet, J. (eds), **Contemporary Political Studies**, Vol.1
[15] Dowding, The Civil Service
[16] Flynn, N. & Strehl, F. 1996, "Case Study: Next Steps, Agencies", in Flynn, N. & Strehl, F. (eds), **Public Sector Management in Europe**, London: Prentice Hall
[17] For instance, see the VI Web site: http://www.via.gov.uk
[18] Cevikbas, R. 1995, "The Personnel Regime and Implementation Process" (in Turkish), **Public Administration Journal**, Vol.28/2
[19] Sen, M. L. 1995, "Merit Principle and its Implementation in Turkish Personnel System", **Public Administration Journal**, Vol.28/1
[20] Özturk, A. 1996, 'Problems and Solutions to the Administrative Process in Turkey' (in Turkish), **Public Administration Journal**, Vol.29/2
[21] Güran, S. 1990, "**The Turkish Personnel Law in the 80s**" (in Turkish), Paper Presented to The Public Administration Symposium, Ankara: the State Council
[22] Tüzün, B. 1995, **Total Quality Management** (in Turkish), Unpublished Thesis, Istanbul
[23] Ardic, K. 1994, **Total Quality Management** (in Turkish), Unpublished Thesis, Sakarya
[24] Akgül, A. 1998, **Total Quality Management System** (in Turkish), Ankara: Aydogdu
[25] Bayraktar, G. 1993, **Bureaucracy and its Role in the Turkish Political Life** (in Turkish), Unpublished Thesis, Ankara
[26] Albayrak, D. 1997, **Administrative Development Attempts in Turkey** (in Turksih), Unpublished Thesis, Ankara
[27] Emre, C. 1993, **The Turkish Public Administration in Terms of Social and Cultural Aspects** (in Turkish), Unpublished PhD Thesis, Ankara
[28] Ankara, March 1996
[29] Ankara, April 1995
[30] Güler, B.A. 1996, **The New Right and Change of the State** (in Turkish), Ankara: TODAIE
[31] Ozen, S. 1996, **Bureaucratic Culture** (in Turkish), Ankara: TODAIE
[32] TODAIE, 1991, **Public Administration Research Report** (in Turkish), Ankara
[33] TODAIE, 1967, **The Central Government Organisation Report** (in Turkish), Ankara
[34] An article appeared in **Comparative Political Studies** (Vol.25/2) in 1992a.
[35] In Eisensdt, S.N. (ed.), 1992b, **Democracy and Modernity**, Leiden: Brill
[36] Published in **International Social Science Journal** (Vol.126) in 1990.
[37] Greer, Transforming Central Government
[38] Rose, Lesson Drawing in Public Policy, pp.120-42
[39] Hogwood, B. 1994, "A Reform Beyond Compare?
[40] Hood, C. 1991, "A Public Management For All Seasons", **Public Administration**, Vol.69/1

[41] Mellon, E. 1993, "Executive Agencies: Leading Change from the Outside-in", **Public Money & Management**, Vol. 13/2

[42] HC 249, 1991-2, National Audit Office Report, **"The Vehicle Inspectorate as the First Executive Agency"**, London: HMSO

[43] Rose, Lesson Drawing in Public Policy, p.3

[44] Dolowitz & Marsh, Policy Transfer, pp. 53-6

[45] Dolowitz, D. 1997, **Learning From America: Policy Transfer and Development of the British Workfare State**, Oxford: Sussex

[46] Dolowitz & Marsh, Policy Transfer, pp.52-3

[47] Hogwood, A Reform Beyond Compare? p.73

[48] Evans, M. & Davies, J. 1999, "Understanding Policy Transfer", **Public Administration**, Vol. 77/2, p.361, and Common, R. 1998, "The New Public Management and Policy Transfer: The Role of International Organisation", in Minogue M. *et al.* p.60

[49] Rose, R. 1991, "Introduction: Lesson Drawing Across Nations", **Journal of Public Policy**, Vol. 11/1, p.1

[50] Hill, M. 1998, "The Theory and Practice of Regulation in Canada and the United States: Opportunities for Regulatory Learning in the UK", in Doern, B. & Wilks, S. (eds) **Changing Regulatory Institutions in Britain and North America**, Toronto: University of Toronto Press. p.188

[51] For the whole process: see Evans & Davies, Understanding Policy Transfer, p. 377

[52] For instance, Dolowitz & Marsh (Policy Transfer, pp. 53-56) mention six 'broad categories' to consider in a possible policy transfer initiative: policy complexity, interactive effects, institutional constraints, feasibility constraints, language constraints, and past relationships.

CHAPTER II

ADMINISTRATIVE REFORM

A- Introduction

This chapter aims to set up the theoretical dimension of administrative reform, clarifying its components and presenting its evolutionary characteristics. Therefore, the examination of administrative reform includes not only its historical perspective but also the current elements influencing governments to instigate change. The chapter does not claim to explain all variations of administrative reform nor attempt to deal with a certain type in a particular country. Instead, it intends to present a broad analysis identifying common aspects within the prevailing understanding of the issue, with examples taken from the UK, Turkey and the USA as well as other relevant countries.

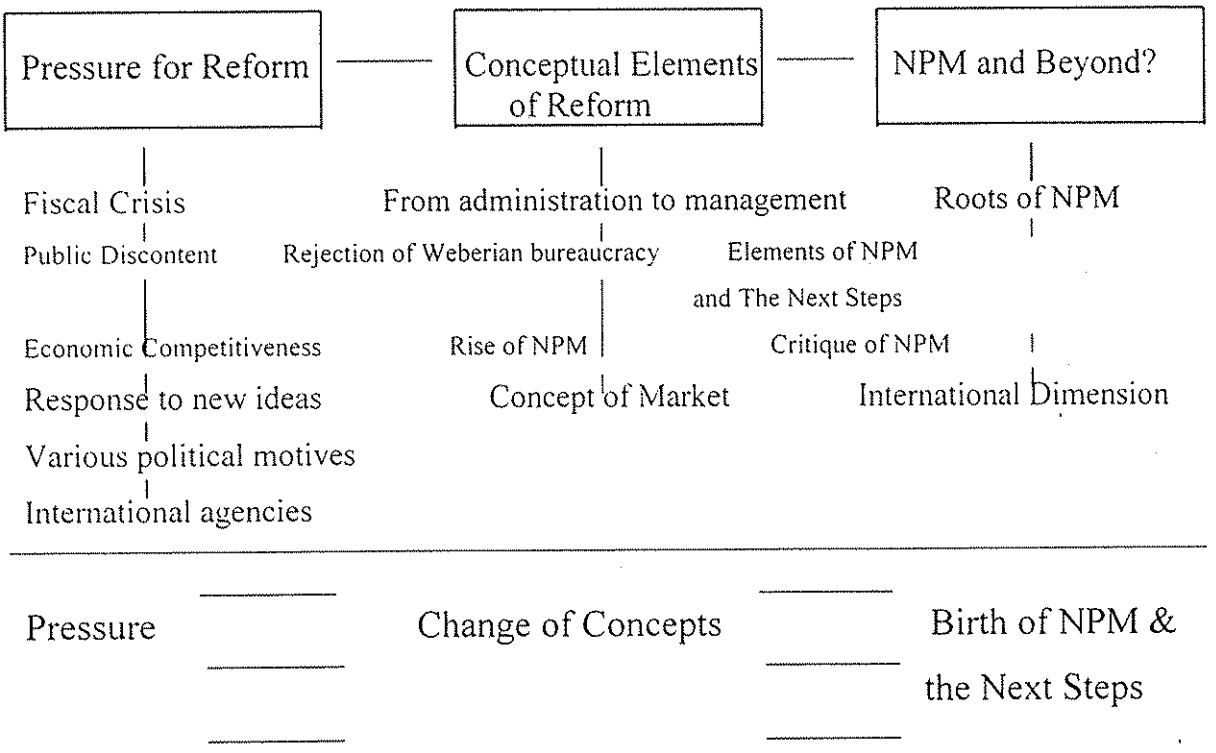
Examination of the subject appears to be essential for several reasons. Apart from the academic virtues, it establishes a base in which lie the arguments for reform initiatives introduced to enhance the administrative machine. Moreover, it has the possibility of both leaving a blue print for new reforms and providing criteria to measure performance of reform initiatives which have already been in effect. Having done so, the chapter can evaluate the distinguishing features of reform to see how it explains the historical developments and the breakthroughs in the struggle to create an efficient and effective civil service. Finally, it provides us with a number of concepts to judge the outcome when needed, and to predict results beforehand.

The chapter helps identify the theoretical aspects which underpin the Next Steps agencies reform in particular, highlighting its resemblance to the New Public Management (NPM) and the trend in the contemporary counterparts throughout the world. This would also facilitate an examination to draw a conclusion as to the extent of the possible application of the Next Steps to the administrative system of Turkey. As such, the chapter fills a crucial gap, involving both the UK and Turkey, as originator and receiver respectively, and contrasting their civil services with respect to certain common elements and desires. In other words, this chapter is a cross-road bringing together theoretical and practical experiences of the two countries with the purpose of not only finding out their structural features but also comparing and eventually applying the Next Steps initiative to the Civil Service in Turkey.

The organisation of this chapter is a reflection of the developments and the findings traced from the history of public administration as well as an examination of the

contemporary context. The chapter comprises five main parts (the structure is summarised in Table 2.1). After this introductory part the second section deals with the pressure for reform which has dominated especially the Western governments for the last three decades. These include fiscal crisis, public discontent, enhancing economic competitiveness, response to new ideas, various political motives and international agencies. This section is an essential part of the chapter as it provides historical and institutional perspectives and also illustrates the rationale behind the current initiatives throughout the world.

Table 2.1: Summary of the Developments



The third section, the conceptual underpinning of reform, is based on the second one, and concentrates on the effects and quality of the reform process. Therefore, it firstly examines the two related concepts of administration and management, identifying the evolution experienced by the former and leading to the latter. Secondly, this discussion focuses attention on dealing with the traditional Weberian type of bureaucracy and its obsolescence on the one hand, and the rise of the New Public Management (NPM) on the other. Thirdly, the feasibility and practicalities of NPM are examined by giving examples and referring to the cases of British and American reforms in particular. Lastly, another related element, the concept of market, is explored, emphasising especially the 'marketisation' of public services and the use of certain market techniques in the public sector.

The fourth section is devoted to 'NPM and beyond', and analyses four main dimensions of the subject matter. 'Roots' is the first dimension explored to clarify its theoretical background. The 'criteria' dimension reviews the fundamentals of NPM, basing itself on Hood's[1] 7 elements. The need to ascertain the link between NPM and the Next Steps agencies reform is dealt with in this section. The third dimension, critique, provides an essential discussion of the pros and cons of NPM, pinpointing 'strong' and 'weak' points of the theory and the claim which explores developments 'beyond' the present model. The fourth and final aspect, the international dimension and the Next Steps, reviews the NPM in the hope of finding out whether it is an international phenomenon or a concept restricted to a Western or even an English-speaking world. This can help clarify if NPM in general and the Next Steps in particular may provide a useful model for the rest of the world, especially for Turkey.

The final section, the conclusion, crystallises the current understanding of administrative reform and presents a brief summary, a 'road map' to assure a 'safe journey' as far as the conclusion of the thesis.

B- Pressure for Reform

Although, in general terms, reform is a dynamic process rather than a 'one off' action, at any particular time certain decisions need to be taken in order to adjust an organisation to changing conditions. These decisions, therefore, should be based on certain indications. From this angle, attempts at administrative reform particularly those of many Western governments for the last two decades, have had a number of common themes in terms of being pressured to take action. The need to reform public bureaucracies is not a new concept; it has been on the agendas of modern governments as well as archaic ones ever since they have existed. In this vein, the enthusiasm and attempts since the 1970s have not only shaped the civil services of Western governments but are also likely to have an effect over a considerable period of time.

Why did the reforms take place after the 70s? Did the changes, NPM, which prevailed in public administration occur in that particular time, in that particular sphere, and in that particular form? As many academics, such as Hood[2] assert, it is not possible to attribute the emergence of NPM to 'a single accepted explanation and interpretation'. He provides four possible explanations: first, "whim of fashion"; second, "cargo cult"; third, "attraction of opposites"; and finally, "response to a set of special conditions developing in the long peace in the developed countries since World War II, and the

unique period of economic growth which accompanied it". He makes it clear that the fourth is the most likely explanation. Six reasons can be put forward as having played pivotal roles in persuading governments to mobilise their resources, meeting the pressure derived from different sources in different sequences. These reasons comprise Hood's explanation together with a number of other factors, e.g. 'international agencies' and 'response to new ideas'. One clarification of the reasons is that all of them are interrelated factors, and therefore during their examination a lot of cross-references are made.

1- Fiscal Crisis

As a prime economic reason, fiscal crisis prompted governments to take actions in respect to their budget deficits and public sector structures in particular, and the role of government in general. This reason has attracted a wide range of advocates from among academics for the last two decades or so. Caiden[3], for example, points out that during the 1980s fiscal crisis was one of the single most important factors mobilising governments to reform their administrative structures. Foster & Plowden[4] also argue that fiscal crisis caused by uneven growth of public expenditure, redistribution of income, and low productivity improvement in the public sector pressurised the governments of developed countries, especially the UK and the USA, to pledge that they would reduce their sizes and involvement. Zifcak[5] examines British and Australian public sector reforms and draws conclusions, claiming that the recession during the 1970s and its aftermath played a significant role in characterising administrative reform initiatives of the two countries. Consequently, their governments were required to reverse the growth of the public sector and reduce government involvement in many areas.

Flynn's[6] consensus thesis looks promising to describe the atmosphere and situation prior to the economic and political problems of the 1970s. According to him, the consensus established after World War II among the governments, the trade unions, and the business community in Great Britain collapsed due to economic and political developments on a world scale. The consensus had charged governments with additional responsibilities such as housing, education, health, social security and economic and commercial activities. To a certain extent, this 'post-war settlement' was recognised by both Labour and Conservatives, albeit with some disagreements and different views as to the details of policies.

Three principles highlighted by Farnham & Horton[7], constituting the stages of the 'settlement' are worth mentioning to help understand the epoch in a more elucidative way. They include, first, the deployment of a mixed economy based on Keynesian demand management economic policy; second, a Welfare State; and, thirdly, a political consensus. Keynesian economic policy, due to the conditions under which it came out and flourished after the Great Depression of 1929, required the greater involvement of governments to make sure that four primary economic goals were attained: full employment; price stability; balance of payments equilibrium; and economic growth. In other words, these goals were thought to be reached best with government intervention in the economy. Of course, it would be too simplistic to assume that the growth was merely caused by this one factor. Other factors such as the dynamic for self-interested growth claimed by public choice advocates for example, must have played a reasonably important part in the outcome, but our intention here is to pinpoint Keynesian influences not other factors.

As a product of the Beveridge Report (1944) in Britain, the Welfare State mobilised central and local governments to function as a medium not only to foster a social state culture but also to provide a wide range of publicly and universally available services, including social security payments and pensions, health care, education, and housing. Transfer payments, direct or indirect, occupied a large proportion within budget numbers, so this increased the size of the budget as well as the public sector. As Hennessy[8] points out, this was initially caused by WWII. After the war it was impossible to reduce the level of public spending to the pre-war level.

For the maintenance of Welfare Sate functions and government involvement in economic affairs and a mixed economy in the Keynesian sense, there existed a general consensus across the political parties and the political elite. From time to time, however, there occurred some tension in the political sphere, but this did not go far enough to challenge the economic and social policies implemented by the dual political party mechanism and the parties alike. As Kavanagh[9] asserts, the political consensus also referred to the practice of carrying out the policies of previous governments, even if they opposed when they were in opposition. This brought a degree of stability to the policies, especially to the economic ones, which influenced the general political atmosphere as well as government involvement in the economy across countries.

It was economic concern which set off the first signs of worry within the parties of the consensus concerning the future of the agreement and whether it was still sustainable in its present form. It would not be misleading, I think, to name the oil crisis

of 1970s, especially that of 1973-74 as the single most important event, creating a domino effect on major land-marking events of the 1980s and 1990s. As Gamble[10] argues, Western prosperity was dependent upon two factors: 'cheap energy' and 'stable money'. The increase in oil prices worsened the deficit Britain had in the trade balance and the fiscal crisis. Discredited Keynesian economic theory together with the emergence of an unprecedented concept, stagflation, confused governments as to how to respond to the new circumstance. As argued by Farnham and Horton[11], the recession was deeply felt by Britain due to its relative inefficiency compared to its international rivals. Britain was stuck between two unavoidable realities: high spending and a huge public sector because of the Welfare State, on the one hand; and lack/shortage of financial resources, on the other. Governments were puzzled about the need to meet the expectations of the citizens, but they were being challenged by the new circumstances, prompting involved actors to question not only how to find short term answers, such as financial retrenchment, but also long term solutions such as reviewing the role of the state and decreasing the financial burden of the state in the care of its citizens[12].

2- Public Discontent

Public discontent was another major reason for governments to pursue reform. With the developments in Information Technology and mass media, public opinion has become a more influential force. Public opinion has never been as important and influential as during the last two or three decades. Democracy permits people, as tax payers and ordinary citizens, to take initiatives influencing directly and indirectly the decisions of their governments and bureaucracies. One possible argument such as 'public opinion and empowerment of the people are illusions' does not reflect the real situation. A counter argument is made by the electorates during election times, they cast their vote for the party which does care about their views.

Regarding this argument, the general public discontent with the public sector, and their unwillingness to pay more tax were too influential to be disregarded. In simple terms, people were not happy with the performance of the public sector and the way it was run[13]. The issue has two dimensions, first, the developments in technological and managerial skills and methods during the late 70s and 80s; and second, related to the economic and social conditions of citizens as tax payers. As will be examined in the next chapter, there was a widespread belief, in Britain for instance, that the public sector was not efficient enough to follow the developments in management and technology. The

private sector's ability to cope with the economic crisis and recession in the 70s looked impressive to the public, directing them to think that 'public is bad, private is good'[14]. The globalisation of economic and political forces, and the endurance of private companies during the economic crisis in the 70s were some of the factors influencing the public's perception[15]. TV Series like *Yes Minister* managed to ridicule the image of bureaucracy in the eyes of the public, placing the idea of the inefficient and public choice type of bureaucrat in the subconscious of ordinary people, as well as in Mrs Thatchter and her colleagues.

The Californian case mentioned above shows that the position of the public in objecting to any more tax increases became apparent, especially after the famous fiscal crisis, because the burden the public was prepared to accept had reached its limit and additional duty on tax payers was not possible at all. What is more, the public demanded a kind of 'compensation' from governments to reduce what had already been put on their shoulders in the name of either tax or duty. As a result, they thought that, on the one hand, they wanted more services from government, on the other, they did not want to pay any more taxes. This pressure on governments was effective in motivating or pushing to establish efficient services: 'doing more with less'.

3- Concerns about Economic Competitiveness

The prevalent belief that governments should support private sector companies and therefore be concerned with the economic competitiveness of the country and its industries acted to mobilise political and non-political actors. Economists argued that a large public sector 'crowded out' private sector investment and undermined international competitiveness by imposing large tax burdens. In addition critics asked: how is it possible that governments demand economic competitiveness of the country and its private sector without having a competitive public sector? Although the Keynesian approach, namely the era of active state involvement was over, there was a need for an efficient state apparatus to initiate policies to remove the obstacles to 'strong state and free market'[16] (see below).

The concern about economic competitiveness best be justified in the case of Turkish, where there is a clumsy and inefficient state machine surrounded by 'red tape', and lack of competitiveness in bureaucracy and government. This aspect is examined in chapter VI of the thesis. No-one should object to the idea that an inefficient, over-staffed and ineffective bureaucracy not only discourages but also prevents private entrepreneurs

from becoming competitive in the international arena[17]. Again, chapter VI is full of illustrations from the business community and academics alike. The same concerns are also repeated in chapter III, cited from the views of Hoskyns[18] who was one of many who blamed the British civil service for paving the way for the relative economic decline of Britain after WW II.

4- Responses to New Ideas

New developments in management theory reduced the degree of difference between private and public administration, and the two rival sisters, especially the public were forced to learn from each other[19]. In addition, a number of economic theories, public choice and principal-agent theory for example, have been rediscovered in public administration only after the economic crisis. The theories either did not like things as they were or introduced/reinterpreted the rules and relationships between the actors. This is another reason why the attempt to reform public administration is a factor related to previous ones. This was the case because many governments at that time did not look strong, in the sense that they were not sure how to heal the problems stemming from the economic crisis that were mixed up with a number of political issues. In other words, governments were confused as to how to respond to the economic crisis and its political effects.

The governments and political leaders, who looked confident and determined, gained huge political backing from the public, including a considerable amount of support from academia, the media, and business communities. Ronald Reagan in America, Margaret Thatcher in Britain and Turgut Özal in Turkey were among this group of people, who succeeded in attracting huge attention and successive popular support unprecedented in the history of the respective countries: Reagan had two terms in the White House; Mrs. Thatcher having three terms; and Özal won two victories. They all occupied their office more or less during the same time period: from 1979-80 to 1988-90.

With improvements in theory and human skills, as already explained, developments in IT and physical factors made it inexorable to look for better ways of doing things, because 'administrative reform never ends'. As a dynamic being it needs regular checks and changes. This is also an imperative of NPM and a concept that prevails among the administrative structures of many developed and developing countries.

5- Various Political Motives

Administrative reform attempts cannot be easily implemented without emphatic political support, because politicians are the people who introduce changes and look for results. During the 80s, administrative reform initiatives were politically driven and ideological concerns played a major role in driving many governments to take action against problems in the civil service. Many academics tend to point to a relation between NPM and the New Right arguing that the latter caused or facilitated the emergence of the former. However, this explanation does not look promising as an interpretation of why Labour governments opposed the New Right but favoured NPM in Australia and New Zealand, for instance[20]. There are certain differences between New Labour, what I call the New Left, and the New Right, but to some extent both seemed to have a number of similar policies towards public administration and government. Having examined the policies of New Labour in government it may be said that it did not completely reverse the policies of the Conservatives either in health and education or the managerial and economic areas which were clearly associated with right wing tendencies.

The failure of Keynesian economic theory drove economists and academics to look for alternative ways of dealing with the crisis and maintaining a stable economy. For this purpose the New Right theory consisted of the ideas of public choice theorists, e.g. Niskanen[21], Müller[22], and Buchanan[23], and neo-liberal economists, i.e. Hayek[24] and Friedman[25]. The coincidence of the elections of Reagan and Thatcher facilitated the acceptance of the New Right not only in the intellectual arena but also the political and governmental sphere. They were actively involved in the implementation of the theory, so Mrs. Thatcher managed to register even her version of it, Thatcherism! Two principles express the New Right very well: the free economy and the strong state. Economy will be free from the involvement of all actors, left open to the market forces; and the state will be strong enough to prevent obstacles to the smooth working of the economy[26]. Therefore, the New Right is based on three value-based caveats: individualism, personal freedom and inequality, while Keynesian theory favours collectivism, social rights, and equality[27].

The effects of the New Right were very significant for British politics especially during the 80s. A fundamental issue was that successive Thatcher governments questioned the role of the government in the economy and politics, and emphasised the deployment of market mechanisms wherever possible. A similar development was also

evident in the Özal governments in Turkey during the same time period. The two countries will be examined later in the thesis, but the important point is the existence of a similar pattern between countries, forcing governments to question and criticise their roles because of the severity of the crisis and determination to overcome it.

The idea of the reduction of state involvement seemed to be caused by two interrelated perceptions: one is the negative perception provoked by the public choice argument of benefit maximiser actors; and the other is the perception that 'public is bad, private is good'[28]. This does not imply that the economic arguments were invalid, but it does say that these two factors, as perceptions, created the psychological infrastructure for the persuasion of the public, from politicians to bureaucrats, and from academics to the people in the street. As these two factors are to be examined in Chapters III and IV, there is no need for a more detailed explanation here. In addition, the existence of political motives is a matter which concerns the research rather than the theory itself.

6- International Agencies

After the economic crisis of the 70s, most noticeably during the 80s, international organisations encouraged and funded administrative reform initiatives in order to make sure that the global economy remained stable and national economies were efficient and effective. The fiscal crisis in many countries directed governments to borrow from international monetary agencies and multinational banks and corporations[29]. As a result, these agencies had the upper-hand in enforcing or dictating their own terms to the governments which were suffering from a gigantic scale of scarcity of financial resources due to the stagflation[30]. The following statement is quoted from a 1993 World Bank report[31]: "Generally, Structural Adjustment policies are applied during crisis times. Countries do not have any other options but to follow the prescriptions we give, and policies we impose...".

Two of the agencies, the IMF and the World Bank, have been of crucial importance in facilitating the globalisation and liberalisation of the economies of their affiliated countries since the beginning of the 1980s. They intentionally implemented their programmes to reach the goal they had predicted[32]. One could argue that these organisations could not possibly interfere with the economies of developed countries. But, on the other hand, this process was neither resisted nor prevented by countries such as Britain. On the contrary, their aim was to tackle the financial and economic problems which were affecting them severely. Secondly, the extent of the interference by these

agencies differed according to each country's individual conditions and levels of development. One would expect their influence and ability to enforce their conditions on developed countries to be lower than on developing ones.

As Bird[33] explains, for the last 30 years the IMF has been working as an organisation concerned with short term, demand-sided, and financial policies, while the World Bank has been an agency for lending money to long term, supply-sided, production oriented projects and programmes. Therefore, the World Bank's special interest was based on the idea that economies of as many countries as possible should be integrated in order to ensure that a global economic entity is created. Having been driven by New Right policies, the bank supplied conditional credits to many developing countries of Latin American, African, and Asian origin under the name of Structural Adjustment Loans (SALs), Sectoral Adjustment Loans (SECALs), and Small Project Credits (SPCs)[35] . A detailed account of the World Bank involvement and the case of Turkey will be given in Chapter VI.

Another important aspect concerns a number of other supra-national organisations, which have their own policies towards their respective countries and their administrative, economic, social, and political structures, e.g. the EU and the Gulf Security Council (GSC). The EU involvement, for example, is obvious for its member states as well as prospective candidates, so they are required to comply with the EU regulations in respect of administrative reforms and changes if they want to benefit from the organisation's funds. Turkey and Britain, the former a candidate and the latter is a member, have to consider the decisions of the EU as to the administrative requirements[35]. So this gives us a common point to explore in this study. Since its announcement as a candidate member in December 1999, the Turkish government has already started to revise its administrative apparatus and principles[36].

The fiscal crisis catalysed by the New Right ideology was the most influential motive in urging governments to increase efficiency and reduce size in terms of both functions and organisations. The extent of the motive was important enough to mobilise other factors in an effective fashion. The fiscal crisis and other pressures also played a crucial role in shaping the type of reform; the concern was on increasing efficiency and 'doing more with less'. Since public sector was thought to be less efficient, government involvement in economy should be reduced to minimum. Consequently, privatisation, contracting-out, and other methods of making government less active in economy have appeared on the agendas of developed countries.

C-The Conceptual Underpinnings of Reform

This section deals with the recent changes in the administrative structures of many developed countries, emphasising the form and direction of changes and the discredited and accepted concepts which characterise the 'colour' of bureaucracy, such as 'management', 'market', and Weberian bureaucracy. Four subheadings in this section are interrelated and complementary to each other: starting with an examination of the change in meaning of the concept; leading on to the rejection of traditional Weberian bureaucracy; the rise of the NPM; and the importance of the concept of market. This order gives us a logical structure for following the developments, learning the concepts and then taking us from 'old' public administration to 'new' public management.

1- From Administration to Management

The period starting with the economic crisis (the 70s) or the New Right (the 80s) has seen the replacement of the classic Weberian type of administration with a modern managerial kind of civil service. This has been not only a change in name but also in the methods and understanding of the public administration from its traditional sense to a modern and unprecedented form[37]. The general tendency of the change was not in a revolutionary way; on the contrary, it has been an evolutionary process. At the beginning of the process it was not clear that there was going to be a change in the name from administration to management, both in its meaning as organisation and as the process the organisation follows. As time went by, however, the admiration of the private sector and its managerial techniques, developments in IT, and the general desire to increase efficiency and improve the performance of public administration have driven practitioners and theorists to use the name 'management' rather than 'administration'[38]. On the other hand, a number of academics, Massey[39] for instance, and practitioners are still continuing to resist the usage of the new concept in its new meaning, claiming that public administration cannot possibly be management as it is in the sense of private management.

Throughout the study both concepts are used with a fundamental distinction in the usage in that management is used to refer to its new meaning of administration whereas administration sometimes refers to the old, and at other times the new meanings. A second clarification is that administration is used mainly to describe the Turkish bureaucracy, and management is used to indicate the British civil service and especially

the changes made in line with the New Right during and after Thatcher governments. This logical distinction should make it easier for the reader to distinguish between the old and new types of civil services and the ideas surrounding these bureaucracies, whether they are run according to a traditional or modern instinct.

What do management or administration signify in public policy? Why do we need to draw a distinction between these two concepts? The rationale behind such concepts lies in the reality that administration is concerned more with the implementation of certain rules and regulation and therefore does not pay attention to whether they are right or wrong. Management, on the other hand, requires human actors to take initiatives and active involvement in order to achieve the objectives of an organisation[40]. These two explanations imply that administration is a passive concept, seeking only implementation of rules and does not leave senior bureaucrats with room for manoeuvre, while management is the empowering of staff to do whatever they think is needed. This is symbolised in the words 'free to manage'. Generally speaking, the word 'administration' represents the classical Weberian type of public bureaucracy, characterised by rule-bound, hierarchical, formal, and strict organisational structure and relations[41]. As the name suggests, management is more appropriate to denote the NPM and its elements which constitute a 'new' type of 'public' 'management'.

2- Rejection of Traditional Weberian Bureaucracy

The recent changes in public administration indicate that a traditional strict bureaucracy in Max Weber's form has been discredited by developments not only at government level but also in intellectual discussions. At the beginning of the 1980s, the prescription to mitigate the economic crisis and the desire to increase efficiency and effectiveness in government contradicted the idea and principles supplied by Weberian bureaucratic theory which had become the orthodox template for administrative reforms since the early years of the C20th.

Paying attention to the outcome rather than income, for instance, was not one of the principles of the Weberian bureaucratic theory. It only concentrated on the process of whether it had been conducted according to the law, not on the quality and quantity of the outcome, which makes all the difference in deciding if the organisation is efficient or not. In addition, the desire to follow strict rules and regulations and the anxiety to comply with the standards and routine might also mislead bureaucrats to choose inefficient but 'legal' methods[42]. Therefore, this prompts a waste of resources which are

scarce and tax-payers revolt against any increase[43]. A number of fashionable values and prevailing concepts such as 'customer', 'liberalisation', and 'market' in public administration, especially after the landmark event, the economic crisis of the 70s, have not been friendly to Weberian bureaucracy and, in effect, the theory was unable to respond to the requirements implied in these concepts[44].

One should always appreciate the contribution made by the Weberian theory to the development and advancement of public administration as a discipline and a separate subject in social science. Besides, politicians and academics enjoyed and continue to enjoy the pattern and facility the theory contributes to the cumulative knowledge. In other words, the principles brought by the theory helped and still help both practitioners and academics to have certain rules and regulation by which they can more safely predict developments and foresee the future more clearly[45]. Otherwise, an ambiguous and flexible civil service is more difficult to run and predict. This being said, the developments which started in the 70s, and more effectively with the New Right during the 80s, directed politicians and academics to review the means and priorities the civil service employed in its operations and structures. Therefore, it was necessity to have a flexible, empowered, and business-like civil service for the reasons explained before. Eventually, it was implemented, in effect, that the Weberian type of civil service should be replaced by one which offered solutions and an answer to the questions which had long been asked. These questions and the answers are the subject of the following heading.

3- The Rise of the NPM

This aspect shows the other side of the coin: namely, if there is a rejection of one thing, something else should replace it. In this case, the classic Weberian type of administration has been superseded by the NPM, because the former was obsolete. The NPM as a widespread phenomenon has emerged on the agendas of many developed and developing countries since the 80s. As Hood[46] asserts, there is no one single model of NPM, but a variety of NPMs according to the priority (or priorities) given to certain aspects. Therefore it might not be regarded as a 'proper' theory: because it lacks a single model, it does not comply with the precondition of being a theory. Hogwood[47], for example, does not accept the verdict that the Next Steps agencies reform has a 'proper' theory; instead he claims that it is made up of management methods taken one bit from one theory and one bit from another one. Leaving aside the discussion of whether it is a

'proper' theory or not, there exists among academics a consensus that the NPM has been effective in many countries and proved its value as a treatment for healing the administrative problems of many countries[48]. Therefore, to different extents there are minimum standards and a common ground-set among the theorists, such as output orientation, customer care, freedom to manage, and emphasis on efficiency. Massey[49] argues that "public sector management, therefore, is an integral part of the political process and its study an integral part of political science". We can use, I think, the same analogy drawn by Massey and assert that the NPM has settled well as an integral part of public administration literature and theory. We can draw a second analogy from this comment that, as argued in the thesis, the Next Steps is a form of the NPM, and therefore it reflects the qualities of it. So, if the NPM is or has a theory, the Next Steps should also have the same theory to copy in other countries. This point is further examined in the following chapters.

This kind of flexibility brings a number of advantages in terms of the 'practicality' and 'feasibility' of the NPM. Regardless of their political or constitutional affiliations, governments can easily apply 'new' and 'management' methods to their bureaucracies, making certain adjustments and taking suitable or feasible parts which are not resisted by their political systems. This aspect is particularly helpful to the point that the NPM and the Next Steps, one of its British forms, can be transferred to a third country, say Turkey, which has a number of differences and certain resemblance in its political and administrative structure.

4- The Concept of Market

The concept was re-emphasised after the neo-liberal movement and the rise of the New Right in the world. Therefore it may be the most discussed or exploited single word in the literature of economics and public administration for the last two decades or so. The concept 'market' had never been so famous before, because until then it had been only a concept used in economics but since the 70s, and mainly in the 80s, it has become a key word in public administration as well. This aspect is also an indispensable part of the discussion in the section, and all four subheadings are related to each other.

The minimalist state approach and concerns to achieve an increase in efficiency have swept across the public sector structures of developed countries sine the landmark event, the economic recession. The market and its essence, namely competition, were thought to provide the answer for the long-standing problems of government[50]. The idea

was that, if the public is inefficient, wasteful and incompetent, let the private carry out the function whenever and wherever possible; if not, try to encourage competition within the public sector. The government's three options before setting up of a Next Steps agency illustrate the idea very well: first, ask the question whether the function is needed at all; second, examine the possibility of privatising the function; if not possible, third, try contracting it out; if still negative, finally, set up an agency[51].

As will be discussed in the following chapter, Mrs Thatcher's policies when she came to power were consistent with the evolution of and the events leading to the market: cuts in civil service numbers, introducing cash limits, and emphasising efficiency[52]. Rayner Scrutinies, MINIS, FMI, the Next Steps, Citizen's Charter and Market Testing were some of the attempts to deal either with efficiency deficits or promotion of market techniques. As the Reinventing Government approach clearly indicates markets, namely competition, can be created even in the difficult and 'purely' public-sector sphere[53]. The Market Testing initiative, for instance, was a very effective and radical solution to introduce competition to the civil service where previously none had existed. Although some criticise and question the success of Market Testing[54], its existence and introduction had a symbolic meaning and acted as a warning to the civil service that they would have to consider shopping around and preparing themselves to compete for their jobs with insiders and outsiders.

Public service has been regarded as a market where supply and demand meet and an equilibrium is reached[55]. Someone might argue that taking the public service as a 'pure' market could create some problems in terms of use of public power and constitutional principles which arise from the issue needing to be sorted out[56]. One should also accept that some striking developments are happening in public administration; Osborne and Gaebler's book, Reinventing Government, is full of examples of these developments, though controversial. Twenty or thirty years ago, one could not possibly think of seeing a privately-run prison or a professional law company undertaking the responsibility for a law division in a ministry or a public bureau. However, these developments are not beyond the realms of possibility today, so the market solution has been a useful tool for governments in putting their services in order and encouraging them to compete with and transfer techniques from private sector.

In conclusion, the conceptual element of reform, namely the 'market' implies the methods developed in public sector in co-operation with private sector values and principles. The market methods, therefore, represent a continuum covering a broad area from 'pure market' model to entire government regulation. Though they are examined in

the succeeding chapter, it is worthwhile to name five 'market' methods: introducing user charges for services; opening up to competitive tendering or putting work out on a contract basis; introducing internal markets; developing financial control; and establishing parts of the organisation on an agency basis[57]. The common element of the methods is their prospect of promoting or facilitating competition, providing efficiency and 'value for money'.

D-NPM and Beyond?

This section deals with the core of the NPM, identifies its roots, points out its elements, elucidates its pros and cons, and clarifies its international dimension. It also relates the NPM and the Next Steps reform, arguing that the latter is the British version of the former. Elements of the NPM and the Next Steps are examined together and the relationship is highlighted clearly.

1- Roots of the NPM

In the literature there is tendency to classify the NPM as having two different sorts of roots, one being in the 'new institutional economics', and the other being in 'managerialism'. By the same token, we can mention three views that support this diagnosis: namely those of Hood[58], Aucoin[59] and an OECD report[60]. Hood[61] mentions three theories as the components of the first current of ideas shaping the NPM: public choice theory, principle-agent theory and transaction cost theory. He asserts that this explanation helps provide "a set of administrative reform doctrines built on ideas of contestability, user choice, transparency and close concentration on incentive structures"[62]. The second explanation, managerialism, put forward as shaping the NPM, and its elements, requires a 'freedom to manage' understanding, and a 'business-type' approach to the civil service. Public bureaucracy is perceived as an organisation which can be run to a certain extent by private sector techniques and senior civil servants who have more discretion and freedom than traditional bureaucrats. This reiterates the discussion that was detailed in the previous section concerning the rejection of the Weberian type of bureaucracy and the rise of the NPM. It was argued that a strict, inefficient, formal, and input-based bureaucracy cannot produce answers to the problems of a modern day civil service and private sector which requires an efficient and effective

bureaucracy to respond to their demands. These two streams of ideas are explored in the coming chapters in detail.

Aucoin[63] also voices a similar explanation regarding the ideas which affected the emergence of the NPM. He identifies public choice theory as the first set of ideas which motivated politicians to restore the power of elected actors over appointed civil servants, making sure that they comply with the requirements of representative government. His second view of the ideas influencing the derivation of the NPM is that the managerial principles which should be established to restore bureaucracy were basic elements of management theory. He was clearly influenced by public choice theory and the book written by one of its founding fathers, Niskanen[64], 'Representative Government and Bureaucracy'. Referring to Niskanen's view, he asserts that politicians in representative governments have lost a substantial amount of power to bureaucrats who should be under absolute authority of politicians and are there to serve the political actors.

By concentrating only on one of the actors of public choice, bureaucrats, he seemed to be contradicting himself: public choice requires centralisation and co-ordination, while managerialism advocates decentralisation and empowerment of the people. He emphasised only one of them but neglected the rest, i.e. politicians, interest groups, and 'voters'. If he had criticised all actors it could have been interpreted that these actors are universal phenomena of democracies and therefore you have to find ways to live together. You could also interpret it as "although I am criticising all actors I am not claiming that they are worthless, but I just want to point out that they should be treated with caution". In addition, there is a clear contrast between having the policy of 'free to manage' of managerialism and 'freedom to choose' of public choice. Hoggett's[65] argument of 'centralised decentralisation' seems to be a solution.

The OECD report[66] uses the same kind of interpretation to pinpoint the roots of the NPM: public choice, principal-agent, and transaction cost theories; and private management techniques. The report -together with the organisation- seems to support the NPM type of public sector reforms and refers to the same explanation about the roots as others. Having examined some of the views which identified the two sets of ideas as to the origins of the NPM, we can safely state that there is an agreement among academics on the roots of the perceived theory. There is no indication, however, that these two sets of ideas are equally dominant in the implementation of the NPM in every country and in every circumstance. Therefore, in one country managerialism might be more dominant, while in the other public choice and principal-agent type of considerations are more influential.

2- Elements of the NPM and the Next Steps

Initially, the NPM emerged in the English speaking world of the UK, the USA, Australia, and New Zealand, and later spread around the world, affecting administrative structures of many developed countries as well as developing ones. As the preceding section makes it clear, the NPM is not a single theory which could be applied to all countries and all cases; instead it is a combination of theories and principles which shows a greater flexibility in the nature and extent of its elements. This point is also highlighted by Hood[67] in his seminal work on the NPM, 'A Public Management For All Seasons?': that not all the elements are equally present in all cases. He further asserts that, due partly to the lack of 'a single intellectual provenance', the elements are not necessarily fully consistent. Table 2.2 documents the elements of the NPM, identified by Hood[68] , Ranson & Steward[69] , Osborne & Gaebler[70], and Hughes[71] .

This table gives us a good opportunity to consider and contrast the elements put forward by four academics in their works. It is important to bear in my mind, however, that the elements identified by these academics may not always have the same meanings. Although they are classified in the table within the same category or same meaning, they may not resemble each other a hundred percent. The intention is to point out the existence of a similarity rather than the extent of the similarity. Therefore, a cursory glance reveals that there is more or less a consensus among them on the existence of certain elements and principles. Depending on his/her intention and priority one can always make another classification and highlight different elements under the name of NPM.

For several reasons this study concentrates on the elements identified by Hood, and refers to them throughout the thesis. Firstly, his elements relate to almost all the areas mentioned in the literature about the NPM. It is reassuring to be confident that the NPM we mention covers all the related elements and therefore it is comprehensive enough to represent the theory. Secondly, it is one of the earliest attempts to examine the theory and leave a blueprint for others to follow. Therefore its 'seniority' gives it weight. Thirdly, his seminal work is cited by many studies which are involved with the field, so it is safe to regard it as an established explanation of the NPM. Its wide spread acceptance gives it an authority for those who follow it. Finally, as stated, all four works mentioned above refer to same principles and ideas, so it seems that it is of no great import which particular explanation is followed.

Table 2.2: New Public Management Elements

Ranson & Steward	Hood	Osborne & Gaebler	Hughes
Customer Orientation	Stress on private sector styles of management practice	-Meet the needs of customers -Empower communities	*No equivalent*
Competition and use of quasi-market and markets	Shift to greater competition in public sector	Encourage competition	Market testing
Encouragement of private sector provision of service	*No equivalent*	Solve problems by making use of the market place	-Encouragement of private sector provision - Use of flexible conditions
Separation of the purchaser role from the provider role, principal-agent	Shift to disaggregation of units	Steering rather than rowing	Reducing government functions
Promotion of contracts or semi- contracts	Shift to greater competition	Steering rather than rowing	Market testing
Performance measurement	Explicit standards of measurement of performance	Fund outcomes not inputs	-Achievement of results -Performance measurement
Flexibility of pay and conditions	-Hands on professional management (autonomy) -Greater emphasis on outputs controls	-Be mission driven -Decentralise authority -Fund outcomes not inputs	Empowerment of managers
No equivalent	Greater discipline and parsimony of resource use	Concentrating on earning resources not just spending	*No equivalent*
No equivalent	*No equivalent*	Invest in prevention of problems, rather than cure	*No equivalent*

[Sources: Ranson & Steward (1994), Hood (1991), Osborne & Gaebler (1992), and Hughes (1994)]

Hood's[72] seven 'doctrinal components of new public management' demand a closer look. The first element Hood gives is '*Hands-on professional management*' which means 'active', 'visible', 'discretionary' control of an organisation from named persons at the top, 'free to manage'. The typical justification is that accountability requires the clear assignment of responsibility. Second, *'Explicit standards and measures of*

performance', signifies the definition of goals, targets, indicators of success. The justification for this element is that 'accountability requires clear statement of goals; efficiency requires a 'hard look' at objectives'. Third, '*Greater emphasis on output controls*, which means that resource allocation and rewards are linked to measured performance; i.e. a break-up of centralised bureaucracy-wide personnel management. This is justified by the need to stress results rather than procedures.

Fourth, '*Shift to disaggregation of units in the public sector*', meaning the break-up of formerly 'monolithic' units, operating on decentralised 'one-line' budgets and dealing with one another on an 'arms-length' basis. This element is required to create 'manageable' units, separate provision and production interests and to gain advantage of the use of contract or franchise arrangements inside as well as outside the public sector. Fifth, '*Shift to greater competition in public sector*' requires the move to term contracts and public tendering procedures. Therefore, the key issue is *rivalry* which brings lower costs and better standards. Sixth, '*Stress on private sector styles of management practice*' represents a move away from military-style 'public service ethic', greater flexibility in hiring and rewards and greater use of PR techniques. This is due to the need to use 'proven' private sector management tools in the public sector. Finally, '*Stress on greater discipline and parsimony in resource use*', which means cutting direct costs, raising labour discipline, resisting union demands and limiting 'compliance costs' to business. It is helpful to check the resource demands of the public sector and 'do more with less'.

What is the significance of the NPM in respect to, firstly the Next Steps initiative and secondly the Turkish civil service? The former part of this question is examined in this subsection, and the latter is pursued in the international dimension section. Regarding the first part, Table 2.3 summarises the correlation very well. The derivation of the six Next Steps elements is explained in Chapter IV. The comparison/contrast made in Table 2.3 does not claim to reflect the relations a hundred percent; it is, however, illustrative in pointing out the existence of the resemblance. However, this does not mean that elements of the NPM and the Next Steps mismatch or do not match at all. The Next Steps elements 1, 2 and 6, for instance, signify the same components mentioned on the NPM side, while element 5 of the Next Steps does not cover fully the 5th element of the NPM. Can we still draw a conclusion arguing that the Next Steps is 'the most important British manifestation' of the NPM? I assume the answer is 'Yes', because basic elements of the NPM are evident in the Next Steps. As Hood[73] states, the Next Steps does not have to contain all the elements of the NPM to be regarded as the NPM, because every

country may have its own version of the theory, stressing one or more of the elements identified by Hood or someone else.

Table 2.3: Comparison of the Next Steps and the NPM

Next Steps	New Public Management
Separation of Implementation and Policy-making Functions	Disaggregation of Units in the Public Sector
Empowerment of Chief Executive and Agency	Hands-on Management
Minimisation of Political Involvement of Politicians	* Efficiency * Output Controls
Promotion of Openness	* Efficiency * Explicit Standards * Performance Measurement
Creation of Common Culture	* Private Sector Techniques?
Focus on Targets and Performance-Related Pay	* Efficiency * Performance Measurement

The establishment of the correlation is important, not least for the reason that this gives us the basis for analysis of not only the literature published in the field but also its international character and historical background, which help understand its roots, and the environment in which it originated. Therefore, it would be relatively easy to figure out the general conditions and the rationale behind the elements of the British administrative reform attempt by looking at the similar conditions and rationale behind the NPM. Because the study is a comparative one between the UK and Turkey, this aspect gains an extra importance to the extent that we can establish a common ground to weigh and compare the two countries.

3-Critique of the NPM

As a prevailing administrative/managerial theory, the NPM has been an important element of the administrative reform attempts which have dominated the administrative structures of several developed countries since the beginning of the 1990s. The 1980s were a kind of intermediate period which facilitated the flourishing of the theory and witnessed a number of developments in public policy and administration. Concerns and

doctrines were all crystallised during the period and they had their roots in the history of public administration. As discussed, the roots and doctrines have accumulated through an evolutionary process shaped by certain deliberate events and coincidences[74]. In the same vein, we should not forget the discussion earlier in the chapter about the pressure and methods of reform which have determined the aspects to pursue in the public sector in general and in the civil service in particular. Therefore, firstly, we should consider whether the NPM is capable of bringing efficiency rather than the need for efficiency. Secondly, because the roots and elements of the theory were explained in the chapter, we should now take a critical look at the NPM.

As can be expected, a widely-accepted theory like this attracts a range of criticism from different segments of the society, from academics to practitioners, from tax payers to the person in the street. The view by Dunleavy & Hood[75] expresses these criticism in a simple manner. Table 2.4 shows the types and forms of the critique.

The table lists the arguments against the NPM, and provides possible remedies for the problems envisaged. As a negative view, *the fatalist critique* claims that the NPM does not have a real capacity to deal with the fundamental problems faced by public administration, and to mitigate human error, poorly designed programs, corruption and patronage. However, the critique does not suggest any remedy or alternative, but highlights the need to consider the possibility of whether the NPM can alter any existing misbehaviour or error[76]. *The hierarchist critique* focuses on the concern that the process of change should not get out of hand, and damage the overall manageability of the public service. The main worry is that a short-term focus on efficiency may undermine the importance of long-term developments in technology, education, research, and the environment. As Turner & Hulme[77] assert, the NPM might jeopardise the balance established in the societies of developing countries, where there may exist some inefficiencies but the actors and sectors are stable. This stability is usually more important than an increase in efficiency and effectiveness, because civil conflicts and unrest in societies are deadlier than the other factor.

The individualistic critique argues that the NPM is not enough to obtain the full benefits of the market and liberal economy. Therefore this view, with right-wing reference, regards the NPM as 'an unsatisfactory half-way-house' between the traditional public administration and a system which is based on full contracts and entrepreneurial spirit. The remedy is that all contracts should be market-based, purchaser-provider contracts should be open to litigation, and privatisation rather than corporatisation, should be implemented and performance related pay should be awarded to assign staff.

This critique is capable of generating a distinct reform agenda for NPM: an agenda built around markets and contracts.

Table 2.4: Critiques of New Public Management

Fatalist critique NPM cannot alter basic dilemmas of public administration or provide a free lunch *Remedy* None: but over-sell of management systems will be vulnerable to fatalist attack	*Hierarchist critique* NPM risks eroding system-wide cohesion, and putting the public sector out of control *Remedy* Strengthened central steering capacity, more obligations to consult, OCR not ACR contracts
Individualist critique NPM risks becoming a poor substitute for fully individualised contract rights *Remedy* More 'real' contracts rather than quasi-contracts, more privatisation rather than corporatisation stricter contract blacklists	*Egalitarian critique* NPM risks encouraging corruption, may suit personal interests of top official, weaken accountability *Remedy* More citizen empowerment, more anti-corruption machinery, extension of model employer role,

(Source: Dunleavy & Hood, "From Old Public Administration to New Public Management", **Public Money & Management** Vol.14/4, 1994, p.11)

The egalitarian critique, with pessimistic left-wing arguments, claims that the NPM paves the way for corruption and the promotion of self-interests. The pursuit by civil servants of both cost reductions and narrowly defined performance targets may lead to inappropriate (welfare-reducing) privatisations and a 'hiving-off' of functions and agencies. Eventually, this means the deterioration of service quality and a fragmented set of single service providers. Therefore accountability of these organisations is directed towards a 'new magistracy' rather than the citizens. In this vein, they argue that benefits of reform should be presented to citizens before large-scale reform attempts take place, and 'anti-corruption machinery' should be effectively put into place.

Although the critiques contrast with each other and reflect the views of certain groups and individuals, they are helpful in pinpointing the likely problems and weaknesses of the NPM. We do not have to reject the NPM as a 'package'; if we think it is helpful to a certain extent we can take it, make some adjustments and eventually use it

for our purpose. Besides, it is wise to keep in mind the weakness of the NPM in sorting out basic dilemmas of public administration, (the fatalist opinion): the risk of eroding system-wide cohesion, and putting the public sector out of control (the hierarchist view); the vulnerability of poor substitution for fully individual contracts, (the individualist notion); and the hazards of corruption, self-interests and lack of accountability, (the egalitarian sentiment). At the end, we can take a number of counter measures to balance the concerns expressed by these fourfold criticisms.

The 'side effects' noted by James[78] also deserve attention: first, "the increased use of private firms and semi-governmental bodies in delivering public services, increased the number and a lack of 'joined-up' working; ...(second), NPM increased competition within the public sector and between the public and private sectors, did not always motivate bureaucrats in the ways intended; ...(and third), ...NPM...was use of corporate units in the public sector, with more freedom from input rules, such as for staffing and budgets, but more targets for outputs. The focus on distinct units created barriers to joint working, including different systems of pay and conditions".

4-International Dimension

The discussion over whether the NPM is an international concept or an Anglo-Saxon phenomenon is pivotal for the study. If it is the former we can investigate the possibility of transferring the Next Steps to Turkey; if it is strictly the latter there seems little possibility to transfer the Next Steps to Turkey. Therefore the examination should focus on the extent to which the NPM is developed and applied in countries with certain social, political and economic conditions.

The best way to find out the answer to the question, I assume, is to look at the conditions, namely the elements, as mentioned in the section of the chapter relating pressure for reform, concerning the economic, political, and social atmosphere in which the NPM was born. Where, when, why, and how did the developments occur? It is true that the initial moves were made in the English-speaking countries, the UK, USA, Australia, Canada, and New Zealand, but it has extended to the rest of the world[79]. The political ideology, the New Right, was certainly an important element but another factor, the existence of an influential interaction between these countries, may explain the issue clearly. One can rightly assert that the interactions between Australia and the UK or the USA and Canada are far stronger than those between these states and Germany or France. It may not be so important whether a right wing party or a left wing is

implementing the NPM. As explained, today it is fairly difficult to differentiate the policies of Labour and Conservatives in the UK, or Democrats and Republicans in the USA. So we could even argue that the New Right and the New Left (Labour) tell us a similar story.

A look at the literature reveals some important clues. Hood[80], for instance, points out that the NPM is emphatically not a uniquely British development but has been a striking international trend in public administration over the last two decades. Osborne & Gaebler[81] use bolder language, claiming that 'entrepreneurial government' is a new 'global paradigm' emerging in contemporary public management. Though it is criticised by Hood[82] for not being open to reform its own organisation, the OECD, as an international agency, is committed to a 'common reform agenda' pursuing the requirements of the NPM to be implemented in all member countries[83]. Aucoin[84] mentions the 'internationalisation of public management', proposing that in almost every government with developed political systems and highly institutionalised administrations there is a new emphasis on the organisational designs for public management.

Related to the international character of the NPM, Minogue[85] identifies two kinds of problems in transferring NPM type reforms: first, "national administrative cultures are unique and distinctive, and in various ways resistant to the application of 'one best model' or blueprint; and second, the question whether NPM reform are even appropriate and effective in the originating countries". The first problem, cultural differences[86], is a general issue of transfer. In order to alleviate it, certain adaptations and reproductions can be considered. This issue is discussed in chapter VII, VIII and IX in detail.

Polidano's view in the transferability and workability of NPM reforms is worthwhile examining. He[87] discusses the NPM in developing countries and asserts that there is no single and 'once-and-for-all' conclusion indicating that the NPM reforms work in every developing country. Besides, some successful NPM implementations have been achieved by certain developing countries, such as Ghana, Pakistan and India. He[88] is confident that "reformers in the NPM would make much of the 'three Es'. Two more are needed: experiment and eclecticism. The search for solutions to the problems of government in developing countries requires open-mindedness and adaptiveness above all else". Therefore this thesis explores the Next Steps and the NPM and then determines the workability of the reform with or without adaptation.

Minogue *et al.*[89] are also critical of the NPM and its practicality. They assert that it is too simplistic to regard modern government as purely about efficiency, which is the major theme of the NPM; it is also about the relationship of accountability between the

state and its people who should not be treated merely as customers, but also as citizens[90]. For this purpose they[91] list four main components: *legitimacy* implies that a government system should operate with the consent of its citizens; *accountability* signifies that the people who practise public power should be also accountable to the public either through the media or other means; *competence* is essential if a government function is to be carried out; and *respect for law and protection of human rights* represents the use of not only legal but also legitimate power that should be fulfilled in the prescribed manner. The above concerns are of great importance for developing countries as they usually suffer from the lack of democratic practices and therefore more open to corruption and spoils. Concerns expressed in Table 2.4 and the list made by Minogue seem to resemble each other in terms of accountability, competence, and legitimacy.

What we have to emphasise is the question of whether the NPM is valid for developing countries as well as developed ones. Polidano *et al.*[92] argue in their book, Beyond the New Public Management, that developing countries are suffering from even a lack of basic structural elements, and therefore they need a reform to supply these elements so they can proceed and make use of the NPM. In other words, they do not have the basic infrastructure in order to progress. However, this is not the case with Turkey: its bureaucracy is inherited not only from the Ottoman Empire, but also results from knowledge acquired from the Seljuk Empire, the predecessor of the Ottoman Empire[93]. As explained in chapters VI, VII and VIII, Turkey does not suffer from lack of bureaucracy, but rather from too much bureaucracy.

The examination shows that the NPM is an international phenomenon, and not just 'English speaking'. This is a facilitative factor to transfer the NPM from the 'English speaking' world to developed and developing countries. Therefore, the NPM should possess no fundamental problems regarding its transfer to the Turkish civil service.

E-Conclusion

The chapter has examined the theoretical elements of administrative reform by dealing with the pressure for reform, conceptual underpinnings of reform, and the NPM and 'beyond'. It found, therefore, that the evolutionary process, which started with the 1970s economic crisis, has affected not only structural (physical) elements of the governments but also the idea of what constitutes the role and the burden they undertake. Initial economic concerns catalysed by political and social realities have directed governments to consider their positions and priorities.

The chapter reached five basic conclusions. First, reform informed by the NPM is an international phenomena and not only an 'English speaking' one. Though it was initiated and contributed in the 'English speaking' countries, it has extended to the rest of the world. Second, the NPM is transferable to other countries. Because the NPM is a 'loose' concept, comprising seven or so elements, it leaves countries a great room for manoeuvre in designing their type of NPM. Therefore it is relatively easy to transfer it to other countries where public administration varies in terms of values and structures. Third, the Next Steps agencies reform is the most important British manifestation of the NPM. It displays a number of similarities with the NPM. Fourth, a public sector reform is inevitable. Developments in the administrative structures of developed and developing countries for the last two decades or so, the requirements of the EU, and Turkey's own conditions have shown that there is an urgent need for reform. Fifth, a possible reform is most likely to gain public support due partly to the pressure towards the politicians to reform the civil service, and partly to the possibility to join the EU which requires a radical reform. The above five conclusions are also reviewed during the thesis, especially chapters VII and VIII deal with them in detail.

In the light of these conclusions, the remaining of the thesis involves three broad emphases. Firstly, the study will examine the British and Turkish civil services according to the elements derived from the NPM and the Next Steps (see Table 2.3). The seven NPM elements and the six Next Steps features constitute the criteria to evaluate Turkey and Britain. Therefore, this study puts more emphasis on certain NPM elements than others, for instance disaggregation of units, hands-on management, and efficiency. These three elements are also consistent with the hypothesis, which was outlined in chapter I. Besides, the relation between the Next Steps and the NPM highlighted in the chapter (as the former being the most important manifestation of the latter) also facilitates this comparative research by materialising the NPM experience of certain countries in evaluating the Next Steps. Secondly, the public choice arguments seem to provide a solid ground to discuss the features of the British and Turkish civil services. Therefore, the motives and goals of public policy actors such as civil servants and politicians are closely questioned especially during the empirical examination. Lastly, the trends Turkey and Britain are witnessing now are taken into account to find out whether they followed and will follow a similar pattern which has been outlined in this chapter involving a shift from the Weberian bureaucracy towards the NPM.

[1] Hood, C. 1991, "A Public Management for All Seasons?", **Public Administration**, Vol. 69/1
[2] Hood, A Public Management, p.7
[3] Caiden, G.E. 1991, **Administrative Reform Comes of Age**, New York: de Gruyter
[4] Foster, C.D. & Plowden, F.J. 1996, **The State Under Stress**, Buckingham: Open University, p.3
[5] Zifcak, S. 1994, **New Managerialism: Administrative Reform in Whitehall and Canberra**, Buckingham: Open University Press,
[6] Flynn, N. 1997, **Public Sector Management**, Bodmin: Printice Hall/ Harvester Wheatsheaf, 3rd edit. pp.28-30
[7] Farnham, D. & Horton, S. 1996a, "The Political Economy of Public Sector Change", in Farnham, D. & Horton, S. (eds), **Managing the Public Services**, London: Macmillan, 2nd edit. p.9
[8] Hennessy, P. 1990, **Whitehall**, London: Secker-Warbung, p.121
[9] Cited in Farnham & Horton, The Political Economy, p.10
[10] Gamble, A. 1994, **The Free Economy and the Strong State**, London: Macmillan, p.15
[11] Farnham & Horton, The Political Economy, p.10
[12] Hughes, O.E. 1994, **Public Management & Administration**, London: Macmillan, p.10
[13] The riot and the referendum held in California in 1980 was a landmark event for the raise against tax increases (**BBC2, People's Century**, 27-02-1997)
[14] Pollitt, C. 1993, **Managerialism and the Public Services**, Oxford: Blackwell, 2nd edit. p.84
[15] Guler, B.A. 1996, **The New Right and Change of the State** (in Turkish), Ankara: TODAIE, pp.47-49
[16] Gamble, The Free Economy, p.15
[17] Manning, N. 1996, "**Improving the Public Service**", Unpublished Paper, London: Commonwealth Secretariat, p.13
[18] Hoskyns, J. 1983, "Whitehall and Westminster: An Outsider's View", **Parliamentary Affairs**, Vol.36/2, p.140
[19] Hughes, Public Management & Administration, pp.16-8
[20] Hood, A Public Management, p.6
[21] Niskanen, W. 1971, **Bureaucracy and Representative Government**, Chicago: Aldine Atherton
[22] Müller, D. 1989, **Public Choice II**, London: Cambridge University Press
[23] Buchanan, M. 1975, **The Limits of Liberty**, Chicago: Chicago University Press
[24] Hayek, F.A. 1979, **Law, Legislation and Liberty**, London: Routledge & Kegan Paul
[25] Friedman, M. 1962, **Capitalism and Freedom**, Chicago: Chicago University Press
[26] Gamble, The Free Economy, p.35
[27] Farnham & Horton, The Political Economy, p.12, and King, D.S. 1987, **The New Right**, Hong Kong: Macmillan, pp. 63-65
[28] Pollitt, Managerialism and the Public Services, p.44
[29] Haggard, S. & Kaufman, R.R. 1992, "The Politics of Economic Adjustment - International Constraints", **Distributive Conflicts and the State**, Princeton University Press, p.136
[30] Güler, The New Right, pp.79-80
[31] World Bank, 1993, **Financial Sector Adjustment Loan- Project Completion Report**, No: 12385, p.136
[32] Common, R. 1998, "The New Public Management and Policy Transfer: The Role of International Organisations", in Minogue, M. *et al.*(eds), **Beyond the New Public Management**, Cheltenham: Edward Elgar, p.61
[33] Bird, G. 1994, "Changing Partners: Perspectives and Policies of the Bretton Woods Institutions", **Third World Quarterly**, Vol.5/3, p.487
[35] Meyer, G. 1999, "**Impact of Structural Adjustment on Small-Scale Manufacturing in Cairo**", Paper presented to the Third Tri-ennial EURAMES Conference, Ghent, September
[35] Dowding, K. 1995, **The Civil Service**, London: Routledge, pp.129-52
[36] For a detailed analysis, and developments see chapters VII and VIII
[37] Farnham, D. & Horton, 1996b, "**Managing Private and Public Organisation**", in Farnham, D. & Horton, S. (eds), pp.25-6
[38] Hughes, Public Management & Administration, pp.5-6
[39] Massey, A. 1993, **Managing the Public Sector**, Cambridge: Edward Elgar, p.12
[40] Lane, J.E. 1995, **The Public Sector: Concepts, Models, and Approaches**, London: SAGE, 2nd Edit. pp.194-8
[41] Hughes, Public Management & Administration, p.66
[42] Flynn, Public Sector Management, p.2
[43] The recent discontent about the sharp increase in oil prices in the UK and the campaign 'dump the pump' also prove the lively concern about the issue. See the Papers: **The Times, Guardian and Independent** on 01-08-2000.
[44] Hughes, Public Management & Administration, p.1
[45] Flynn, Public Sector Management, pp.102-3

[46] Hood, A Public Management, p.4
[47] Hogwood, B. 1994, "A Reform Beyond Compare? The Next Steps Restructuring of British Central Government", **Journal of European Public Policy**, Vol.1/1, p.77
[48] Gray A. & Jenkins, B. 1995, "From Public Administration to Public Management: Reassessing a Revolution?", **Public Administration**, Vol.73/1, p.79
[49] Massey, Managing the Public Sector, p.17
[50] Deakin, N. & Walsh K. 1996, "The Enabling State: The Role of Markets and Contracts", **Public Administration**, Vol.74/1, p.33
[51] Efficiency Unit, 1988, **Improving Management in Government: the Next Steps**, London: HMSO
[52] Campbell, C. 1995, "Does Reinvention Need Reinvention?: Lessons from Truncated Managerialism in Britain", **Governance**, Vol.8/4, 484
[53] Osborne, D. & Gaebler, T. 1992, **Reinventing Government**, Reading: Addison - Wesley, pp.76-107
[54] For instance, Greenaway, J. is concerned about the uncertainty Market Testing brings to civil servants as to their future in bureaucracy ("Having the Bun and the Halfpenny: Can Old Public Ethics Survive in the New Whitehall?", **Public Administration**, Vol.73/3, p.367
[55] Hood, C. 1995, "The New Public Management in the 1980s: Variations on a Theme", **Accounting, Organisations and Society**, Vol.20/2-3, p.94
[56] Massey, Managing the Public Sector, p.192
[57] Walsh, K. 1995, **Public Services and Market Mechanism**, London: Macmillan, p.26, and Pollitt, C. 1995, **Management techniques for Public Sector**, Canadian Centre for Public Management, pp-1-2
[58] Hood, A Public Management
[59] Aucoin, P. 1990, "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and Pendulums", **Governance**, Vol.3
[60] OECD, 1991, **Serving the Economy Better**, Occasional Papers on Public Management, Paris: OECD, p.11
[61] Hood, A Public Management, p.5
[62] Hood, A Public Management, p.5
[63] Aucoin, Administrative Reform in Public Management, p.115
[64] Niskanen, Bureaucracy and Representative Government
[65] Hoggett, P. 1996, "New Models of Control in the Public Service", **Public Administration**, Vol.74/1, pp.17-20
[66] OECD, Serving the Economy Better
[67] Hood, A Public Management, p.4
[68] Hood, A Public Management, p.4
[69] Ranson, S. & Steward, J. 1994, **Management for the Public Domain**, Hong Kong: St. Martin's Press
[70] Osborne & Gaebler, Reinventing Government
[71] Hughes, Public Management & Administration
[72] Hood, A Public Management
[73] Hood, A Public Management
[74] Foster & Plowden, The State Under Stress, pp. 43-4
[75] Dunleavy, P. & Hood, C. 1994, "From Old Public Administration to New Public Management", **Public Money & Management**, Vol.14/4, pp. 10-13
[76] Turner, M. & Hulme, D. 1996, **Governance, Administration and Development: Making the State Works**, Basingstoke: Macmillan, p. 233
[77] Turner & Hulme, Governance, Administration and Development, p.235
[78] James, O. 2001, "Beyond the 'New Public Management': regulated Partnership in the UK", in Byong-Man, A, Halligan, J. & Wilks, S. (eds), **Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea**, Forthcoming Book
[79] Ferlie, E. *et al.* 1997, **The New Public Management in Action**, Oxford: Oxford University Press, p.16
[80] Hood, A Public Management, p.4
[81] Osborne & Gaebler, Reinventing Government
[82] Hood, C. 1998, **The Art of the State: Culture, Rhetoric and Public Management**, New York: Clarendon, p.204
[83] OECD, 1995, **Governance in Transition- Public Management Reforms in OECD Countries**, Paris: OECD, p.7
[84] Aucoin, Administrative Reform in Public Management
[85] Minogue, M. 2000, "Should Flawed Models of Public Management be Exported? Issues and Practices", **Public Policy and Management Working Paper**, No: 15, IDPM, Manchester University
[86] On the cultural differences – and a more sceptical note about transfer see: Pollitt, C. & Bouckaert, G. 2000, **Public Management Reform**, Oxford: Oxford UP, pp.52-4

[87] Polidano, C. 1999, "The New Public Management in Developing Countries", **Public Policy and Management Woking Paper**, No: 13, IDPM, Manchester University, p.21

[88] Polidano, The New Public Management, p.22

[89] Minogue, M, *et al.* 1998, "**Introduction**", in Minogue, M. *et al.*

[90] Massey (Managing the Public Sector, p.192) also thinks in the same way.

[91] Minogue *et al.* Introduction, p.5

[92] Polidano, C. 1998, "**Conclusion: Looking Beyond the New Public Management**", in Minogue, M. *et al.* (eds)

[93] Aykac, B. 1990, "Merit Principle in Personnel Administration" (in Turkish), **Public Administration Journal**, Ankara, Vol.23/4. p.102

CHAPTER III

THE BRITISH ADMINISTRATIVE REFORM EXPERIENCE SINCE 1979

A- Introduction

This chapter aims to produce a distinctive analysis of the British administrative reform experience since 1979. In examining the second condition of the comparison, 'situation in the original country prior to the introduction', this chapter plays a crucial role by setting up the convenient ground for empirical investigation. Therefore, the chapter explores the recent British administrative reform initiatives by evaluating not only the historical elements but also the rationale behind the ideas of reform.

Chapter I clarified the comparative approach noting that it is essential to find out the experience of Britain in the last two decades or so and accordingly to search possibility of transfer of certain ideas and reforms to Turkey. This chapter will, therefore, identify the main characteristics of the British civil service prior to the Next Steps, and help set up questions for the empirical study of the case in chapter V, the Vehicle Inspectorate Executive Agency will be dealt with.

The chapter involves the period 1979–1996, the era covering almost the full period of Conservative governments. So the examination deals with both the period prior to the Next Steps and the developments which have taken place after the initiative was established.

The chapter consists of eight main parts. After this introductory part, secondly, the study examines the nature of the British civil service exploring the characteristics of it at the beginning of the Conservative term of the office. Thirdly, the reasons for reform in the British experience will be spelled out to understand the motive in introducing the reforms. Fourthly, the direction of reform will be dealt, and the role of state and reform priorities will subsequently be questioned. This allows the study to clarify the necessity for further reforms and examine the administrative structure until the end of 1996.

Fifthly, since 1979, significant developments in the British civil service will be summarised. This also would help us to identify the implicit and explicit origins and original ideas of reforms in general. Sixthly, since the chapter's main focus is on the Next Steps in particular, the reasons for the success of the Next Steps Agencies will be evaluated. The review will be fairly brief, because more detailed discussion will be conducted in the following chapter.

Seventhly, as a logical extension of the previous part, the chapter will draw brief comparative lessons such as what aspects of the British experience are most relevant for comparison with Turkey; the similarity of the problems; and the methods of change used. Finally, the conclusion will review what the chapter discovered for comparative purposes, and their implications for the succeeding chapters.

B-The Nature of the Civil Service

Comparative method in public administration is used as a reliable means of gaining a clear insight into civil service. The comparison across-time in a country and across-nations are the ways which are widely used in practice. At the same time these methods can be used on a mixed basis: comparison can simultaneously be made in an across-time and nations basis[1]. As chapter I indicated, this study uses the mixed method: it looks at the major characteristics of the British system both in the historical and in the contemporary dimensions. It is very important to know the situation in 1979 in elaborating the idea of reform and eventually drawing lessons from the changes.

Until the 1980s the role of the British bureaucracy could be characterised as serving the welfare state to the extent that it had focused on distribution of certain social security and economic services to the public. The priority was given for social services after WWII by the Attlee government and was accompanied by the nationalisation of major utilities and private sector assets under the guidance of Keynesian approach to the economic and social parameters. Starting her first term in the office, Mrs Thatcher found a civil service system that was hierarchical, recruited through open-competition, based on merit, neutral, anonymous, and containing a number of around 700,000 civil servants[2]. Although a number of academics, and politicians (for instance Mrs Thatcher) accused the civil service for being responsible for the relative economic decline of Britain, some others admired the British civil service as one of the best examples in the world.

Regarding the major characteristics, the British civil service system has been a very good example of the classical Weberian bureaucracy by exhibiting its features for a century or so. The professional British civil service was established after the Northcote-Trevelyan report of 1854; the Fulton report of 1968 describes the home civil service as fundamentally the product of the nineteenth-century philosophy of the Northcote-Trevelyan Report[3]. Although the report's recommendations were not implemented immediately and wholly, it was a turning point in the public administration history of Britain in creating a professional civil service.

The British civil service had a carefully defined hierarchical form, in which civil servants possess clearly separated duties and a career structure. The working order of the system was very simple: civil servants were recruited by an independent selection board which sought to choose intelligent, successful and self-confident candidates who had sufficient general knowledge to run variety of tasks.

Every feature in the British civil service has had a different evolutionary background. Permanence, for example, has grown up by the idea of separation between politics and administration since 1830[4]. This principle requires the fulfilment of administrative jobs by professional staff who can tackle diversified tasks in policy areas as well as day-to-day business. This feature of the system was identified as one of the key characteristics of the classic Weberian bureaucracy.

Regarding the feature of impartiality that assumes civil servants to be the servants of the Crown with an interest that is above the party politics and their willingness to serve the government of the day. This feature makes sure that continuity in the civil service is endured from one party, with entirely different views, to another[5]. For instance, in 1979, when the Conservatives took the office, they found the civil service ready to collaborate with them. Theoretically, civil servants do not have any political arguments against their political masters, but in practice they might do. On the other hand, neutrality does not mean that civil servants do not involve in policy making or advising politicians, but, like chameleons, they "change colours as governments change"[6].

The principle of impartiality is linked with that of anonymity. In theory, ministers decide and are answerable for policy to the parliament. Therefore civil servants act as the agents of the ministers, but ministers get blame or praise for their departmental activities. Again the convention of ministerial responsibility and the anonymity of civil servants were valid in the British civil service at the beginning of the 1980s[7]. When the Conservatives were in office, in the pre-Next Steps period, a number of incidents occurred challenging to this feature, but considering the amount of controversy, the principle was still in operation[8].

The British civil service was a career for civil servants. Promotion was based on seniority, achievement, or both, and depended on the judgement of superiors[9]. Merit principle had been valid since the Northcote-Trevelyan report. Officials are recruited through selective and competitive exams performed by an independent board of examination.

In contrast to the classic Weberian bureaucracy[10], at the beginning of the 1980s, the British civil service delivered relatively few services directly to the public so some

scholars called it as 'supervisory bureaucracy' with standard bureaucratic characteristics. The Health service, for example, is not operated by civil servants, although the head of the service is a Secretary of State[11]. The same thing is valid for education: local governments have the basic responsibility for education and teachers are not civil servants. What is more, the British civil service is not a 'representative bureaucracy'[12]; civil servants usually came from an elite of middle-class, young men, who were Oxbridge graduates.

C- Reasons for Reform

Mrs Thatcher was a distinctive Prime Minister to the extent that she influenced the British public bureaucracy more than her post-war predecessors. She was determined on tackling the civil service and public sector institutions in order 'to put them in order'. During her term of the office, in broader terms, three main factors played crucial roles in introducing reform initiatives to the civil service. Hoskyns' argument characterises the first reason for the civil service reform. He defined the civil service as too 'agnostic'[13]. This factor, in fact, was a response to the poor performance of the service, because increasing criticism in the community regarding the size and the role of the government had to be recognised by the politicians (remember 'the reasons for reform' section of chapter II). As Hoskyns asserts[14] 'the lack of radicalism in the civil service' is the starting point to understand the reasons for criticism, because it requires intense effort to establish objectives: in particular, the distinction between 'want' objectives and 'must' objectives. Hoskyns[15] further argues that radical thinking must be accompanied by an adequate methodology and by strategy. He adds that "since the civil service's prestige had sunk since the 1950s, 'fear' was a powerful influence on the thinking of many of its members: fear of looking foolish; of breaking the rules; of setting a precedent; fear of anything which diminishes the importance of their present expertise"[16]. In addition, civil servants feared having their advice rejected by ministers: when advice is accepted, they score a mark; if it is rejected, they lose face. Consequently civil servants either seek to get their way by deception, or they tailor the advice to suit the minister (see 'identity of reformers' section in chapter IV for Mrs Thatcher's view). Besides, he asserted that the general calibre of ministers is normally low: their irrelevant experience had contributed to 30 years of policy failure. As a result, the civil service had to deal with the job of damage limitation, of making ministers look better than they really are. So the quality of Whitehall declined since World War II. Meanwhile, The 'Official Secrets Act' and the

Thirty Year Rule ensured that the peacetime fiascos and misconduct of actors are hidden from the public[17].

He suggested four changes which could prevent further failure in the post war era[18]. First, the Prime Minister should have the right to choose her ministers outside the career politicians in Westminster. Secondly, Whitehall must be organised not only to deal with day-to-day political survival, but with strategy and innovation. Thirdly, adequate numbers of outsiders could be brought into the service. Finally, ministerial workload must be reduced.

The second reason for the civil service reform in the 80s was a response to the relative industrial decline of the country since World War II. Therefore, Mrs Thatcher saw the public bureaucracy as a tool to reach her goals[19]. She believed that[20] "economic matters must be concentrated on, not because economic well-being itself solve all problems, but because it is very difficult to solve them without it".

In fact, the civil service had to undertake the responsibility for preventing the relative industrial decline of British industry. According to Wilks[21] there were four sets of influential and interrelated factors. The four factors were stated as: "first, the extent of business autonomy; second, the ambiguous nature of public authority, which can be labelled a 'weak state' tradition; third, the importance attached to the internationalisation of capital: and fourth, the workings of 'adversary politics'"[22].

The government was reluctant to intervene in business due to the concern for autonomy, but the business was also very keen on its rights and freedom. However, certain other developed countries in Europe, Germany and France for example, have enjoyed a partnership between government and industry. In Britain, the industrialisation was achieved by the industry itself without active involvement of the government[23].

The second factor was, as Wilks says, "the other sign of the coin of company autonomy and relates to the philosophy of public authority"[24]. In the Anglo-Saxon tradition, the concept of 'state' has a different meaning from other countries. In other words, Britain has not had a 'strong state' tradition and completed her transformation smoothly without any revolution or whatsoever from a feudal and aristocratic social order to a modern society. The British state tradition was based on the liberal philosophy of free association, consent and inalienable individual rights. Although, to some extent this is an adequate structure, the idea hampered the restructuring of government industry relations introduced by reform-minded officials and governments[25]. With this nature, the public authority failed to provide necessary ground for the improvement of the British industry.

The third set of factors defined by Wilks[26] was the internationalisation of financial and big industrial capital. Early industrialisation and its global empire provided Britain with a distinctive position to accommodate an international finance centre in the City of London. Having a finance centre is an amazing opportunity for a country, but it might have certain other effects, for example the 'overseas capital' has got an influential lobby to influence the Treasury, the Bank of England and the government. What is more, interests of the 'overseas capital' and the domestic economy are often in conflict. So, in this sense, the foreign finance does not bring prosperity for British manufacturing industry. Besides, the issue of multinational corporations signifies another controversial point: on the one hand, they provide new jobs and contribute to national export: on the other hand, their primary loyalty is to their own multinational network not to Britain[27].

The fourth factor to explain the relative decline of the British industry was the 'adversary politics' in Britain[28]. The two party system based on an ideological opposition between the parties caused serious harm to British industry. Neither party attempted to progress towards consensus politics and an agreed and 'reasonable' approach to structural adjustment, of the role of the state in the economy, and market, of competitiveness, etc. Based on class party's doctrine and ideology, industrial policies were determined by unskilled and misguided party officials, and endorsed by the party conferences. Consequently, these policies could not be implemented, causing waste of enormous amount of money, labour, and time of the country, whereas economic rivals of Britain were growing rapidly[29]. Relative industrial decline directly generated reform pressures such as fiscal crisis, political motives and concerns about economic competitiveness. These were discussed in the preceding chapter in detail.

The third major reason to drive changes in the British civil service was caused by the neo-liberal ideology of Thatcherism. First of all, Mrs Thatcher has been a true believer of the New Right ideology which advocates 'free market economy and strong state'. Midwinter[30] states that the theoretical basis for the New Right Movement consists of three aspects of economic theory: economic liberalism; which argues that markets provide the best mechanism for individuals to maximise their welfare; monetarism, which is a very effective way of keeping the inflation under control by the government; and public choice, which applies economic concepts to the analysis of politics.

Mrs Thatcher followed liberal policies towards the economy and public sector. The convenient environment amongst the British public to accommodate neo-liberal economic ideology is worthwhile examining. In broader terms, Keynesian economics had existed for several decades but was confounded by stagflation, paving the way for the

influence of the monetarist economics. Within the Keynesian paradigm, government was regarded as a force for the state to intervene in the economic and social advancement[31]. The Keynesian economists believed that it is necessary for the state to intervene in market to provide public goods and to moderate the effects of uncontrolled market. The Conservative Party was convinced by the idea that the government should no longer engage actively in demand management. Rather, the market economy was best to correct itself. So the government's first expenditure White Paper[32] was a clear indicator of these beliefs. For this purpose, the government announced that inflation would be attacked by controlling the rate of monetary growth and by reducing the PSBR.

D- Direction of Reform

As explained in chapter II, the British experience of reform in the last two decades has reflected the neo-liberal idea of the role of state. Economic and financial crisis and the failure of Keynesianism in the economic and political arena were three factors to transform the British state from welfare orientation to 'liberal enabling' roles.

Keynesianism was based on the ideas of John Maynard Keynes[33] who focused on macro economic behaviour (that is the behaviour of the economy as a whole) and not on micro economic behaviour. He observed that supply and demand signals produced by market forces make sure that they are sufficient for micro economic activity and to proceed smoothly if aggregate effective demand was properly sustained. Therefore, full employment is a necessary factor to ensure that aggregate demand is sustained. So government regulates the economy through providing the necessary fiscal stimuli by way of government spending but it has to avoid creating more demand that is needed by the economy not to be causing inflation. The relations between employment levels and prices were formalised in 'the Philips curve' which indicated that high unemployment was associated with low inflation and *vice versa*[34].

Nevertheless, the 70s witnessed the reversal of the 60s economic trend: inflation increased dramatically, unemployment reached levels unseen since the Great Depression, the dollar value of the pound declined significantly and the balance of payments situation worsened[35] . The decade also saw the evolution of the cash limits and the squeezed departmental budgets. Consequently, it was a sign for Treasury to enhance cost awareness in government[36] . And the more important thing than these was the emergence of stagflation and invalidity of 'the Philips curve'. This is the context within which the New Right liberalism developed. The idea of the 'liberal enabling state' was gradually

established by the government. 'Rolling back the frontiers of the state', and 'reducing waste and bureaucracy' were the expressions used by Mrs Thatcher as to turning the state to its basic functions. She wanted to diminish the role of the state in the economy, but, at the same time, she advocated a strong state to carry out its functions properly and to facilitate working order of the market.

Since Mrs Thatcher came to the power, 'market' and 'market principles' have widely been regarded as the means of tackling the problems of the country. In fact, the application of market mechanism to the running of public service organisations has been introduced as a major feature of the NPM[37]. Throughout the mid 80s and 90s the changes in public management have been dominated by the attempts to reduce its responsibility for the direct provision of services and to move towards an 'enabling' role. It has been proposed that the traditional bureaucratic system should be replaced by market-based systems of management.

It is worthwhile to mention about market methods which can be deployed to transform the role of the state from 'provision' to 'enabling'. These methods represent a broad continuum from pure market model to entire government control. By and large, there are five techniques[38] which have been commonly used to deal with the problem of orientating managerial techniques to public sector: introducing user charges for services; opening services up to competitive tendering or putting work out on a contract basis; introducing internal markets; developing financial control; and establishing parts of the organisation on an agency basis. The techniques are not entirely independent of each other: sometimes they complement one another, and sometimes, two or more techniques are used at the same time.

Contrary to the classic economic theory, which argued that it is impossible to price public services and to identify users because they are 'public goods', latest attempts have insisted that charging for public services is a method of assessing prices and specifying users of public services. New technology also might make the pricing of services more feasible, for example through the measurement of building and of maintaining roads. Even in some cases where there is need to redistribute income, the price mechanism can be used through certain other means such as vouchers. Certain arguments can be made for charging: e.g. this method prevents waste and mis-allocation of resources, if a service is free, people would use more than they would be willing to pay; without it, politicians and bureaucrats would expand the supply of services beyond the levels that would prevail in a price-governed market; and the availability of prices and charges brings transparency to the political system. On the other hand, there are

some opposite views against charging for public services, for example, some vital services should not be charged; charges may also be inappropriate where they are low relative to the costs of collection; and, the application of charging may lead to undesirable patterns of usage[39] . Rose[40] estimated that about 75 per cent of public services were amenable to charging. Nevertheless charging as a means of introducing market mechanism for the management of public services in the UK has been relatively limited.

The second method, contracts and competition, is more radical than the first one, because it necessarily changes the characteristics of the relations in a sense that contracting method brings clearly separated roles of principle and agent and requires more explicit property rights. A public organisation, as client or purchaser, contracts with providers or contractors of the service. Therefore the organisation exercises certain amount of control to make sure that services are fulfilled properly and conditions of the contract are met successfully. Contracting out can cover a broad area from professional services such as law, accountancy and finance to manual work such as refuse collection, and office and street cleaning[41] . This method also contains certain arguments: it prevents the public choice phenomenon of lobbying for bureaucratic expansion by diminishing their roles in the process; it enriches opportunities for quality control; it is a force for transparency of funding; and it promotes competitive pressure upon public and private organisations. On the other hand, it is a difficult method to implement and needs skilled staff to prepare contracts, to advertise, to reward contractors, to supervise implementation, and to assess outcomes: the whole area of transaction costs[42] . So, the British public administration deployed this technique widely to increase efficiency and effectiveness through introducing competition to the public organisations.

The development of internal markets, as a third technique, has been one of the significant managerial changes in British government. By separating purchaser and provider roles of the organisations, the government planned to urge the public sector to increase their efficiency. In other words, it is a method to apply values of market mechanism to the hierarchical structure of public bureaucracies. Walsh[43] clarifies three key features of the internal markets as "the creation of explicit and separate roles of purchase and supply sides of services; the establishment of internal quasi-contracts and trading agreements between these separate roles; and the development of charging and accounting systems".

In Britain, two examples are very important in the everyday life of an ordinary citizen: the National Health Service and the schools. These two examples show the

diversity of the cases and possible differences of implementation. The diversity depends on using the price mechanism as a means of decision making over the levels of production and consumption. In the NHS, price was rarely used at first for the majority of services which were provided under contracts. Regarding the degree of regulation over purchasing, the NHS has had a relatively strict control, while the schools have enjoyed the freedom to choose service providers[44].

The method has certain advantages: it paves the way for greater efficiency; it creates a transparent environment for outsiders and insiders; it is a golden opportunity to increase efficiency for those public organisations which are hierarchical and not amenable to private suppliers, so sceptics about the private supply can be persuaded about the virtues of the market methods. In other words, this method is conducted in a hierarchical system and therefore it contains the advantage of playing under the existing roof, while promoting a market-based competitive system. On the other hand, since the services should be dealt with one by one, some people might complain about a lack of pattern; the method might also contain difficulties in it, for example how to specify the quality and quantity of service to be provided, and how to resolve conflicts.

The technique of separating managerial and political work is the final market method to be implemented. There are two main ways of the separation: devolution of financial control to managers at lower levels of the organisation, and the establishment of internal agencies within the public service, operating as relatively autonomous units[45]. The case for devolved control is that it lessens the domination of producers. Service providers can be given independence, having the right to control their own budgets, and, possibly, competing with each other to meet targets of the organisation. Therefore, one fundamental issue is the provision of necessary resources to the public units, the following words illustrate this: as a budget-holding NHS clinical director said: "the worst restrictions on us aren't to do with rules, they are to do with limited resources"[46]. The control over an organisation is exercised through clear performance-based regimes. In Britain, for example, performance-based pay has become increasingly common in the public service, especially at the higher levels. The Financial Management Initiative in the central government and the Resource Management Initiative in the NHS were conducted as examples of devolved control[47].

The dichotomy between policy and operational functions is the basic standing point of the agency structure. In Britain, the Next Steps initiative exposes one great example of the method in increasing efficiency, and introducing market techniques to the public sector. The issue is discussed in detail in chapter IV. This method functions as a

convenient environment for promoting efficiency by eradicating over-control and interference of the centre. An agency is launched to implement certain tasks of the department, while the department retains the power of policy making and ensures that the agency performs its responsibilities properly.

E- Most Significant Changes

It is believed that, when she entered the office Mrs Thatcher did not have a clear cut reform plan for the civil service[48], but a 'strong dislike and distrust'[49]. She seemed to know what to achieve, but did not seem to know how to do it. In simple terms, she believed that the private sector is dynamic and efficient, while the public sector is passive and wasteful. On the practical side, her concentration was on three related elements: first, cuts in the civil service personnel; second, attacks on waste; and third, the introduction of private sector management methods to the public sector.

The government introduced cash planning which provided the tools through which permanent pressure could be imposed on costs, especially on pay and on employment. In fact the reduction in personnel complemented cash limits. The reduction in the number of civil servants was the first step in this direction[50]. In July 1980, the government announced a cut by 100,000 from civil service in four years. By 1986, the size of the civil service had been reduced from 732,000 to 594,000, making it the smallest since World War II[51] . Of course the entire reduction was not made only by redundancies but some of them made by retirement, and by changing the nature of the work. The second point related to the civil service cut was the issue of civil service pay. In 1980, due to the hostile approach of the government towards the civil service, a big scale strike was on its way. In addition, the government took the offensive withdrawing from pay negotiations and refusing to go to arbitration. Finally the government managed to defeat it, but this caused controversy and raised questions over the success of the government to achieve reform.

The second element was the attacks on waste. In 1979, Sir Derek Rayner was appointed to head the Prime Minister's Efficiency Unit. He had been successful in reducing costs and fighting with waste in Marks & Spencer. By appointing him Mrs Thatcher hoped that he could gain the same results in the civil service.[52]

Lord (then Sir Derek) Rayner tried to create an efficient civil service through applying some business, or say, universal management principles to the public sector. As 'a remarkable and wonderful person'[53], Rayner, had the Prime Ministerial support to

carry out his reform attempt. Hennessy[54] defined Raynerism as a belief that 'the two most important instruments are money and people, the single greatest enemy is paper, the tyranny of the past'. Three principles, identified by him[55], summarise the initiative very well:

- Do not create a bureaucracy to defeat a bureaucracy;
- Do not attempt to put everything right; and
- Involve those who have to implement reform in proposing the necessary changes.

To mobilise these principles, to promote scrutinies rather than conduct them, and in the multi-national involvements, to co-ordinate scrutinies and to compromise argument, a small organisation was launched. Secondly, the initiative identifies both short term and long term expectations to meet. In short term, the attempt aimed to make some savings through eliminating waste and reducing implementation costs. In long term, the programme proposed to change the culture of the civil service through injecting managerial goals which would dominate the agendas of the 80s and the 90s[56]. Finally, he believed that to a large extent, reform had to be an internal process. Large scale changes could not be imposed from outside, but required support within the system to orientate towards new situations[57]. In Rayner's own words: "The reasoning behind the scrutiny programme is that Ministers and their officials are better equipped than anyone else to examine the use of the resources for which they are responsible"[58].

The initiative achieved great deal of money savings through reconsidering the reasons for doing a particular activity or re-examining the methods used in those activities. Small teams asked radical questions by focusing on particular aspects of their departments' work and reviewing whether it is being conducted in the most efficient manner. The questions were: 'Why is this work done at all? Why is it done as it is? How could it be done more efficiently and effectively at less cost?'[59].

Between 1979 and 1985, 266 reviews were scrutinised identifying annual saving opportunities of £600m with an additional £67m of one-off savings[60]. However, an Efficiency Unit report noted that in most cases it took at least two years or more to conduct those savings. By April 1986, over £1 billion with scrutiny cost of £5m was saved. The result was quite successful. In addition, the initiative had certain qualitative results such as changing the emphasis from effectiveness to efficiency, and applying managerial approach to the public sector. For this reason, Rayner termed the effect as 'lasting reforms'[61] . It aimed not only money savings but proposed to alter the culture of the civil service: civil servants should gain the habit of reducing costs of their work. So,

Rayner Scrutinies was a major step towards managerially driven reforms of the successive years.

In Britain, the second attempt to introduce managerialism to the public sector in the Thatcher era was the Financial Management Initiative (FMI) which was regarded as an extension of the scrutiny programme on a broader front to achieve savings. It was established by the White Paper, 'Efficiency and Effectiveness in the Civil Service'[62]. FMI was, actually, not presumed to be conducted immediately, but was to develop over-time, and in different speed in different departments. In reality, it was a general approach rather than a single strategy[63].

The Paper[64] concluded that

> the aim of the FMI is to promote each department an organisation and system in which managers at all levels have:
>
> a- a clear view of their objectives and means to assess and, wherever possible, measure outputs or performance in relation to their objectives;
>
> b- well defined responsibility for making the best use of their resources including a critical scrutiny of output and value for money; and
>
> c- the emphasis especially the need to improve accountancy information, the training and the access to expert advice that they need to exercise their responsibilities effectively.

The FMI intended to create accountable management; authority and responsibility are pushed down as far as possible to middle and lower levels. This was promoted through three elements: top management system, decentralised budgetary control, and performance appraisal[65] . Therefore the method described a mechanical structure which had clearly defined objectives, and responsibilities, and been aware of costs. To co-ordinate the initiative, a special organisation, Financial Management Unit (FMU), was established comprising of both civil servants and management consultants.

Although the FMI was supposed to concentrate on integrating operational and resource responsibilities, it emphasised on the management of resources. In addition, major emphasis was put on administrative or 'running' costs rather than programme expenditures. In spite of the name, 'Initiative', in practice, there were many FMIs[66]. Therefore departments vary very much in size and in character; departmental budgets are made up mainly for programme expenditures, e.g. health, and education. In these departments, FMI gained little practical impact, because running costs are not significant compared to the programme costs. However, for other departments, such as tax gathers in which expenditures are almost exclusively running costs[67]; running costs are relatively discrete, and measurable.

The FMI had important impact on the culture of the civil service in customising the idea of efficiency and management. It was the attempt to evaluate the system explicitly and consider the entire system case by case, department by department. Even if it did not have any visual impact, it, surely, altered the attitudes of civil servants to take managerial realities into account. As chapter IV elaborates the issue, FMI was a crucial step before the Next Steps initiative.

In November 1986, to drive managerial change in the government, Mrs Thatcher asked Sir Robin Ibbs of the Efficiency Unit to investigate 'the next generation' of organisational change in Whitehall[68]. The report, Improving Management in Government: The Next Steps[69], was conducted as a scrutiny in 90 days. In contrast, it did not focus on a particular service or a particular function, but intended to investigate the managerial reform since Mrs Thatcher took over the power[70]. By May 1987, the report was submitted to the Prime Minister.

As the name, Improving Management in Government: The Next Steps, shows it was complementary of the FMI. Based on interviews with ministers and civil servants, the report concluded that most civil servants concerned with delivery of governmental services, and welcomed clearly defined management tasks and devolved budgetary responsibilities. As stated by Greer[71], the initiative also raised the conventional dilemmas of the public sector administration: "How do we divide policy and operational matters? How do we balance accountability and autonomy? How do we minimise transaction costs?". The Next Steps Report was published in February 1988, after the parliament election, identifying the following problems[72]:

- "Top management is dominated by the policy and political support tasks;
- Responsibilities for management at the top of the departments are unclear;
- The main pressure at the top is short term;
- Outputs are neglected;
- There is little support or pressure value for money;
- The organisation at the centre of government is fragmented;
- The civil service is too big and diverse to be run as a single rigid organisation;
- Central rules take away the flexibility manager need to manage;
- Delegation is not always happening;
- The culture of the Civil Service is cautious and works against personal responsibilities;
- Working and career patterns have changed relatively little." This scathing attack led to three conclusions:

a- The lack of focus of top management on the service delivery and executive functions of government;

b- The effects of treating the Civil Service as a single organisation;

c- The lack of effective pressure to get better results.

As such "The report made three recommendations[73] :

- We recommend that 'agencies' should be established to carry out the executive functions of government within a policy and resources framework set by a department;
- We recommend that departments ensure that their staff are properly trained and experienced in the delivery of services whether within or outside government; the staff will then be in a position to develop and interpret government policy and manage the agencies in a way that can maximise results.
- We recommended that a full Permanent Secretary should be designed as 'Project Manager' as soon as possible to ensure that the change takes place."

The first of these recommendations, the creation of executive 'agencies' was implemented. The second part of the recommendations was also implemented, as it is this framework that sets out the structural characteristics of agencies. As to the third recommendation, a Project Manager of Next Steps, Peter Kemp, was appointed with second permanent secretary status, with a small team working under him. The brief for Kemp and his team was to achieve the government's stated objectives[74] .

Although the Project Manager is responsible for making things happen, it is not his/her job to suggest agencies. Departments are responsible for identifying which activities may be suitable for agency status. Before an agency is set up, departments must consider three alternative options: abolition, privatisation, and contracting-out[75]. Therefore the Next Steps has created a two-tier civil service. The first, the departmental core makes policy and the second, 'agency' implements it, but the chief executives must be given maximum freedom on day-to-day operational matters of the agencies[76] . It was anticipated[77] that the agencies would remain in the civil service and ministerial responsibility would be valid for their affairs. However, in practice, ministerial responsibility principle has not been respected and instead, chief executives became responsible for their agencies[78].

One of the major features of the initiative is to bring the idea of contracting-out to the public sector. Moreover, the attempt has been designed to import certain private sector values to the public sector. Furthermore, 'value for money' thinking has gained

momentum through the attempt[79]. So the notion managing or controlling is seen in terms of 4 characteristics[80]:

- a discrete organisation,
- a defined task,
- a formal agreement setting out targets, and
- an identifiable Chief Executive accountable for the work of the agency.

On coming the office, John Major wanted to show his 'own' policy towards the civil service, and therefore announced the Citizen's Charter Programme. In fact, the initiative was nothing but the logical extension of the earlier reforms[81], the desire to bring private sector techniques to the public sector. It was launched by the publication of the White Paper, the Citizen's Charter in 1991[82]. As Doern[83] argues, there were three main reasons for attempting to introduce such an initiative. First of all, Major, as the successor and under the shadow of Mrs Thatcher, inherited a difficult post to fill. In other words, Thatcher had affected strongly the British agenda in general, and the face of the civil service in particular. So Major felt obligated to do something which is significant and unique, and also a 'Majorite' policy[84]. However, his enthusiasm for the reform was not wholly political. As a former local councillor he also noticed poor performances of the public organisations[85].

Secondly, the opponents of the Conservative Party, especially Liberal Democrats, had been using the concept of citizenship and the need for a written constitution, a status of rights, a human rights commission and so on[86]. Although the Labour did not defend the citizenship and rights-orientated thinking (individualism), they have moved to more centrist position for two decades. So the three major parties have been using the language of common citizenship[87]. Therefore they all supported the idea of serving the citizens more.

Thirdly, the Citizen's Charter uses the same indicators as the previous managerial reforms e.g. the Rayner Scrutinies, FMI, and the Next Steps. For instance, the Charter's emphasis on service standards can be counted as a further development of earlier changes.

The White Paper[88] mentioned the range of mechanism in the Charter:

- more privatisation;
- wider competition;
- further contracting-out;
- more performance-related pay;
- published performance targets-local-national;

- more effective complaints procedures;
- tougher and more independent inspectorates; and
- better redress for the citizen when services go badly wrong.

Although the Paper proposed these highly pretentious demands for a better civil service, in practise, it was unable to create significant effects on the reform process and these rights were not enshrined in law. They created no 'legal rights'. Perhaps, because the initiative was too theoretical to be implemented. Beale and Pollit[89] found in their survey that apart from the performances of public services, a big proportion of citizens even did know nothing about charters and specific service standards.

In November 1991, the government launched an initiative to prioritise and to direct the development of Next Steps and Citizen's Charter by publishing a White Paper, the Competing for Quality[90]. The initiative claimed it to be the complement of the 1980s policies of value for money[91] by expanding competition in the public sector. Norman Lamont, the then Chancellor of Exchequer, explained that the initiative emphasised "the role of the public sector managers in buying services on behalf of citizens"[92]. The Paper promoted contracting-out and internal markets by stating that "services may be bought either from the private sector or within the public sector". In addition, he added more emphases on competition, actually on the virtues of competition[93].

The government agencies are both client and service provider: when they are beneficiaries of some services produced by other agencies, they are clients; but when they provide services for other agencies or individuals, they are service providers. So competition could be valid among public sector agencies as well as private sector. In other words, the attempt is about departments and agencies tendering bids for contracts to run many of their functions.

The Competing for Quality stated its proposals for change[94]:

- providing incentives to managers to pursue competition;
- promoting competition by setting targets and spreading best practice;
- ensuring fair competition by removing obstacles and disincentives to contracting-out;
- encouraging the private sector to identifying new opportunities for providing public services under contract.

Doubtless, the initiative intended not only to create fair competition in Britain, but also to make money savings in the civil service (annual £100m). From the point of the view of the civil service unions, and certain academics, market testing 'is not about reform at all, it is about meeting the government's dogma-driven targets, for what it believes should be the overall size of the civil service'. They do not deny the importance

of efficiency and cost savings, but they argue that civil servants find themselves competing for their jobs[95].

However, on broader terms, market testing is a consistent tendency with previous reforms as to promoting competition. After privatisation of certain public assets and establishment of the agency system, the government wanted to show its emphasis on market-oriented public service by asking civil service to use market methods such as contracting-out, and internal markets. A number of agencies had been created but they did not have enough autonomy to make decisions as to choosing service providers for their organisations[96]. What is more, the Citizen's Charter also required competition in the public services.

And finally, in July 1994, the government published the White Paper, 'Continuity and Change' to clarify the key principles of the civil service and to draw the present and possible future pictures of it. It lies down the 'key principles' as: "integrity, political impartiality, objectives, selection and promotion on merit, and accountability through Ministers to Parliament"[97].

The White Paper recognised the necessity for efficient and effective delivery of public services. Therefore it respected the previous reform attempts such as FMI, the Next Steps and Citizen's Charter in the way that they were presented. It also stated the role, ethics, and priorities of the civil service system[98]. It further emphasised on continuity and specified three related elements: first, the need to maintain a degree of cohesion across the service; second, the continuation of a non-political civil service with common values; and third, the concept of the civil service as a career.

Continuity and Change wished to improve civil service performance[99] by delegating more managerial flexibility, promoting continuous competition, and giving departments the responsibility for their own management structures. Furthermore the government intended to create a Senior Civil Service, a new senior management group, containing all agency chief executives and other civil servants who are on the Grade 5 and above. This group will make recommendations to government and help keep the key values of the service.

In conclusion, it seems that the future of the civil service will not differ radically from the present. As Elder and Page[100] argue, since Labour has taken office, certain aspects of the civil service reforms have been either unaltered or little altered. Their rhetoric, however, was completely different when they were in opposition[101]. Although partly abated, neither the agency system nor the efficiency-based service[102] was reversed.

As James[103] mentions, having seen the 'side effects' of the NPM, the Labour government attempted "to improve the operation of existing structures. These appear to centre on two developments, firstly, encouraging partnership between decentralised bodies operating in networks and, secondly, to direct these networks strategically using regulation of the public sector". One important point in this sense appears in the adaptation of the Next Steps to suit the Turkish civil service. Chapter VIII and IX describe the practice of discretion by boards and institutions rather than individuals. In addition, the Project Board's responsibility proposed by this thesis to oversee (regulate) the businesses of agencies does also resemble the measures taken by Labour government.

F- Reasons for Success

The Next Steps reform has been regarded as relatively successful by the general public opinion: it has enjoyed valuable support from the opposition and the civil service, a good response from academics and tax-payers and crucially, from the government party itself. The support of all these 'actors' in the politics, system indicates a practical success. Beside the support, there have been three important factors for the success. First of all, the reform program itself was congenial to the service[104]. It allowed senior civil servants to continue to concentrate on policy work and gave those working in executive activities the prospect of escaping from the Treasury control and exploiting their independence[105]. For any civil service reform, resistance from civil servants is a real obstacle. If civil servants do not want a reform to be successful, the actions a government can take is very limited.

The Next Steps reform recognised the importance of the collaboration with the civil servants for resolving the defined problems of the civil service. The Ibbs report[106], in fact, identified the problems of the civil service as: "top management is dominated by the policy and political tasks, responsibilities for management at the top of the departments are unclear, and central rules take away the flexibility manager need to manage". Semiautonomous agencies set by framework documents have been a reliable means of dealing with these problems, because the agency system not only provided necessary tools for the success of the staff, but also met the needs of the service. In other words, the reform created a structure which have been sympathetic both to the 'core' department and to the agency.

The second reason for the success of the initiative was the political longevity of the government and its Prime Minister. Such a long term in office gave the opportunity to

the government to introduce new ideas and means to the civil service. The government was able to apply the Next Steps reform to the entire civil service as being secure from the fear of negligence or postponement by a future government. As Wilks[107] points out the two party system of the British politics had caused a troublesome environment as to creating an effective policy making mechanism. Therefore, relatively frequent changes of power between two main political parties had produced destructive discontinuity. The main reason, of course, was not the two party system itself, but the ideological and historical differences of the two parties (They were, ideologically, much more diversified than the two parties of the USA). The two parties appeared to have had different policy views on nearly every aspect of public policy. This obstacle to the policy making and development of the system has been defeated by the unique political longevity of the government and the Prime Minister. For 18 years, the same party determined the direction of the politics and the economy, and implemented related changes.

In addition, Labour Party has supported the idea of semiautonomous agency model to transform the shape of the civil service, because they take these reforms as a substitute for privatisation. From the Labour point of view, civil service functions would not only be kept in public realm, but also the service would run efficiently and effectively[108]. In the same vein, the Fulton report had been introduced by a Labour government and the report drew similar conclusions with the Ibbs report[109], such as the need for managerial ideas and for breaking up of large scale departments. So, as Campbell and Wilson[110] argue "Next Steps developed the seeds planted in the report of the Fulton Committee by arguing for removing from departments the responsibility for implementing policy". In this nature the Next Steps is evolutionary.

Third factor is the prevailing neo-liberal ideas and values which over-dominated the agendas of European countries in the 1980s. As a European country, the British government was not able to isolate itself from the widespread demand for change towards managerially orientated techniques and efficiency-based systems. Therefore the outbreak of managerialism in Europe has made these reforms seem natural and sensible. Younger civil servants and secondments from the private sector were becoming very familiar with reforms which were speaking a managerial language. This factor was again very effective for having made the reform relatively successful[111].

Without the examples of Europe and the 'English speaking world', it would have been very difficult for the British government to introduce and to implement changes to the civil service in particular and to the society in general[112]. Bearing in mind the level of change imposed upon the civil service, Mrs Thatcher did face neither serious resistance

nor opposition from the civil service. So, searching value for money, and questioning the role of the state in economy were the two main strategies set by the government to transform the basic elements of the civil service.

One can critically ask about the meaning of success mentioned in this part of the thesis. Basically, it involves the scale and scope of the agencies have been created since 1988, and general acceptance displayed by the public in general and the civil service in particular. Greater efficiency and greater customer satisfaction do not seem to justify the argument in that there are measurement and definition difficulties.

G- Comparative Lessons

As chapter I makes it clear, lesson-drawing requires[113] examining both the originating and the receiving countries to find out similarities. Since these problems and lessons will be considered comprehensively in chapters VI, VII and VIII, only certain general lessons are mentioned here. The lack of emphasis on efficiency, ambiguities in the distribution of resources and responsibilities, and the lack of managerial priorities are a few of the problems that the Turkish civil service faces now. The preliminary examination shows that the Turkish civil service is now suffering from problems akin to those its British counterpart was suffering in the 80s. The late reaction of Turkey to the developments in public administration especially since the late 80s seems to be the main reason for the problems. As a possible result of lesson-drawing the receiving country has more advantages than the original country. The developments examined in this chapter imply that an NPM type of reform (the Next Steps) could be transferred from one previously classical bureaucratic system (British) to another Weberian bureaucracy (Turkish).

The success of the Next Steps makes the comparison more fruitful and interesting. Therefore this aspect may make a crucial point for drawing the lessons for Turkey. In other words, the elements of the success may generate opportunities to build a new reform for Turkey. Firstly, the congeniality of the reform to the service sheds light on this study by resolving the problem of resistance and by eliminating conflicting political motives of the government. A possible reform should benefit from this lesson and try to explore the demand for autonomy and 'freedom to manage' as directed by the Next Steps. Secondly, Turkey needs a politically stable and strong government in terms of making effective decisions and carrying out them with determination. This requires a strong prime minister and a cabinet to apply changes. The third element, the neo-liberal ideas in Europe and from the EU, is already available for Turkey. The accession process

of Turkey to the EU and the requirements of the Union urge the country to adopt managerial reform initiatives to its civil service and government in the immediate future. This gives an impetus to reform minded politicians and bureaucrats as to persuading the public and implementing 'market' methods in the civil service. Apart from other dimensions of the issue, these three reasons have the prospect of providing solutions for the problems of the Turkish civil service. Therefore it is worthwhile to study the Next Steps and their elements in chapter IV, and identify the initiative's theoretical and practical facets.

H- Conclusion

At the beginning of the Conservative term of the office in 1979, the British civil service had entirely different organisational and functional characteristics from today. The civil service was rationally designed to implement certain executive activities under the command of political actors. It was recognisably a Weberian bureaucracy and had its distinctive features such as impartiality, anonymity, hierarchy, career and merit. So it was relatively easy to identify services provided by the civil service and relations between different levels of the administration.

As chapter II and this chapter indicate, from the second part of the 70s, the atmosphere of the post-war era was totally changed: people opposed tax increases, while they were demanding decrease in government involvement in every aspect of the public life[114]. People knowingly or unknowingly started to think about the role of the state. They were very sensitive about government policies which reflect their financial positions. As Reagan did, Mrs Thatcher realised the importance of these signals from tax payers. After coming to the office, she proposed to reconstruct the government, the economy and the society. In Britain, it was the turning point from the Welfare state towards a minimalist state.

As with many other countries, the British direction of reform was dominated by the introduction of market principles into the civil service[115]. This was apparent in the government policies throughout the 80s and 90s. Contracting-out, user charges, internal markets, devolved financial control, and agency system were the methods which have been used not only to increase efficiency but also to reshape the culture of the civil service. All the reforms highlighted in the chapter show that the government policies have revolved around the market techniques.

The success of the initiative has shown how important was the positive response of the civil servants to the prosperity of any given reform attempt. Civil servants liked the idea of the public sector which should use private sector methods to deal with daily business and to promote a more compatible system with its private counterparts.

Four implications can be derived from the chapter for the empirical part of the study, namely for the Next Steps as 'features'. Firstly, 'creation of a common culture' for agencies in particular and civil service in general was an obvious element which was facilitated not only by the Next Steps reform but also by earlier attempts such as Rayner Scrutinies and FMI. Secondly, 'separation of operational and policy functions' was another element which was the basic feature of the agencies reform in order to improve efficiency of the civil service. Thirdly, the congeniality of the reform to the service required the 'empowerment of Chief Executive and Agency'. This has been effective in motivating agency staff to work hard and achieve targets given for their operations. Fourthly, as a logical extension of these elements, 'minimising political involvement of politicians' has also been a clear element of the Next Steps in the British civil service. In theory, Agency Framework documents and separation of the functions leave no room for confusion and ambiguity of responsibilities. The practice, however, needs to be examined by this study. Beside with their derivations from the Next Steps, the above elements provide a suitable ground for comparison, as they also seem to be relevant for Turkey.

---

[1] Peters, B.G. 1993, **Comparing Public Bureaucracies**, Tuscaloosa: Univ. of Alabama, pp. 2-5 , and R. Rose, 1993, **Lesson-Drawing in Public Policy**, Chatham: Chatham House, p. 100

[2] Management and Personnel Office, 1983, **Civil Service Management in the 1980s**, London: HMSO

[3] Cmnd. 3638, 1968, **The Civil Service: The Fulton Report**, London: HMSO, p.9

[4] Hennessy, P. 1990, **Whitehall**, London: Secker-Warbung, pp.17-51

[5] **The Times**, 'Heseltine challenged over use of Civil Service', 11-11-1996

[6] HC 92-II, 1985-86, **Civil Servants and Ministers: Duties and Responsibilities**, TCSC, Q39, London: HMSO

[7] TCSC, Civil Servants and Ministers

[8] For example, HC 92iv, 1985-86, **Civil Servants and Ministers** (Clive Ponting Case), London: HMSO, TCSC, Q382-8

[9] Management and Personnel Office, Civil Service Management in the 1980s

[10] Gerth, H.H. & Mills, C.W. 1991, **From Max Weber: Essays in Sociology**, London: Routledge, pp.196-203

[11] Dowding, K. 1995, **The Civil Service**, London: Routledge, p.19

[12] Peters, B.G. 1995, **The Politics of Bureaucracy**, London: Longman, 4th Edit. p.92

[13] Hoskyns, J. 1983, 'Whitehall and Westminster: An Outsider's View', **Parliamentary Affairs**, Vol. 36/2, p.140

[14] Hoskyns, J. 1984, 'Conservatism is Not Enough', **The Political Quarterly**, Vol. 55/1, p.7

[15] Hoskyns, Conservatism is Not Enough, p.7

[16] Hoskyns, Conservatism is Not Enough, p.11

[17] Hoskyns, Conservatism is Not Enough, p.12

[18] Hoskyns, Conservatism is Not Enough, p.15

[19] P. Hennessy in HC 481, 1989-90, **Progress in the Next Steps Initiative**, TCSC, London: HMSO, Q60

[20] Hoskyns, Conservatism is Not Enough, p.5

[21] Wilks, S. 'Has the State Abandoned British Industry?', **Parliamentary Affairs**, 1986, Vol. 39/1, pp.36-7

[22] Wilks, Has the State Abandoned British Industry, pp.36-7

[23] Wilks, Has the State Abandoned British Industry, pp.36-7

[24] Hennessy, Whitehall, p.596

[25] Wilks, Has the State Abandoned British Industry, p.40

[26] Wilks, Has the State Abandoned British Industry, p.41

[27] Wilks, Has the State Abandoned British Industry, p.41

[28] Wilks, Has the State Abandoned British Industry, p.41

[29] Gamble, A. 1994, **The Free Economy and the Strong State**, Basingstoke: Macmillan, 2nd Edit. p.33

[30] Midwinter, A. 1993, 'Reaganomics, Thatchersim and Public Finance', in Jordan G., & N. Ashford, (eds), **Public Policy and the Impact of the New Right**, London: Pinter, p.80

[31] King, D.S. 1987, **The New Right**, Basingtoke: Macmillan, pp.54-5

[32] Cmnd. 7841, 1980, **The Government's Expenditure Plans 1980-81 to 1983-84**, London: HMSO

[33] Keynes, J.M. 1936, **The General Theory of Employment, Interest and Money**, London: Macmillan

[34] King, The New Right, pp.53-4

[35] Zifcak, S., 1994, **New Managerialism: Administrative Reform in Whitehall and Canberra**, Buckingham: Open University Press, p.8

[36] Gray, A. *et al.* 1991, 'The Management of Change in Whitehall: The Experience of the FMI', **Public Administration**, Vol. 69/1, p.46

[37] Hood, C. 1991, 'A Public Management for All Seasons', **Public Administration**, Vol. 69/1, pp.3-19

[38] Walsh, K. 1995, **Public Services and Market Mechanism**, London: Macmillan, pp.83-191 and C. Pollitt, 1995, **Management Techniques For the Public Sector**, Canadian Centre For Public Management, pp.1-2

[39] Department of Environment, 1991, **A New Tax For Local Governments**, London: HMSO

[40] Rose, R. 1990, "Charging for Public Services", **Public Administration**, Vol. 68/3, pp.297-313

[41] Walsh, Public Services and Market Mechanism, p.110

[42] Pollitt, Management Techniques for the Public Sector, pp.31-3 and James mentions certain side effects of contracting, such as a lack of 'joint up' working, separation of policy and implementation solutions. See: James, O. 2001, "Beyond the 'New Public Management': Regulated Partnership in the UK", in Byong-Man, A, Halligan, J. & Wilks, S. (eds), **Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea**, Forthcoming Book

[43] Walsh, Public Services and Market Techniques, p.139

[44] Walsh, Public Services and Market Techniques, p.159

[45] Walsh, Public Services and Market Techniques, pp.164-5

[46] Pollitt, C. *et al.* 1994, **The Self-Governing Hospital: Freedom and Responsiveness in NHS Trust**, Paper presented to the European Consortium for Political Research Conference, April

[47] Pollitt, The Self-Governing Hospital, p.12 and Walsh, Public Services and Market Techniques, pp.166-71

[48] Dowding, The Civil Service, p.63

[49] Hennessy, Whitehall, p.592

[50] Thatcher, M. 1993, **The Downing Street Years**, London: Harper Collins, p.123

[51] Drewry G. & Butcher T. 1991, **The Civil Service Today**, Oxford: Basil Blackwell, 2nd Edit. pp.198-201

[52] At this point, the background of Rayner was particularly important to the extent that he had been in the civil service and known the strength of departmentalism, and the weakness of inter-departmental co-ordination. He was one of the businessmen taken by the Heath government to the civil service to transfer some private sector values to the public.

[53] Mrs Thatcher described him. (quoted in Hennessy, Whitehall, p.589)

[54] Hennessy, Whitehall, p.595

[55] Rayner, D. 1983, 'The Business of Government', **The Administrator**, Vol.3, p.6

[56] Zifcak, New Managerialism, p.8

[57] Pollitt, C. 1990, **Managerialism and the Public services**, Oxford: Basic Blackwell, p.8

[58] Rayner, D. 1982, **The Scrutiny Programme**, London: Management and Personnel Office, p.3

[59] Rayner, The Scrutiny Programme, p.2

[60] Efficiency Unit, 1985, **Making Things Happen**, London: HMSO, p.9

[61] Rayner, The Scrutiny Programme

[62] Cmnd. 8616, 1982, **Efficiency and Effectiveness in the Civil Service**, London: HMSO

[63] Gray, A. & Jenkins, W.I. 1985, **Administrative Politics in British Government**, Brighton: Wheatsheaf, p.114

[64] Cmnd. 8616, Efficiency and Effectiveness

[65] These elements are nothing but indicators of market techniques.
[66] Gray & Jenkins, Administrative Politics, p.49
[67] Gray & Jenkins, Administrative Politics, p.50
[68] Jordan, G. 1992, 'Next Steps Agencies: From Managing By Command to Managing By Contract', **Aberdeen Papers in Accounting Finance and Management**, p.2
[69] The Ibbs Report, 1988, **Improving Management in Government: The Next Steps**, London: HMSO
[70] Zifcak, New Managerialism, p.70
[71] Greer, P. 1994, **Transforming Central Government: The Next Steps Initiative**, Buckingham: Open Univ. p.2
[72] The Ibbs Report, Improving Management in Government
[73] The Ibbs Report, Improving Management in Government
[74] HC 348, 1988-89, **Developments in the Next Steps Programme**, TCSC Fifth Report, London: HMSO, Evidence 4-14
[75] HC 410, 1988-89, **The Next Steps Initiative**, NAO, London: HMSO, p.3
[76] HC 494-iv, 1987-88, **Civil Service Management Reform: the Next Steps: Minutes of Evidence**, London: HMSO, Q302
[77] Parliamentary Debates, 1987-88, **Civil Service Management**, Vol. 127, pp. 1149-56
[78] Bogdaner, V. 1996, "Agencies and Accountability", **Executive Agencies Quarterly**, Issue 6, p.109
[79] HC 481, 1989-90, **Progress in the Next Steps Initiative**, TCSC Eight Report, London: HSMO, Q233
[80] The Ibbs Report, Improving Management in Government
[81] Therefore, the Charter was described by the Director of the Citizen's Charter Unit as 'the next stage of the Next Steps' in Drewry, G. 1994, 'The Civil Service: From the 1940s to the Next Steps and Beyond', **Parliamentary Affairs**, Vol. 47/4, p.592
[82] Cmnd 1599, 1991, **The Citizen's Charter**, London: HMSO
[83] Doern B.G., 1993, "The UK Citizen's Charter: Origins and Implementations in Three Agencies", **Policy and Politics**, Vol. 21/1, p.20
[84] Anderson B. 1992, **John Major: The Making of the Prime Minister**, London: Headline, p.36
[85] Kutlu, O. 1995, **The Citizen's Charter Initiative**, Unpublished Paper
[86] Doern (The UK Citizen's Charter) reminds the book of Paddy Ashdown, the Liberal Democrat Leader, of 'Citizen's Britain'
[87] Doern, The UK's Citizen's Charter, p.21
[88] Cmnd 1599, The Citizen's Charter
[89] Beale V. & Pollitt C. 1994, "Charters at the Grass-Roots: A First Report", **Local Government Studies**, Vol. 20/2, p.230
[90] Cmnd 1730, 1991, **Competing for Quality**, London: HMSO
[91] Cmnd 1730, Competing for Quality, p.I
[92] Cmnd 1730, Competing for Quality, p.II
[93] Dorrell, S. 1994, **The Future of the Civil Service**, Speech to the Council of Civil Service Unions, 22 March
[94] Dorrell, The Future of the Civil Service, p.3
[95] For example, Greenaway J. 1995, "Having the Bun and the Halfpenny", **Public Administration**, Vol. 73/3, p.366
[96] S. Dorrell, and P. Kemp in HC 494-I, 1987-88, **8th Report: Civil Service Management Reform: the Next Steps**, London: HMSO, Q.56
[97] Cmnd 2627, 1994, **Continuity and Change**, London: HMSO
[98] **The Times**, "Heseltine challenged over use of civil service", 11-11-1996
[99] Cmnd 2627, Continuity and Change, p.1
[100] Elder, N.C.M. & Page, E.C. 1998, "Culture and Agency: Fragmentation and agency structures in Germany and Sweden", **Public Policy and Administration**, Vol. 13/4, p. 28
[101] For instance: **The Financial Times**, 25-02-1997, "Labour Plans jails shake-up, Labour is reviewing the status of some semi-autonomous agencies", and **The Times**, 11-11-1996, "Blair would split civil service"
[102] The then Treasury spokesman of Labour Party, John Smith: "he would not attempt to reverse the initiative' in HC 496, 1990-91, **The Next Steps Initiative**, TCSC Seventh Report, London: HMSO, p.ix
[103] James, Beyond 'the New Public Management'
[104] Dowding, The Civil Service, pp.105-6
[105] It was initially resisted by the Treasury which thought it would jeopardise control of public spending. However, later they discovered that the initiative would help save money (Andrew Adonis, "No merit in Whitehall split", **The Financial Times**, 29-05-1996).
[106] The Ibbs Report, Improving Management in Government
[107] Wilks, Has the State Abandoned British Industry, p.41

[108] HC 496, The Next Steps Initiative, p.ix

[109] Campbell, C. & Wilson, G. 1995, **The End of Whitehall**, Oxford: Blackwell, pp.44-6

[110] Campbell & Wilson, The End of Whitehall, pp.44-6

[111] "Agency system has already proved its worth by bringing greater efficiency and transparency to the civil service. The new thing which was brought to the day light is that problems of civil service are now more visible 'instead of being hidden behind Whitehall's chronic lack of accountability" (**The Financial Times**, "Responsibility for Prisons", 28-08-1996).

[112] Dorrell, The Future of the Civil Service

[113] Hogwood B.W. 1994, "A reform Beyond Compare? The Next Steps Restructure of British Central Government", **Journal of European Public Policy**, Vol. 1/1, pp.72-3

[114] People of California overwhelmingly voted for $ 8 billion decrease in state spending in 1980 (**BBC2**, People's Century, 23 February 1997).

[115] Even in China, in 1980, the virtues of the market was discovered and people were allowed to choose the suppliers of some goods and services (BBC2, People's Century).

CHAPTER IV

THE NEXT STEPS INITIATIVE

A- Introduction

This chapter aims to search out theoretical and practical dimensions of the Next Steps agencies reform. This aim involves three of the seven transfer conditions set up in chapter I: 'innovation must be based on a valid theory of cause and effect'; 'innovation must be clearly definable and operationalisable'; and 'innovation must be implemented in the originating country in full'. These comparative elements require the clarification of the fundamentals of the initiative and the relations between them.

The previous chapter explored the characteristics, values and physical structure of the British civil service in 1979, and the developments and changes until the Next Steps (1988) and beyond. This chapter, therefore, explains the theoretical and practical basis of the Initiative. In doing so, it is hoped that the three conditions are examined; the roots and the basis of the Next Steps reform are identified; and eventually a proper scene for empirical investigation is set up.

Since the idea of creating a semiautonomous agency system has had substantial amount of pragmatic reasons rather than theoretical ones, one needs to examine its practical and evolutionary nature. Although the Treasury and Civil Service Committee (TCSC) asked the government to set up agencies in groups for a proper public discussion[1], the government has preferred to implement the reform one-by-one, by implementing, and at the same time, taking feedback and re-implementing. In fact, the gradual method was a necessity, because the Ibbs report diagnosed the problems but did not provide the prescription or the prescriptions were not ready for application. So the reform had to create its own peculiar method by doing and learning. In social science, theory generally cannot be fully implemented in practice. In the Next Steps case, the practice has not matched the theory (proposed reform and changes) a hundred percent and a slightly different application has occurred. After application, the new Next Steps institutions and relations have brought entirely new discussions and disputes to the public agenda.

This part of the thesis will examine the theoretical bases of the reform such as principal-agent and public choice theories. Therefore basic elements of the initiative e.g. the dichotomy between policy and implementation and the tension between

accountability and ministerial responsibility will be studied and theoretical and practical difficulties will be highlighted. Besides, the chapter will not only undertake a study of the theories, but also their implementation in the Next Steps reform. Moreover, the physical structure of the reform especially the number of the Next Steps agencies and variations in agencies will be examined to explore the extent and the diversity of the programme. The chapter will also classify the agencies for comparative examination. Furthermore, the study will explain the selection of case studies and, typology of the agencies. Finally, the conclusion will evaluate the initiative and report the implications of the chapter for the empirical investigation.

B- Theoretical Basis of the Reform

As chapter II made clear, two branches of micro economic theory, agency and public choice, form the theoretical root of the Next Steps. It is believed that these two theories played significant roles in launching and in shaping the initiative. Many public policy writers endorse this argument and admit the influence of the theories on the reformers[2] in the launch of the reform. However some do not accept this view arguing that the initiative lacks a theoretical basis[3]. This study takes the former argument and claims that the reform has a theoretical basis; the basic elements of the two theories are available in the initiative. The contractual nature of the Next Steps reform, for example, is directly related to agency theory. In addition, reasoning for the launch and implementing some public choice premises (i.e. separation of functions) ensure the claim. However the intention of the reformers is not so clear.

Agency theory organises the relations between the two tiers (principal and agent) of an organisation/government, while public choice theory deals with the issue of public sector growth, economic efficiency and effectiveness, and again, vertical and horizontal power struggles between the two tiers of a government.

1- Public Choice Theory

Three persons[4] played pioneering roles to establish the theory and to categorise its elements. It is an American-based school of thought. Although it was mainly formulated in the 60s and 70s, it attracted world-wide attention especially in the 80s. The theory assumes that individuals act rationally and choose the most rational option for their benefit. However, this is not always the case, as certain individuals for different reasons

do not act rationally. For example, medical science proved that smoking may cause cancer and therefore kill smokers. Despite this clear-cut reality a considerable number of people do not act rationally and give up smoking. Therefore we do not have any kind of guarantee that individuals in the governmental sphere will seek to increase their benefit by choosing the best solution for their interests. Besides, as Self argues, "the concept of maximisation is dubious. It is open to Herbert Simon's contention that most individuals and organisations are content to 'sacrifice', that is to take the first course of action which seems good enough rather than to go on to find the best possible option" [5]. This issue needs to be supported by evidence for every individual or groups of individuals. On the other hand, sociologists argue that certain patterns are available in every society. Self[6] asserts further that the same concept can be applied to explain economic and political issues, such as voting behaviour. As regards to the logic of rational choice modelling, Dunleavy suggests that "There cannot be any necessary quality about bureaucratic over-supply and budget maximisation if simple change of political will at the helm of representative institutions is enough to make the state apparatus operate in a basically different way"[7]. Dowding argues that this critique goes straight to the heart of the basic assumption of public choice theory. Later, however, Dowding alters his rhetoric and says that "we could try to explain how bureaucrats who try to budget-maximise may be defeated"[8]. The following sections explore the elements of public choice theory.

a- Actors of the Theory

The roles of four groups of actors in the governmental sphere should be clarified: the public or voters; the public pressure groups; the government namely executive and legislature; and the bureaucrats. Inter/intra-relations among these actors determine the political process and its implementation toward public goods and services.

The most neutral and largest of the groups is voters. It consists of a certain age group of an entire population. This means that all other actors, pressure groups, politicians, and bureaucrats are included in this category. Two basic questions arise about the voters: why and how they vote. What is the reason for a rational egoist to vote at all[9], because his/her vote is far too tiny to make a difference on the result. Some public choice theorists concluded that certain incentives such as party loyalty, self-expression and a sense of duty might play an important role to urge people to vote. Although the turnout in the elections of Western countries is generally lower (about 55 % in the 7th June 2001 Parliament Elections in Britain) than many developing countries (about 94 % in the 18th

April 1999 Parliament Elections in Turkey, somehow people vote. So, we need to focus on the second question: how they vote, namely how they manipulate their vote to gather their objectives.

Public choice theorists see voting as a referendum over the supply and the cost of public goods and services. Nevertheless, a voter does not have a choice of preferred goods and services, but a package, he/she can 'take it or leave it'. 'A least worse package' may contain increased defence expenditure, which he/she may not like, and increased education spending, which he/she may be in favour. Yet the voter, in a multi-party system, does have no guarantee that his/her party which represents his/her partial interest will be elected and even if elected still no guarantee for him/her that election promises will be fulfilled.

The basic public choice argument is that the person's expectation or assumption of his/her financial interest influences his/her voting behaviour[10]. Self[11] argues that although this assumption has been valid for some conditions in which a particular region or a particular industry has been suffered by an economic depression and they have produced electoral swings against the government, the 'pocket book voting' has not been proven in many developed countries. Quite naturally, the voter may think that what is good for the national economy will also be good for the person's personal prosperity, but this is a different approach from the 'pocket book voting'.

A positive correlation between economic class and voting behaviour is also significant to elaborate the issue: middle-class voters are worried more about inflation than about unemployment, while lower-class voters show the reverse bias. One survey conducted in the USA concluded that in general, symbolic attitudes (e.g. conservative-liberal, racial) played important roles, whereas self-interest had no effect at all[12]. To respond to these possibilities, some public choice thinkers have produced the concept of 'expressive voting'. According to the theorists, since the rational voters know that he/she cannot make any significant difference on the result, he/she feels free to vote for 'public interest' so he/she gets moral reward[13]. In conclusion then, voting behaviour is too complex to be defined by a single theory. Each theory is valid for only a certain situation, and a certain group of people. Consequently, voting attitudes may differ from country to country, from class to class, and from time to time.

The second group of actors is parties. Downs[14] takes the logical step of public choice theory and applies the rational egoism approach to the parties: the voter is a rational egoist, and in a democracy the main aim of a political party should be to take and to retain office. The only way to achieve this goal is to maximise votes. By examining

party politics and behaviour, Downs highlighted a number of important issues which had not been discovered before. This second group, in fact, can be counted as the other side of the coin (voters). A rational voter is expected to look for a party representing his/her interests and views, while the party is assumed to develop its strategy to respond and to match the wishes of the electorate.

If it is assumed that the political spectrum can be viewed in terms of a left-right dimension, the behaviour of parties will be a function of the distribution of voters along that spectrum[15]. If we assume further that the preferences of the voters are in the middle of the spectrum, then the two parties move towards the middle of the spectrum. Should any move occurs in the voters, parties move to match their wishes. However 'happy voters' do not like this situation and they want to resist the changes. Self[16] supports Downs' and Hirshman's theories claiming that they interpreted the British politics very well: "after WWII, the electorate moved to left and Labour won the 1945 election, Conservatives then moved to left defending the programme of the 'welfare state', Labour moved back to the right when normality returned and the two parties followed similar policies for almost three decades". Hirshman's thesis about British politics was proved in the 1980s too. The two parties moved further to the right or left by the pressure of extremists. The Conservative Party kept its unity but the Labour split (Social Democratic Party).

Apart from the spectrum approach, a more obvious example for the vote-maximising assumption is displayed by governments through cutting taxes or increasing welfare spending before elections. Although this example is widespread, it might be a mistake to generalise it to all countries and to all situations.

The case of marginal parties is worthwhile mentioning that generally they do not have a priority to increase their popularity. Their main intention is to get recognition from the public and to increase public awareness about certain issues. Green parties and some ideological parties can be given as examples of this kind. Most of the arguments mentioned above cannot be attributed to these parties.

The third group of actors is the interest or pressure groups. The pluralists had extensively studied them before public choice theorists started to emerge. According to the advocates of pluralism, Bentley[17] for example, all politics could be simplified in the concept of competition and interplay among interest groups. In this meaning, parties represent special interests and also bureaucracy and government could be split into agencies and administrative groups with their own policies and interests[18].

The 'Free rider' assumption poses a significant problem for public choice theory which becomes questionable when answering why so many interest groups exist at all. The assumption simply means that an egoistic rational individual does not involve actively in forming or joining interest groups rather he/she could get the same benefit (as if he/she was a member of an interest group) by only engaging with it in the crisis times. Self[19] provides a possible answer that if some individuals or organisations feel that they have sufficient amount of private interest in the outcome they cover the cost of carrying out the interest group. Meanwhile, an interest group may not necessarily be an economic one, but may be a political or a social one pursuing its goals which may be related to ideological, environmental or cultural factors.

Wilson's interest group activity model[20] explains the distribution of costs and benefits among related actors. Area 1 represents a competition between a small number of interest groups, for example, over getting government contracts or licences, and so forth. Costs and benefits are concentrated on specific groups.

		COSTS	
		Concentrated	Diffused
BENEFITS	Concentrated	1	2
	Diffused	3	4

Area 4 where benefits and costs are widely diffused, as happens in the launch of a universal system of social security, beneficiaries and cost payers are not identifiable. The main interest area of public choice is area 2 and area 3. Area 2 is especially important, because it deals with concentrated benefits for a group of people or organisation, and diffused costs for a wider public, for example an industry may get tariff protection, and a farm organisation might get subsidies. Area 3 represents the reverse situation where a small minority pays the cost of some measure, while the benefit is for a broader constituency. The regulation of industries and monopolies are good examples of this case. In order to get benefit, pressure groups should be in contact with politicians, actually they need, anyhow, to persuade them to provide desired things. Turning to the rational egoist model, both sides should give something in return for something. In this case pressure groups may offer electoral support, campaign contributions and personal financial payments to get a law enacted or to get a regulation implemented in a certain way.

This kind of exchange relationships between politicians and pressure groups is more valid for the USA than parliamentary systems such as the UK and Turkey. Congressmen should satisfy their electorate (local interests), if they want to get and remain elected. In parliamentary systems, however, the disciplined party structure and the strong executive government prevent the widespread use of interests groups. Nevertheless, it cannot guarantee that 'the exchange relationship' does not occur, but occurs only in limited numbers and places. A Conservative government may do a favour for election campaign contributors, while Labour may wish to support Formula1 bosses by not banning tobacco companies from sponsoring the event. As the affair of 'cash for questions' (between Mohammed Al-Fayed, Harrods' owner, and MP Neil Hamilton) revealed, it showed that even in a parliamentary system with disciplined party structure and strong executive government 'exchange relationships' can occur. The recent affair of Peter Mandelson, the Northern Ireland Secretary, is another example for these relations. The resignation of Mr. Mandelson and the defeat of Mr. Hamilton in the general election by Martin Bell's anti-sleaze campaign, in turn, might indicate that parliamentary system has certain countermeasures.

The last group of actors, bureaucrats, have special importance for public choice theorists who build their entire logic on the assumption of 'rational egoistic bureaucrat' model. Contrary to the assumption of the Weberian type that bureaucrats are guided by rules and regulations and not affected by subjective elements, public choice believes that bureaucrats are motivated basically by their private interests in their bureaucratic work. In other words, public choice theory asserts that bureaucrats are self-interested individuals and the classic Weberian model no longer exists.

b- Arguments for Public Sector Growth

Two closely related arguments, log-rolling (or vote-trading) and rent-seeking, can be identified as the components of the argument. Since the main concern of the thesis is on the budget-maximising argument, these two approaches are explained briefly.

The Log-rolling or Vote-trading Argument alleges that governments supply more goods and services than the public actually demands[21]. Due to the concern of securing an election victory politicians and political parties make a variety of promises to different segments of the electorate. After elections political parties try to keep their election promises, thus it causes a growth in budget and inefficient use of resources. The electorate would not purchase those goods and services if they had a choice to buy them from their own pockets.

As told, this process is particularly ubiquitous in the USA where congressmen have more say in the budget process and also they fight in the elections as individual candidates rather than under the centralised umbrella of a party (unlike Britain and Turkey).

In effect, log-rolling may not always cause welfare loss to society. Some argue that vote-trading can work like a private good market[22], so supply and demand determine the equilibrium point. However it is not so simple, because a number of normative and ethical issues involve, for example 'who will monitor, what kind of incentives a politician will offer in return of what', and 'what kind of benefits will be brought from this 'exchange-relationship' to society.

The Rent-seeking Argument suggests that some industries/firms or other groups spend money to persuade governments to behave in a way to bring benefits to them. This process is not healthy for two reasons. Firstly, rent-seeking industries and firms are spending money to get a favour from the government. If someone gains some benefit, some others are expected to lose: a zero-sum game. Thus, it seems that it is an unfair benefit-obtaining process. In addition, it also encourages inefficient usage of resources. Secondly, response of government to these industries is, again, waste of public resources[23].

The basic argument is that rent-seeking activities are inefficient and resources are used not to the best effect. Therefore competition always brings efficiency and effectiveness. However, experience shows that competition may not always assure efficiency. From time to time, social, economic, and political realities mobilise governments to listen to the voices of certain industries or firms and take some general or specific actions to make sure some industries survive and become better off for the prosperity of their nations. Take the British agriculture industry as an example, no government could sacrifice the industry and reject any offer which is constructive to it.

There are also arguments internal to the Service, particularly the Budget-maximising model. Regarding the issue of public sector growth in general and budget growth in particular, Niskanen's behavioural model has been quite popular to explain basic postulates of the matter. At the same time, the explanation does not deny the general perception of civil service waste and explains their undeniable influence. As mentioned, his model is based on the basic assumptions of neo-classic economic theory: individuals are egoistic, rational and utility maximisers, so they strive for their own goals. For a manager of a firm, the most obvious indicator of success is to achieve maximum profit. So, 'what is the reason for a bureaucrat to behave in a certain way?'.

Niskanen's answer for this question was 'budget-maximisation'. Like a firm manager, bureaucrats try to maximise their budgets in order to survive and to increase their personal welfare, because a larger budget will mean: a) more and secure job; b) increased prestige; c) physically strengthened bureaux; and d) new financial benefits.

So 'how do they maximise budgets?' There are certain constraints to budget-maximisation. First of all, though budget is assumed to be a technical document, it is also a political document containing varying degrees of apparatus to interfere with economic, political and financial parameters. Thus political actors draw the budget and determine its ingredients. How do they persuade politicians to increase their allowances in budget? Niskanen's[24] answer is simple: hence they have monopoly of information, they can easily pretend that there is a strong demand for their bureaux by the public. When they succeed to obtain bigger budgets, it means an increase in the unit costs of goods and services[25]. This following logical explanation illustrates the situation very well:

Self-interested bureaucrats ⟶ Increase in budgets ⟶ Increase in costs ⟶ Inefficient use of resources

Niskanen[26] added that there are less incentives for bureaux to seek out the most efficient combination of services than their private counterparts, because:

1) costs and benefits are not directly-related;
2) factor costs are generally under-priced; and
3) some bureaux are not motivated to improve productive efficiency.

Niskanen's budget-maximisation model has been criticised by many scholars of public policy, especially Dunleavy who has produced not only a criticism but also an alternative model. Dunleavy[27] identifies four basic failings of Downs and Niskanen:

1) They assimilate all agencies into a restricted line bureaucracy paradigm;
2) They adopt overly broad definitions of the components of bureaucrats' utility functions;
3) They offer essentially homogenous accounts of all bureaucratic behaviour;
4) They examine systems of bureau as simply scaled-up analogues of single bureau.

Upon examining their failure, he puts his arguments forward as to why rational bureaucrats should not budget-maximise[28]. First, collective action problems exist within bureaucracies and have an important influence upon overall bureau behaviour. Bureaus are run by human beings and it is extremely difficult to imagine any sizeable organisation to be completely dominated by one individual or even a small leadership group with cohesive interests. When numerous officials devise a bureau's policy, then budget maximisation is a collective rather than an individual way of increasing bureaucrats'

welfare. Second, the extent to which bureaucrats' utilities are associated with budget increases varies greatly across different components of overall budgets, and across distinct types of agencies. Four types of budgets have different features in respect to any kind of maximisation. Core budget (CB) involves in operational spending of an agency namely it consists of 'running costs' of the agency. The bureau budget (BB) includes all the CB, plus any monies which is paid out to private sector, for example awarding contracts to private firms, or transfer payments to individuals or firms. The program budget (PB) includes its BB, plus any monies which the agency passes to the public bodies for them to spend. The super programme budget consists of the agency's PB, plus any spending by other bureaus from their own resources, over which the agency either exercises some policy responsibilities or it can partly or wholly claim political credit.

Types of agency also need to be taken into account. This variation will be examined later in the chapter. So at the moment, it is enough to list the agencies rather than giving a full explanation: delivery, regulatory, transfer, contracts, control, taxing, trading, and servicing agencies[29].

The most obvious individual utility gains from budget increases, and those which are most important for bottom and middle-ranking officials, are all associated with the CB. Contrarily, top-ranking officials gain benefits from the BB. Therefore the agent's patronage power is positively and directly related to the PB. For senior officials, bigger PB means bigger opportunity to store more resources which can be mobilised to tackle with unexpected problems. So the idea of budget increase attributes to the notion of egoistic rational utility maximiser individual is not valid. There is a budget maximisation, but not what Niskanen says for.

In agencies where there is a close relationship between CB, BB, and PB, rational bureaucrats tend to maximise their budgets. Delivery agencies are the largest budget organisations which fit this pattern. The welfare of both higher and lower-level officials seems to be closely tied to PB increases. Third, even if some rational officials still budget maximise, they will do so only up to an internal optimum level.

c-An Alternative Model: Bureau –shaping

According to Dunleavy[30], the founder of the bureau-shaping model, for three reasons, welfare-maximising bureaucrats in policy-making ranks are mainly concerned to improve their welfare by providing with complaisant work and a valued work environment. First, it is presumed that senior officials put less stress than lower-level officials do on the

pecuniary or near-pecuniary components of their utility functions such as income or job security. Instead, senior managers put more stress upon non-pecuniary utilities: such as status, prestige, influence, and especially the importance of their work tasks[31]. Second, officials' ability to increase their pecuniary utilities has been limited by public service employment systems. Budget-maximising strategies and any ability to divert resources to personal welfare-boosting have been prevented. Third, work-related benefits seem to be a major determining influence on the organisational environment in which public officials behave. Therefore, rational officials prefer to work in small, elite, collegial bureaus close to political power centres. They do not want to work in heavily staffed, large budgeted but routine, conflictual and low-status agencies[32].

He argued[33] that rational bureaucrats oriented primarily to work-related utilities pursue a bureau-shaping strategy designed to bring their bureau into a progressively closer approximation to 'staff' (rather than 'line') functions, a collegial atmosphere and a central location. He continues to pursue his logical explanation and argues that national-delivery agencies in particular are transformed over time into control, transfer or contracts agencies. At each stage of the transformation process, senior officials try to get a 'satisfactory' level of budget, but this is affected by their previous success in restructuring bureau's objectives, and organisation. Eventually, the bureau becomes a small, central, elite organisation, namely a control, transfer or contracts agency. So the budget constraint is overcome and senior officials' utilities are eased from dependence on a high level of bureau and program budget. There are five key means of achieving bureau-shaping strategies[34]:

1- Major internal reorganisation;

2- Transformation of internal work practices;

3- Redefinition of relationship with external 'partners';

4- Competition with other bureaus at the same tier of government;

5- Load-shedding, hiving-off and contracting-out.

Bureau-shaping strategy can be achieved by the collective action of senior (and middle) levels of bureaucrats. He also argues[35] that bureau-shaping has much more direct connections with officials' welfare than the budget-maximisation.

Dunleavy's model, like others, has not been immune from criticism. Dowding[36], for example, has made arguments against the model. First criticism is related to the 'collegial atmosphere'. He did not clarify how a 'collegial atmosphere' will be established and how far individual bureaucrats are ready to exchange the 'collegial atmosphere' with their core budget. This ambiguity reflects the theory and its

implementation in bureaucracy. Second, the notion of 'central location' is open for criticism as to whether it is a common goal of bureaucrats or not. As Dowding[37] says they may find it attractive to be a senior bureaucrat in a HQ or in a regional office than being one of a large number of senior civil servants in Whitehall or Brussels. Having seen the developments with the Next Steps agencies, it appears that for the same level bureaucrats being an agency chief executive in a remote location is more desirable than being in London. Recent trend shows that civil service salary increases are more in, say, Newcastle or Bristol than in Central London. What is more, James[38] is right in his claim that Dunleavy's model does not mention why individual bureaucrats contribute to bureau-shaping strategies.

Dunleavy exaggerated two elements of his theory. First one is the collective action problem of senior civil servants who are not more than few dozens. He argues that because the 'Whitehall Village' is the sort of network in which collective action problem can easily be sorted out. Second exaggeration has been made in respect to the cost of advocating budget increases. Firstly, budgetary arguments between spending departments and Treasury are made in back rooms by the people who know each other well and know the rules of the game. So the costs are low. Secondly, in situations where an agreement cannot be reached, the political mechanism is mobilised to produce a solution. The minister rises the question in the Cabinet and cabinet committees, and according to the minister's power, (or his/her department's or argument's power) the conflict is overcome. However, Dunleavy avoids from this explanation arguing that this bargaining model is too complex to be applied empirically[39].

d-The Next Steps

Civil Service waste and over-supply arguments had important impacts on re-shaping the British civil service in the 80s and 90s. As chapter III explains, Mrs Thatcher confronted the civil service to reduce its influence in society and to prevent waste and over-supply. Cash limits, civil service cuts and privatisation of public services were implemented strictly to obtain a certain end. In other words, by questioning the role and the size of the state and then developing a concept of market for executive goods and services, the Next Steps has hoped to liberalise the civil service and eventually to prevent inefficiency and artificially-inflated budgets[40]. The Next Steps tried to bring the supply back to the equilibrium point by establishing a market oriented civil service.

The idea of separating advisory, regulatory and delivery functions which should be allocated to different agencies has been borrowed from public choice theory by the Next Steps. This aspect is also related to agency theory. The functional separation of agencies has been mainly for one reason that is to make sure that bureaucratic self interests could be kept under control by delegation and by contracting-out. As Massey[41] argues the Next Steps also strengthened ministers' position by providing more information to them stemmed from the transparency of agency activities. This essentially removes the monopoly of information of civil servants, and therefore they can cause limited artificial budget growth.

Mrs Thatcher has been not only a public choice supporter but also a follower. Indicators show that she was aware of the theory and its requirements. Many academics, Campbell and Wilson[42] for example, have this view that she admired the theory and carried out it by her actions in the re-organisation of the civil service. The following piece of her autobiography[43] implies this:

> I was determined....to begin work on long-term reform of government itself. If we were to channel more of the nation's talent into wealth-creating private business, this would inevitably mean reducing employment in the public sector. Since the early 1960s the public sector had grown steadily, accounting for an increased proportion of the workforce (about 30 per cent in 1979). Unlike the private sector, it actually tended to grow during recessions while maintaining its size during periods of economic growth. In short, it was shielded from the normal economic disciplines which affect the outside world.

Since chapter III dealt comprehensively with Mrs Thatcher's view, reform proposals, and Hoskyns' criticism, these discussions will not be repeated. What is more, chapter I and chapter II established the clear linkage between the Next Steps and public choice theory. Therefore the issue of a valid theory of cause and effect is also discussed in chapter VIII. So, this theory sheds lights on the Next Steps reform.

The Next Steps emerged in these conditions and the Ibbs report criticised the reform attempts which had been implemented in the Thatcher era. The report itself seemed to be a proper administrative reform proposal by containing essences of reform. The report, like others, was critical of the civil service ethos and personnel. What was peculiar was the availability of Mrs Thatcher who as a Prime Minister who is in charge of the government machine, had a pessimistic, public choice, perception of civil service. She was personally eager to change the civil service towards a business-like one.

e-Validity of the theories

As chapter III mentions, public choice theory seems to explain certain relations between the actors of public policy in the UK and Turkey. The rivalry among politicians themselves and between bureaucrats and politicians are obvious in Turkey. This is also valid to a certain extent in Britain. Empirical examination of the countries (Britain and Turkey) will be made in chapter V, and VI respectively. One can feel the recent pledges by the government to spend more on education, health, pensioners, and disabled as pre-election tactics to attract more vote.

As regards to the civil servants the situation looks a bit different. As it is the case in the executive agencies, chief executives and the staff alike might find it more appropriate to meet targets and save money rather than having large budgets and spending more. At the end, it is more secure to keep their positions and get promotion by saving and increasing efficiency in their agencies. Over-production of services thesis is worth examining. It is difficult, I assume, to judge over-production allegations without empirical examination of every individual agency. In Turkey, due to the cultural factors one can expect to find bureau-shaping argument in small bureaus. The reality indicates clearly that public choice and bureau-shaping theories are hand-in-hand, and in many instances they are available in different organisations of one country, or both in one organisation.

The empirical part of the thesis is designed to evaluate the existence of the two theories. The six questions deal with the extent and nature of the relations prescribed by the theories.

2- Agency Theory

The second theory to explain the theoretical aspects of the Next Steps reform is principal-agent theory. Basically, like public choice, it is a branch of micro economic theory. Therefore its essential assumptions indicate its economic orientation. In other words the theory's usage in politics or in sociology contains micro economic terms and concepts such as rationality and the notion of equilibrium.

The principal-agent approach is indeed central to administrative theory. Principals (either politicians on behalf of the citizens or departments on behalf of the politicians) employ agents (either individuals or organisations) who have 'professional' knowledge to fulfil public services. Agency theory deals with the inter-relations between two actors, the agent and the principal, in situations where pure market organisation does not apply[44]. The relationship between the agent and the principal is between two tiers of a

government. The theory implies that professional knowledge increases from top-to-bottom in public administration. Principal and agent represent administrative and professional functions respectively. In this vein, administrative function involves general 'policy-making' activity, while professional function is dealing with 'implementation' of public services.

The main aim of the application of such a distinct theory to the practice is to create clearly-defined relations which are capable of pursuing efficiency and good use of resources. According to the theory, the agent is contracted to conduct specified activities. Therefore the principal retains a considerable amount of power to contract the 'business', to monitor and to control the outcome, and, if necessary, to punish or to get the service compensated, whereas the agent is operating with a semiautonomous status and given a resources and responsibilities framework.

Initially, the theory was not produced to explain the political phenomena, but eventually it is applied to it. So five basic assumptions identified by the theorists are worth examining to get a clear insight into the theory.

a- Basic Assumptions

Worsham *et al.*[45] present these assumptions clearly, and briefly. Though the assumptions are general, their presentation is reasonably convenient to follow.

Assumption 1: All political phenomena can be modelled on, or reduced to the individual actions of actors in the market.

This assumption can be seen in a variety of forms. In the early days of the theory, bureaucracy is modelled as a single unit, whereas political actors, cabinet, parliamentary committees and subcommittees are treated as a single homogenous actor. A cabinet, a committee, a parliament or an agent each is treated, as if there was a single actor with its goals and incentives. Worsham *et al.*[46] are critical of the assumption. They argue that when we talk about organisations we talk about complex relations within single units. When we talk about bureaucracy, we generally mean the Weberian type with its usual characteristics, for example, an organisation with a hierarchical distribution of power and authority, task specification, and impersonal rule system and so on. This idealised type of bureaucracy will fail to explain the reason for conflict in a bureaucratic unit. The same rule applies to the parliamentary committees and cabinet. When we admit the existence

of conflict and competition among numerous groups within organisations, it damages the argument of having a single common will in every organisation.

Assumption 2: Individuals are rational egoistic utility maximisers. This is the driving motivation of individual action.

This assumption, as explained, is at the heart of a sister, public choice, theory, so vote maximiser politician and budget maximiser bureaucrat models will not be repeated (see the related part).

Assumption 3: Individuals act on the basis of complete information.

Reliable and enough information plays a prominent role in any control system. The principal needs to be aware of the doings of the agent to be able to sustain its dominant role and position. The agent also requires perfect information to fulfil its duties and to adjust its position according to the principal's wishes. The importance of information is most visible when problems occur. Without information, they cannot know whatever the other part is doing or wishing. This assumption is imported wholesale from economics to simplify the analysis. As widely-accepted, in the real world, however, it is impossible to have a hundred percent perfect information, but the availability of 'reasonable information' is still enough. Too much information also might prevent to see the real situation, and eventually co-ordination problems might prevail.

Assumption 4: Political-bureaucratic relationships are at heart a dyadic-exchange relationship.

This is the logical outcome of the preceding assumptions. This relationship has been examined by many studies through simplifying it to a single elected principal and an appointed agent. Nevertheless, many studies ignore other actors of the political arena. In the USA, for example, many studies failed to include the president as a principal, rather they regarded the Congress as the only principal. As Worsham *et al.*[47] argue one can focus on a single principal-agent relationship, bearing in mind the reality that the dense network of principal-agent relationships and power that constitute a complex organisation, and the corresponding asymmetries of information create a much different reality.

Assumption 5: politics naturally gravitates toward equilibrium.

Equilibrium is an economics concept which is used to describe a balance situation between supply and demand. In the market context, the co-ordination of supply and demand for a given good or service is conducted by prices. Use of this assumption in the principal-agent relations means a swing around a point at which principal preferences and agent actions intersect[48]. According to the assumption that all systems tend toward equilibrium is the one that political control is the norm. It is an ambiguous concept and difficult to test, because scarcity of information is a big obstacle to the issue.

Assumption 2 and assumption 5 contradict each other. If individual actors are rational egoistic utility maximisers, they have conflict of interests. So they are not expected to respect each other's interests; whenever they feel that the other side will not be aware of any misbehaviour, they feel free to act. Consequently politics might not gravitate towards equilibrium.

b- Implementation of the Theory

Jensen and Meckling[49] make the basic point of the theory that "if both parties to the relationship are utility maximisers there is a good reason to believe that the agent will not always act in the best interests of the principal". Lane[50] also asserts that "Public leadership in management functions may be exercised by administrative personnel or professionals and it may not be easy to draw the line where administrative authority is to reign and where professional authority is to be decisive. The tension between administrative routine and professional requirements is endemic in public administration". So, we can mention two kinds of problems in the relations[51]: first, the 'agent problem' is caused by the conflicting goals of the sides and by the difficulty involved in monitoring the agent's behaviour. Second, the issue of 'risk-sharing' is caused by the differing views of risk on the side of the agent and the principal.

To sort out the conflict the principal has to control the agent and to ensure that to a certain extent, the agent's self interest matches the principal's objectives[52]. This nature of the relationship encourages us to accept that the principal ought to have more than one agent. Possessing more than one agent, however, limits the actions of the principal as to monitoring and making sure that they respect the objectives of the principal. The agent might pretend to be observing the objectives of the principal[53]. This is 'asymmetric information'[54]. If the principal cannot observe the actions of the agent who possesses strategic information, the case of asymmetry occurs. Spremann highlights the difficulty that "the agent could make any promise with respect to his action and depart from it later

on just because the principal is unable to control or to monitor the agent's decision making"[55]. Principals have some options to ensure that agents satisfy the expectations of principals, for example they might offer promotion, and performance -related pay if targets are met, or negative incentives such as losing bonuses and dismissal.

Laffin[56] argues that using contracts to limit agent opportunism is the best way to overcome information asymmetries. The problem related to this aspect is to shape contracts in a way that serves for the objectives of the principal. Contracts were specified by the agency theorists on the basis of a formal model in which the outcome determined by the agent's level of effort[57].

The principal pays the fee and 'enjoys' the outcome. Nilakant's equity model[58] is reliable to explain and to illustrate the issue. The payoff is denoted by x, the level of effort of the agent as a, and the exogenous random element as t, then the relationship between the agent's effort, the value of the output and the realisation of the random variable is given by a production function X,

$$x = X(a.t)$$

The model makes two important assumptions: first is that "greater effort by the agent results in greater output for any value of t"[59]. The second assumption is that "only one of the parties directly influences the probability distribution of the outcome"[60]. The model's main concern is on optimal fee schedules that create positive incentives for the agent's activity. It is shown by the theory that agency theory is not only a contracting theory between agents and principals, but a theory of performance of the agent.

The theory assumes that the agent is risk-averse, while the principal is risk-neutral. Nilakant[61] examines this issue and concludes that two scenarios are possible: the 'optimal contract' under incomplete information is the first one, and the 'optimal contract' under complete information is the second one. This indicates the existence of the first-best and second-best contracts. The first-best contract is similar to a wage contract, whereas the second-best contract places the outcome as a basis for the agent's compensation. The more the agent works, the more the agent achieves. Since the agent is assumed to be risk-averse, the second-best contract causes a welfare loss to the principal. Nilakant[62] suggests three kinds of actions to prevent any efficiency loss by the agent:

a) to develop more efficiency monitoring strategies to observe the agent better;
b) to base the agent's compensation on his/her performance over a number of time periods, the role of chance events can be reduced and;
c) to base the agent's compensation relative to the performance of other agents, level of risk imposed on the agent is reduced.

These theories have put a new emphasis on the design of new agencies designed to produce incentive structures which will create conformity to the principal's preferences.

How far the Next Steps agencies reform matches these assumptions and in terms of agency theory what is the ratio of matching needs to be discussed. The following evaluation is conducted for this purpose.

c-The Next Steps Case

As previous chapters indicate, the Next Steps agencies are designed as a vehicle in which to carry market techniques to the civil service. The Next Steps has tried to sort out the basic problems of government by introducing contractual relations in a manner that clearly distinguishes the appropriate responsibilities of various actors[63]. Although the Ibbs report[64] made it clear that "they use the term 'agency' not in its technical sense but to describe any executive unit that delivers a service for government", in retrospect, albeit unconsciously, it has been oriented from agency theory. In fact, the contractual nature of the reform initiative has its roots in agency theory. Of course, one might argue that the theory may have been intentionally or unintentionally established. It is argued that market techniques have been intentionally introduced and contracting-out, internal markets, delegated financial control, and semi-autonomous agency structure are nothing but the tools of agency theory.

With regard to the Next Steps agencies reform, it has adopted contractual type of organisation in order to make sure that agents act in the interests of their principals. The main contract between the two parties is framework documents which, together with annual business plans and five yearly corporate plans, set out the framework and structure in which agencies must operate. Every agency should have a framework document with five basic elements[65]: the aims and objectives of the agency; the nature of its relations with Parliament, ministers, the core department, other departments and other agencies; the agency's financial responsibilities; how performance is to be measured; and the agency's delegated personnel responsibilities and the agency's role and flexibilities for pay, training and industrial relations arrangements. Containing these features, the Next Steps reform is a revolution to re-structure relations and to re-define main characteristics of the civil service.

Contracts, in the shape of framework documents, have a vital importance in the sense that they, like constitutions, set up the structural dimension briefly, put the targets to be met, clarify the relations between the two actors. Moreover, the periodic re-negotiation of framework documents provides a machinery for monitoring agent's performance and builds in the expectation that effective monitoring by principals will take place. Meanwhile, producing framework documents is not an easy task: it requires skilful persons, deep-seated familiarity with law and regulations and ability to predict possible/unexpected results. This implies Transactions cost theory. In addition, it needs

to search out and to monitor the outcomes of the agency work, and eventually to control and to evaluate the results in order to find out whether the agency has met its targets or not.

Contracts have been introduced to the civil service to replace existing hierarchical relations with a market oriented one[66]. Take the appointments of agency chief executives as an example. They are appointed on a short-term contract basis either from 'inside' or from 'outside' the civil service. They may be entitled to have performance-related pay and bonuses, and also they may be dismissed if they cannot provide a certain amount of satisfaction. Furthermore agency staff have also been given some incentives and sanctions in respect to performance of agencies, e.g. group performance pay which may be paid to all agency staff if the yearly targets are met, and individual performance-related pay which are generally paid to senior agency staff.

Again, the 'contract' is the key word of the initiative, and it is visible in various relations: framework documents, yearly business plans, five yearly corporate plans, service level agreements between agencies, and individual staff contracts. As the preceding chapter shows, the Next Steps, and the Market Testing Initiative have asked the agencies and public organisations to use contracts in every possible instance. So some agencies have moved to the position of being principals of other agencies, while, at the same time, they continue to be agencies of their parent departments. The basic principal-agent relation is between the 'core' departments and the agencies.

For principal-agent theorists, the key is to design the institution so that the agents are incentivised to pursue the aims of the principals, and to set up monitoring arrangements that ensure that agent behaviour can be monitored and if necessary controlled. The Next Steps agencies reform is consistent with this aspect of the theory. Targets and performance bonus systems and the autonomy given to the agencies provide a reasonable ground to motivate the executive agencies to increase their efficiency. Success benefits both sides: agencies continue to enjoy 'the freedom to manage' and financial benefits (for Chief Executives another term in office), and principals are provided more efficiency and outcome.

C- Basic Elements of the Initiative

This section deals with the application of the theory(ies) to the practice. Two inter-related components which are separation between 'policy' and 'implementation' and the tension

between accountability and autonomy put flesh on the bones of the reform initiative by identifying and making clear the basic foundations of it.

1- Identity of Reformers

It is necessary to examine the identity of reformers to find out who they were, what kind of intentions they had and so on. It is also important to discover the success of the initiative. The Next Steps Report was completed out of an Efficiency Unit scrutiny by the Unit's staff. The report is well known as the Ibbs report after the then the head of the Unit, Sir Robert Ibbs. It was conducted under the supervision of Sir Ibbs by the three members of the Efficiency Unit (Kate Jenkins, Karen Caines and Andrew Jackson) with the help of other three members of the Unit (Graham Cawsey, David Tune and Richard Hirst) between November 1986 and March 1987 (90 working days).

Sir Peter Kemp was appointed, in line with the recommendation of the report, as the first Next Steps Project Manager. Its entire staff was specially selected to carry out scrutinies and to establish such a fundamental initiative. The selection of Sir Peter Kemp as a project manager was not a random one and had significant effects on the prospects of success. Firstly, he was not a 'traditional' civil servant but a reformist. He knew essences of the Next Steps and managerialism, and he took every care to make it a success. In his service between 1988-92, Sir Peter Kemp always defended the initiative against the 'traditionalists' and tried to develop a managerial culture within the agencies. The replacement of Sir Peter Kemp in 1992 with a 'traditionalist' civil servant, Richard Motram from the Ministry of Defence, which is probably the most traditionalist department itself, did not bother the Next Steps team because the initiative already had its own impetus. By the end of 1992, 57.38 % of the agencies were already created, and a further 14.13 % was identified as agency candidates (see Appendix 1 and 2 for details). The percent created and identified is about two thirds of the whole agencies. Therefore the replacement did not seem to be strong enough to interrupt the speed of the initiative.

As chapter III shows, with the supports of the PM, the head of the civil service, ministers, eventually Treasury, and even the opposition parties, the project team has faced no serious obstacle to the development of the agency reform. All factors were ready to create a suitable working environment for the team members. The PM's efforts were particularly noticeable to the provision of the support. Mrs Thatcher did not politicise the civil service, but started to 'Thatcherise' the top echelons of it. She was not

necessarily eager to work with Conservative civil servants, but to see enthusiastic, young and creative people around her.

> I usually held personal interviews with the candidates for private secretary for my own office. Those who came were some of the very brightest young men and women in the civil service, ambitious, and excited to be at the heart of decision-making in government. I wanted to see people of the same calibre with lively minds and a commitment to good administration, prompted to hold the senior posts in the departments. Indeed, during my time in government, many of my former private secretaries went on to head departments. In all decisions, however, ability, drive and enthusiasm were what mattered; political allegiance was not something I took into account[67].

Unlike Mrs Thatcher, Major did not become actively involved in appointments of senior civil servants. He always said to Sir Robin Butler: "you know these people better than me"[68].

This last part is to explain the importance of advisers to the policies of Mrs Thatcher and to demonstrate her attitude towards civil servants and advisers. Thatcher brought advisors mainly from private sector (remember Hoskyns' arguments given in chapter III). Mrs Thatcher spoke of official advice:

> I saw it vary from Minister to Minister. I used to sit there sometimes and say "That's not what you said to my last Minister". You are giving him totally different advice. Why? And gradually they said "Well, the last one wouldn't have accepted that advice". I said, "Well, you're now trying it on with my present one."[69]

I assume these words justify her willingness to employ advisers from 'outside'. The first person who was brought from private sector was Lord (Sir Derek) Rayner to make fundamental changes on the civil service. His story was explained in chapter III. Three other persons who were advisers to the PM identified by Hennessy[70] as "the trio of Hoskyns and Walters in No.10 and Ibbs at the CPRS after 1980". Sir John Hoskyns' view of civil service was explained in chapter III. He had involved with the Centre for Policy Studies, the private free-market think-tank established by Mrs Thatcher and Sir Keith Joseph in 1974[71]. Hennessy regards the Centre's staff as the 'Mrs Thatcher's early counter-Civil Service in the years after 1979'. Professor (later Sir) Alan Walters, ex-London School of Economics free marketer, was brought from Johns Hopkins University to advice her in No.10. His salary was paid partly by public funds and partly by the Centre for Policy Studies.

2- Dichotomy Between Policy and Implementation

The Next Steps has accepted the idea of separation between 'policy' and 'operational' issues. In line with many administrative theorists, since Woodrow Wilson[72], the Next

Steps reform has planned to establish executive units which are "to carry out the executive functions of government within a policy and resources framework set by a department"[73]. According to the report, as mentioned, departments will be responsible for 'policy' matters which cover framework documents, budget, specific targets and the results to be achieved, whereas the executive agencies are dealing with operational, and day-to-day issues.

The main reason for such an attempt was to increase efficiency and to introduce cost awareness to the civil service. It was thought that if resources and clearly identified responsibilities framework were given, agencies could achieve better results by focusing on the work to be done[74]. Apparently, the most discussed part of the reform in the government, in the academia, in the parliament, and in the media has been the assumption of separation. The theory's basic assumption was the belief of separability of policy and operational matters. In reality, however, it has long been discussed and many eminent scholars and practitioners have not come to the conclusion that that kind of separation could be made[75]. However, some others asserted that "the distinction...is more workable in practice than is supposed; and Next Steps does not depend on as sharp a divide as its critics imagine"[76]. Surely, both policy making and implementation have very close ties which cannot be broken. Trying to separate the two complementary elements may cause serious negligence and mistakes.

In the Next Steps case, the problem has been very sensitive: the goal is to achieve greater amount of efficiency; and the method is to separate policy and implementation functions by employing public choice elements. The Fraser report[77] criticised the initiative as weakening the amount of autonomies of the agencies, this meant lesser amount of flexibility and lack of autonomy for agencies. Nevertheless, lack of delegated power is not a virtue, especially in the 'new public management'[78] era. On the contrary, the recent developments give more opportunity for agencies to seek out efficiency and value for money. As will be explained in chapter V, 'freedom to manage' is an integral part of the Next Steps.

The 'type' of agency plays a very important role in identifying policy and operational matters, because there is a direct relation between the type and degree of difficulty[79]. In Social Security Service for example, because of its sensitivity, operational issues become policy issues. Every decision made on applications contains policy functions as well as operational one. Therefore, service impact of policy decisions and policy impact of service decisions retain the conflict, and difficulty in itself.

This dimension of the Next Steps, on the other hand, has got lesser amount of restrictions for the Turkish bureaucracy. Although their priorities are different from each other, the Next Steps aimed to achieve greater efficiency, while Turkish bureaucracy is struggling to be immune from the political interference of the government, Turkey needs to separate policy and operational functions. By doing so, it can prevent too much political involvement of government in daily business of the civil service and also political patronage can be overcome[80]. Though impartiality of bureaucrats is granted by the Constitution and by the law[81], in practical terms there is no obvious means or organisations to implement it.

Separating policy and operational functions and allocating them to ministerial HQs and executive units respectively, the Turkish civil service might be saved from 'political games' and eventually could achieve, first, effectiveness and, then, efficiency. As chapter VI, VII, and VIII indicate, the main obstacle to a prosperous civil service is the political character of the civil service. The problem is worsened by the fact that if the system were designed to be political, like the American system, the outcome would not be so severe. In that case, the system could produce checks and balances, and might have some other means to diminish the aftermath. In Turkey, the Constitution and the law say that the civil servants are neutral, but in practice they are subject to political examination by the political actors. Consequently, Turkey needs to draw a clear-cut borderline between political and executive functions and then it should separate policy and operational issues, if it wants a well-working bureaucracy which has vital importance in the contemporary world.

3- The Tension Between Autonomy and Accountability

The balance between autonomy and accountability forms the second aspect of the application of the theory. The term accountability is used to cover two levels of politics: the first is the accountability of agencies to the departments and the second is the accountability of the ministers to the parliament namely ministerial responsibility. The term autonomy, however, will be used here mainly to discuss the relations between agencies and departmental HQs.

The Next Steps reform is designed to take power from the centre and devolve it to the new executive agencies. As chapter III indicated, the initiative has become successful by allowing Departmental civil servants to continue to concentrate on policy work and by giving agency staff the prospect of escaping from Treasury control and exploiting their

independence. The idea and the method of the selection of the chief executives show that, when they are running their agencies, they are relatively free from the traditional Whitehall constraints of upwards reporting[82].

Two important factors affect the amount of autonomy devolved to agencies: the extent of autonomy given to agencies at their launch and the role of the agencies in drafting framework documents. Regarding the first factor, agencies have diversifying degree of autonomy and responsibilities. Depending on both the nature of the job to be done, and the economic and political environment, agencies are given a certain amount of responsibility and power to fulfil their duties. Given the fact that positions of agencies are reconsidered every five years: considering whether they should remain an agency or be privatised, and so on, the initially granted autonomy still has the steering role in the prospect of the executive agencies. This gives principal an opportunity to change the design of the relations so that agent carries out its responsibilities according to the wishes of principal.

The second factor, on the other hand, may be more important than the first one, because it is the functional and active part of the issue. When a decision is being made about agencies, they should be given a say in the decision-making process. In administrative policy making, it is easy to make decision, but very difficult to implement it. To make efficient and effective decisions, to set targets, and to prevent resistance from the operational actors, departments need to consult with them. Agencies argue that only they are in the right position to set targets, whereas departments allege that unless targets are formulated centrally they could not be realistic[83].

After examining the relationship between departmental HQs and their agencies, the Fraser report[84], undertaken by the PM's Efficiency Unit in 1991, criticised the Next Steps as being reluctant to delegate power to the agencies. Sir Angus Fraser, PM's efficiency advisor, when answering the questions of TCSC, said[85] that: "We think that the environment ought to be changed from being restrictive to becoming enabling. Operating constraints should be specified and justified afresh by those who want to retain them rather than freedoms always having to be fought for by the Chief Executives". The main recommendation was that departments should devolve as much power as possible to the agencies. Therefore, the government's basic argument for establishing such a reform should be consistent with the practice. The report's recommendation of devolution is on the three aspects of the power. The report says[86] that:

> The objective should be to move to a position where Agency Framework Documents establish that, within the overall disciplines of the cash limits and targets, managers are free to make their own

> decisions on the management of staff and resources except for any specially reserved areas. The exclusion of any area from the Chief Executive's authority should be positively justified.

Two aspects, control over finance and control over staff, are mentioned here but the other aspect, some power to adopt policy goals, is mentioned in TCSC[87] by Sir Fraser: "It is implicit in the idea of delegation to Chief Executive that they may wish to vary some conditions of service". Otherwise the report did not want to alter any legal autonomy given to the agencies. The basic idea behind these recommendations was to make agencies more efficient by delegating more power.

It should be noted here that not all the agencies complain about the lack of autonomy. Mike Fogden, for example, the Chief Executive of the Employment Service, clarified his agency's position as to influencing policy:

> Indeed not only influence but, in fact, the Department look to us for information to enable policy formulation to proceed....in our Framework Document there are two key sentences: one is that the Chief executive is permitted to make proposals for policy changes to the Secretary of State, but equally as important, and perhaps some would argue more important, there is also a sentence which says no policy proposals regarding the work of the Employment Service can be made to the Secretary of State until we have actually been consulted[88].

The second aspect of the accountability issue which deals with the relations between departments and parliament contains similar problems as the first aspect. Basically, it faces the difficulty of how to accommodate the accountability of government to parliament. By launching the agency system, separating operational and policy functions and significantly, empowering the chief executive, the initiative has added a new tie to the existing system and eventually this has caused further confusion. In this vein, Hogwood[89] argues that before 1988 ministerial responsibility never was clear for all executive activities. One thing to remember is that before the Next Steps the tradition of ministerial responsibility had been in effect and after the Next Steps it has been in the effect. The important thing to note is the characteristics of the tradition, especially how empty it is as a means of control, something of a force in reality (as the Westland Affair, the Clive Ponting Case, and the Churchill-Matrix Affair revealed how ministers cynically misled parliament).

As Elder & Page[90] assert early commentators of the Next Steps suggested the development of the accountability and control over 'an extended period'. However, the Next Steps reform intends not to change the fundamentals of ministerial responsibility but to alter the mechanics of how it is implemented. Accountability of the executive power to the legislation has been re-organised according to the functional separation. First of all, chief executives are appointed as Accounting Officers of their agencies to be

directly responsible to the parliament for the deeds of their agencies. Ministers and departmental Accounting Officers are held responsible for policy issues. Chief executives may be called to Select Committee meetings to give evidence about their agencies, because they are most capable of knowing operational matters[91].

The change in the tradition of ministerial responsibility might seem to be reasonable. One can possibly say that there is nothing to be afraid of making the chief executives answerable to the select committees. However the issue is not so simple, first of all, as mentioned, we have practical difficulties to identify 'operational' and 'policy' matters. Operational and policy issues are intertwined and cannot be recognised easily. Moreover, who can assure that an operational failure has not been caused by a policy failure.

Secondly, the confusion on who is responsible for failure has paved the way for the negligence of accountability. In the cases of controversy, ministers declined to answer select committee and MP's questions arguing that those issues were operational and should be answered by chief executives[92]. Ironically, when some chief executives have been asked questions they have declined to reply by claiming that those issues were not operational. The dismissal of Derek Lewis in 1995, Chief Executive of Prison Service, by the Home Secretary Michael Howard, highlighted how sensitive the issue was[93]. The sack of the head of the Child Support Agency was another example containing similar reasons and consequences. Thus political actors are in a stronger position to defend themselves, they can easily prevent attacks from the public by redirecting the critique to non-political ones.

The last thing to mention is related to the convention of ministerial responsibility. In reality, ministerial responsibility has nothing to do with separation of functions. The tradition requires politicians to be responsible for the actions of the executive to the parliament on behalf of the public. One may say that chief executives should respond to the day-to-day issues, while politicians are responding to the policy questions. However, at the end of the day politicians who, are the people in charge of the government and the executive, should take all the blame and the praise. In the launch of the Next Steps and since then governments have not spoken out any change in the convention[94]. Mrs Thatcher stated that new agencies would continue to be in the civil service and staff would be civil servants. So ministerial responsibility, beside other conventions, would apply to the Next Steps agencies. If the Next Steps agency personnel are civil servants and their functions are civil service functions, there should be no change in the

convention of ministerial responsibility. As Riddell[95] says "the Government has sought to be organisationally radical but constitutionally conservative".

Independence and the development of 'culture creation' function of the agencies also deserve attention. Agencies having a certain degree of independence can decide their own way of dealing with problems, and responding to the situations. Therefore this gives personnel in a given agency the sense of belonging to a 'special', and 'different' organisation. Moreover, morale among the staff of agencies rises and certain symbols mean different things from their apparent meaning such as names or logos of the organisation. The staff starts to behave in a particular way when similar problems occur. The agency reform has helped to create a common culture first in an agency and then in the agency system as whole.

Another feature of the Next Steps is the 'promotion of openness' within administrative system. Charging the Chief Executive with the responsibility of replying to questions from MPs is a way of promoting openness. This makes agency chief executives more visible in front of the public and implies that they have the right and responsibility to reply questions regarding their agencies. Publication of lots of annual reports, business plans, and framework documents is another obvious method of promotion. Agencies use the Internet to publicise their success, and express their version of their performance. What is more, they issue press releases quite frequently to inform the public about their work or to introduce changes or amend rules and regulations.

The final thing to mention is about the Next Steps feature of 'focusing on the targets and performance-related pay'. The initiative confers special importance on this aspect by setting targets for agencies and asking them to achieve. In addition, the reform introduces performance-related payment to encourage or to motivate them to increase their efficiency and effectiveness. The personnel know that the more the targets they achieve the more the rewards they get. So they work hard to achieve their targets and receive extra financial benefits. Besides, staff might also think that increased performance help the agency to keep as it is, as an agency, rather than being contracted-out or privatised.

D- Physical Structure of the Initiative

1- Volume of the Next Steps Reforms

In any given administrative reform, the extent of the initiative is, if not more, as important for governments as its context. If the entire government is not working well, it will be ineffective to reform a limited part of it. For outsiders and insiders, the volume of the reform may give an idea about how serious the attempt is. Of course considering only the volume as an indicator is not a healthy thing to do. The Next Steps has endorsed this judgement by establishing both a radical and comprehensive reform[96]. As mentioned, the reform has adopted the method of gradual launching, because such a detailed reform could not be established once-and-for-all, but step by step.

The first Next Steps agency, the Vehicle Inspectorate Executive, was established in August 1988. After then, the government started to establish agencies enthusiastically. By 31 December 1998, 404,093 agency personnel were transferred to 142 executive agencies (together with HM Customs and Excise, Inland Revenue, Crown Prosecution Service, and Serious Fraud Office). This signifies about 80 % of the entire civil service personnel. In addition, 1,300 civil servants (2 agencies) have been specified as Confirmed Agency Candidates[97], and 38,195 civil servants (16 agencies) were identified as Agency Candidates Under Consideration (see: Appendix 1 and 2 for the list).

In the mean time, between 1988 and 1997, 11 agencies had been established and eventually privatised for example HMSO[98]. As happened in HMSO, Trading fund status is very appropriate for the agencies which operate commercially are easily sold to the private sector. The question of whether the privatisation was purely commercial or not is another issue and open to controversy. However one thing is sure that the Next Steps, theoretically and practically, is a substitute for privatisation but, as mentioned earlier, the Next Steps also opened the way for privatisation, contracting-out or demolition of service, and it required review of agency framework documents and statutes as to retention of agency status.

Table 4.1 shows that in the first two years of the Next Steps, the agencies were launched cautiously. However, starting from 1990 when the initiative gained its momentum, the formation process was speeded up.

Table 4.1: Agency Creation Over Time

Years	Number of Agencies	Number of Staff	Percentage of Staff
1988	2	2,346	0.60
1989	3	323	0.08
1990	19	57,310	14.20
1991	17	117,314	29.00
1992	15	54,720	13.50
1993	13	57,139	14.18
1994	10	10,595	2.60
1995	15	42,020	10.40
1996	31	40,448	10.00
1997	13	19,656	04.89
1998	4	2,222	0.55
Total	142	404,093	100.00

Table 4.2: Prime Ministers and Agency Creation

Prime Minister	Period	Number of Agency	Percentage	Number of Staff
M. Thatcher	August1988-November 1990	24	14.90	59,979
J. Major	November 1990-May 1997	114	81.64	330,153
T. Blair	May 1990-December 1998	4	3.46	13,961
Total	11 Years 4 months	142	100.00	404,093

Notes:

1) Maritime and Coastguard Agencies were merged in 1998, but they were established as agencies in 1995. Therefore they were counted in Major years.
2) Some non-civil servant, agency staff was also included in the numbers.
3) Tables do not include the agencies which were launched and privatised, for example HMSO.
4) Tables do not reflect the agencies' number of staff when they were launched, but as at the end of 1998.

(Source: Next Steps Report 1997, Cm 3889, London: The Stationary Office, and Next Steps Report 1998, Cm 4273, London: The Stationary Office)

Table 4.2 indicates that, Mrs Thatcher was able to form a reasonable number of agencies, 24 agencies representing 14.9 % of the agency staff. John Major was 'the agency champion' by creating more than 80 percentage of the entire agency stock. As Gains[99] claims after the general election in 1992 Major was very enthusiastic to enhance his radical credentials and gave administrative reform a special importance. Regarding Tony Blair, although the creation has slowed down, he created four agencies, 3.46 %. This can

be interpreted as a positive indicator of the new prime minister's attitude towards the agencies.

2- Variations in Agencies

The Next Steps agencies have exhibited a huge diversity in basic aspects of comparison. As mentioned, these variations are also important for the explanation of Bureau-shaping theory[100]. If the Next Steps had not deployed the step-by-step method for transfer, the civil service would have had a revolutionary re-organisation. In that case, the government would have had an opportunity to re-launch the agencies and of making them comprehensively re-patterned organisations, because, as a method of transfer or transformation, the step-by-step approach is evolutionary in its nature[101].

Minogue[102] reports that in 1998, out of 138 agency chief executives, 90 chief executive were recruited by open competition, while 25 % of the appointments were external candidates. Women chief executives were only 6. The amount of executives recruited by open competition looks reasonable, over 65 %, while the number of women executives representing 4.34 %.

Variations in agencies can be examined under six headings. The first one is the size of the agencies[103]. The executive agencies vary in size from 37 (Wilton Park Conference Centre) to 66,296 employees (Social Security Benefit Agency). The SSBA, for example, employs more than the one tenth of the whole civil service, and a few times more than the total sizes of some core departments e.g. the Department of Education and Employment, and the Department of Health. This amount of diversity between agencies hampers the possibility of categorisation and of simplifying the agency reform. The second kind of variation is in the status of staff and chief executives. Chief executives are paid different amount of money and they are in different grades e.g. from Grade 1A (the Central Statistics Office) to Grade 6 (the Social Security Resettlement Agency). In addition a number of chief executives are appointed by open competition from outside the service, while some others are civil servants or military officers.

The third diversity lies in the tasks of agencies. The Next Steps experience shows that agencies have a varying degree of tasks: some of them are single function agencies such as Duke of York's Royal Military School, while others have a scope of functions such as National Physical Laboratory.

Agencies can be examined according to their monopoly status and funding. Some agencies have monopoly status, whereas others are non-monopoly institutions. Therefore

some agencies are dependant a hundred percent on government funding, whereas others partially funded or do not need to be funded at all by the government. They might have trading fund status or they may apply user charges to finance their expenses.

The fifth aspect is related to the administration of the agencies. Some agencies have "advisory boards", or "councils", but some others have not. In those agencies which have boards, boards may be chaired by chief executives, senior civil servants or junior ministers. Generally, these boards fulfil supervisory and advisory functions.

The last aspect involved is the nature of the activities and the kind of services provided by the agencies. This variation can be categorised as service providing agencies, regulatory agencies, and commercially-run agencies (this aspect is examined later in the chapter).

The above varieties among the agencies affect their relations with their 'parent' departments[104]. Therefore this gives certain agencies the privilege of having close contacts with the Secretary of State. So they might have relatively more power to initiate their own policies and incentives to prosper.

E- Categorisation of Agencies

From the methodological point of view, categorisation and generalisation are two important factors to search and to get lessons from any case by simplifying and finding correlations between similar subjects. So one needs to categorise the executive agencies to be able to examine and to study them. Otherwise each agency should be examined separately, which is impractical.

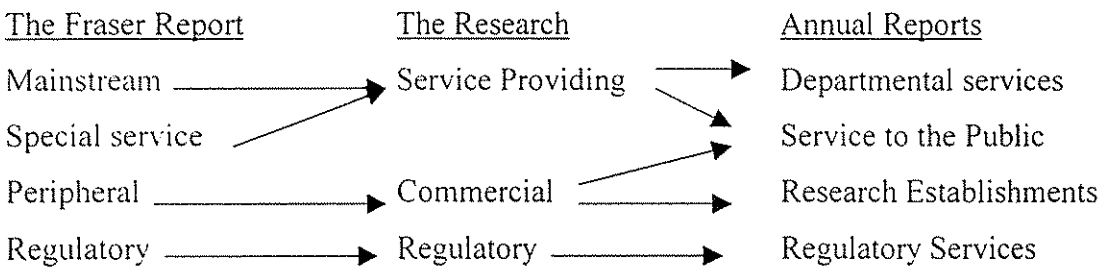
1- Typology of Agencies

Although the agencies vary substantially in terms of many characteristics, there are certain other common aspects and features. There have been categorisations made by scholars and practitioners of public administration. Greer[105], for example, classified agencies according to the criterion of being monopoly or not. She examined three features of agencies: first, accounting systems such as trading fund, net-cost and gross-cost accounting; second, delegated power of recruitment in terms of the degree to recruit up to a certain grade; and third, the industrial relations in agencies. Her typology does not suit this research, because the study is not concerned with being monopoly or self-funding. The study is concerned with comparability and transferability of agencies.

The Fraser report[106] categorised the agencies under four main groups as Mainstream agencies, Regulatory and other statutory agencies. Specialist service agencies, and Peripheral agencies. Mainstream agencies are fundamental to the main policy and operations of their departments i.e. Employment Service. Regulatory and other statutory agencies operate in a delegated way and their functions are related to the basic functions of a department. Special service agencies provide special services to departments or other agencies, such as Information Technology Services Agency. Peripheral agencies are not directly related to the main aims of a department but report to its minister.

Next Steps annual reports[107] categorise the executive agencies under four groups: Regulatory Functions, Research Establishments, Departmental Services, and Service to the Public. This classification is more or less the same as the Fraser report.

Figure 4.1: Agency Types



Additionally, a number of other categorisations were made, such as Dunleavy and Francis[108]. However, their categorisation does not serve for the intention of the research, because they only identify eight kinds of agencies and they are too many in numbers and too much in details. What is more it looks like an observation rather than a categorisation. These types are: Delivery, Regulatory, Trading, Transfer, Service, Taxing, Control, and Contracting.

This study, on the other hand, will make a categorisation consisting of three groups of agencies: regulatory; service providing; and, commercially-run. This classification seems to be reasonable for several reasons. Firstly, the above three functions (regulation, service provision, and commercial activities) are the basic functions of any government. In addition, to some extent, the Fraser Report and Annual reports match this grouping. Figure 4.1 compares three groupings in the simplest way.

Secondly, this grouping keeps the volume of the research to the minimum necessary. In other words, the three groups encompass all the agencies and their functions. So the study will be dealing with three kinds of functions and having a case

representing the three kinds of elements. Of course, generalisation (and simplification) is always delicate and contains the dangers of over-simplification, but one has to make it to be able to handle social objects. Otherwise, details may prevent the researcher from taking a healthy insight into the subject matter.

Thirdly, since the study is a comparative one, between the UK and Turkey, the grouping of agencies has to match the departmental functions of the Turkish civil service. Neglecting the receiving side of the comparison (Turkey, here) might cause weakness in the comparison itself. By and large, the Turkish civil service consists of these three functions and kinds of organisations. So this classification also suits the Turkish civil service. The Turkish civil service is examined in chapter VI.

2- Selection of the Case

As Zifcak[109] says 'administrative reform is generally analysed by examining individual cases'. Reform program is described; implementation is followed; reasons for success or failure are searched; and lessons from the case are drawn. This pattern is repeated in each case. The study of the Next Steps agencies reform follows this process, and uses the case study method to evaluate the results. As argued, agencies are so much diversified, so we need to be very careful of choosing the case and making sure that it has the common characteristics of being three kinds of governmental functions.

The case of the Vehicle Inspectorate Executive Agency is chosen to represent the agencies. As noted in chapter I, this selection is not random, but rather a carefully conducted one. The idea and rationale behind selecting this particular agency has several reasons. The first criterion for the selection is the concern with the establishment date of the agency. We need to have an agency under reasonable time period of agency status to search out and to have a clear insight into its performance. The selected agency, the Inspectorate as the first agency under the Next Steps initiative in August 1988, satisfies this condition. Twelve years is enough to find out the performance of the agency (remember the time period of the research is between the launch dates of agencies and the end of 1996).

The second criterion is related to the characteristics of the agency. The case of VI has got some interesting points to make the case 'valuable'. First of all, this is the first launched agency. Therefore it gives the case a special importance, because it means that, despite lack of experience, government must have given every possible help to this agency to make it successful. It has symbolical importance. In addition, the agency suits

a regulatory role very well. As the name indicates it deals with the inspection of vehicle, driver and roadworthiness and consequently it has close ties with everyday life of citizens. This feature adds extra weight to the case, because it will be very significant when things go wrong. Some other regulatory agencies, however, deal with some other agencies or organisations not directly with public, but their failure or success may not be as significant and obvious as this one.

The Inspectorate represents three aspects of a government: service provision, regulation, and commerce. Firstly, as will be examined in detail in chapter V, the work of the agency especially its Traffic Enforcement functions reflect the regulatory facet of VI. Secondly, its Statutory Testing functions represent the service provision side of the Inspectorate. Finally, Trading Fund status and its competition with private garages over the testing of Light Goods Vehicles within which 2,000 and 3,500 kg threshold signify its commercial aspect. In addition, the review conducted by the Secretary of State in 1994 whether it should be privatised makes the case for commercial and service provision functions of the agency. What is more, it reveals a valuable insight into the agency performance and change of the civil service culture.

One final important aspect of the case is related to the theoretical elements of the Next Steps, which require a flexible agency structure in which institutional design can be done easily (principal-agent concern) and the three functions are represented properly so that a possible separation can be achieved (public choice aspect). The VI achieves all these goals to a reasonable extent.

F- Conclusion

The Next Steps agencies reform satisfies the three transfer conditions set up in chapter I and mentioned in this chapter. Contrary to the argument that the Next Steps lacked a proper theoretical backing, this study proves that principal-agent and public choice theories have guided the initiative towards its implementation. Therefore, the reform meets the transfer condition that the originating reform is based on a valid theory of cause and effect. This aspect is also examined in chapter VIII, the comparison chapter. The main element of agency theory, contract, is deployed to shape the relations between different levels of the civil service, and the agencies. The basic premises of public choice theory, as the preceding chapter explained, have been used by the Next Steps to re-organise the civil service for seeking efficiency and effective use of resources. Therefore, separation of 'policy' and 'operational' responsibilities is a Next Steps phenomenon

borrowed from public choice. The basic problem is that the Next Steps did not follow a theory 'from beginning to end'. Apparently, instead it had decided what it required to achieve the goals and then picked up necessary elements from the two theories.

'Definability' and 'operationalisability' of the Next Steps are achieved to a certain extent by the initiative. However, complete separability of 'policy' and 'operational' functions seems impossible to achieve by the reform. The two functions went hand-in-hand and it was impossible to separate them. Certain problems occurred, because the administrative mechanism was designed on the assumption that the two functions can be separated. The main confusion caused by this factor was to identify the boundaries of the responsibility especially in failure times. Accordingly, the convention of ministerial responsibility has been neglected and ministers have found ways to escape from public criticism by redirecting the blame to chief executives. However, considering the scale of the relations and events, there is not enough evidence to label the initiative as being 'indefinable' or 'unoperationalisable'. The establishments of the agencies indicate that the initiative meets this condition.

As regards to the third condition, full implementation of the original reform, it is discovered by this study that the Next Steps has been successful in implementing its requirements and launching the initiative in a large-scale basis. There is a mixed blessing here. Although two third of the civil service has been transferred to the agency status (81 %), the Next Steps still lacked a pattern of establishing agency status. This was mainly caused by the huge diversity in agencies especially in terms of size, status of staff and chief executives, tasks, monopoly status and funding, administration, and nature of activities they provide. Therefore the government has not paid enough attention to serving this goal. As clarified, the priority has been given to practical benefits rather than theoretical considerations.

Huge amount of diversity hampered the purpose of categorising the agencies, but the practical reality required their categorisation as simple as possible. Service providing, commercial, and regulatory functions make a good case for conducting the case study. Therefore the Vehicle Inspectorate is an ideal case for the examination. This grouping should satisfy not only the British case but also the Turkish one. As chapter VI explores the Turkish civil service, the grouping is well capable of representing the entire civil service functions of Turkey.

Regarding the need for reform of civil service, and using the tools, Britain and Turkey appeared to be different, but the prescription seemed to be the same. In other words, separation of 'policy' and 'operational' functions of the British civil service was

due mainly to increase efficiency, while the separation in the Turkish bureaucracy is needed to make sure that effectiveness is achieved. Since the civil servants are not able to function neutrally, the first priority should be given to this issue and then to efficiency. In other words, if external and internal conditions do not allow civil servants to behave neutrally, it would be impossible to expect maximum efficiency from them. Thus the civil servants might struggle to appease their political masters rather than fulfilling the requirements of the service.

Consequently, given the weaknesses and lack of pattern to launch agencies, Turkey can still benefit from the Next Steps reform. The only risk here is the attitudes of ministers towards chief executives. Politicians might try to 'capture' chief executives by threatening to sack them or offering them more incentives to behave according to their wishes. By 'capturing' them, ministers might penetrate through the lower levels of the bureaucracy. However the problem can be prevented by certain countermeasures which are examined in chapter VIII and IX.

The chapter identifies six criteria, as the elements of the Next Steps reform, for the examination of the case and of the comparison. They include: 'separation of policy and operational functions'; 'minimising politicians' interference with the daily business of the agencies'; 'empowering chief executive and agency'; 'creating a common culture'; 'focusing on the target and performance-related pay'; and 'promoting openness'. These elements are used to evaluate the case study and the feasibility and transferability of the agencies to Turkey.

---

[1] HC 496, 1990-91, **The Next Steps Initiative**, TCSC Seventh Report, London: HMSO, p. xii

[2] For example, Hood, C. 1991, "A Public Management for All Seasons", **Public Administration**, Vol.69/1; Greer P., 1994, **Transforming Central Government: The Next Steps Initiative**, Buckingham: Open University, pp.13-5; Davies, A. & Willman, J. 1991,**What Next?: Agencies, Departments, and the Civil service**, London: IPPR, pp.15-6; and Dowding, K., 1994, **The Civil Service**, London: Routledge

[3] Hogwood, B.W. 1994, 'A Reform Beyond Compare? The Next Steps Restructure of British Government', **Journal of European Public Policy**, Vol.1/1, pp.72-3

[4] W.A. Niskanen, G. Tullock and A. Downs

[5] Self, P. 1993, **Government by Market?** Houndmills: Macmillan, p.8

[6] Self, Government by Market?, p.8

[7] Dunleavy, P. 1986, "Explaining the Privatisation Boom: Public Choice versus Radical Approaches", **Public Administration**, Vol. 64, p.18

[8] Dowding, The Civil Service, p.79

[9] Downs, A. 1957, **An Economic Theory of Democracy**, New York: Harper & Row

[10] Tullock, G. 1976, **The Vote Motive**, London: The Institute of Economic Affairs

[11] Self, Government by Market? p.22

[12] Cited in Self, Government by Market, p.23

[13] Brennan, G. & Walsh, C. 1990, **Rationality, Individualism and Public Politics**, Centre for Research on Federal Financial Relations, Australian University, pp.97-144

[14] Downs, An Economic Theory of Democracy

[15] Self, Government by Market? p.24

[16] Self, Government by Market? p.25
[17] Bentley, A.F. 1908, **The Process of Government**, Illinois: Evanston
[18] Self, P. 1985, **Political Theories of Modern Government**, London: Allen and Unwin, pp.79-107
[19] Self, Government by Market? p.28
[20] Wilson, J.A. 1980, **The Politics of Regulation**, Basic Books, cited in Self, Government by Market? p.29
[21] Dowding, The Civil Service, p.33
[22] Tullock, G. & Buchanan, J.M. 1962, **The Calculus of Consent**, Univ. of Michigan: Ann Arbon
[23] Dowding, The Civil Service, p.41
[24] Niskanen, W. 1973, **Bureaucracy, Servant or Master?**, London: Institute of economic Affairs
[25] Tullock, The Vote Motive, p.31
[26] Niskanen, Bureaucracy, Servant or Master? pp.32-3
[27] Dunleavy, P. 1991, **Democracy, Bureaucracy and Public Choice**, London: Harvester, p.162
[28] Dunleavy, Democracy, Bureaucracy and Public Choice, p.174
[29] Dunleavy, Democracy, Bureaucracy and Public Choice, pp.183-7
[30] Dunleavy, Democracy, Bureaucracy and Public Choice, p.200
[31] Dunleavy, Democracy, Bureaucracy and Public Choice, p.200
[32] Dunleavy, Democracy, Bureaucracy and Public Choice, p.202
[33] Dunleavy, Democracy, Bureaucracy and Public Choice, p.202
[34] See for details, Dunleavy, Democracy, Bureaucracy and Public Choice, pp.203-4
[35] Dunleavy, Democracy, Bureaucracy and Public Choice, p.205
[36] Dowding, The Civil Service, p.83
[37] Dowding, The Civil Service, p.83
[38] James, O. 1995a, "Explaining the Next Steps in the Department of Social Security: the Bureau-shaping Model of Central State reorganisation", **Political Studies**, Vol.43/4, p.616
[39] Dunleavy, Democracy, Bureaucracy and Public Choice, p.177
[40] Greer, New Managerialism, p.16
[41] Massey, A. 1995a, 'Civil Service Reform and Accountability', **Public Policy and Administration**, Vol.10/1, p.30
[42] Campbell, C. & Wilson, G. 1995, **The End of Whitehall**, Oxford: Blackwell, pp.86-7
[43] Thatcher, M. 1993, **Downing Street Years**, London: Harper Collins, pp.45-6
[44] Spremann, K. 1989, "Agent and Principal", in Spremann, K. & Bamberg, G. (eds) **Agency Theory, Information and Incentives**, Berlin: Spring-Verlag, p.2
[45] Worsham, *et al.* 1996, "Limits of Agency Theory", **Governance**, Vol.9/4, p.410; and 1997, "Assessing the Assumptions: A Critical Analysis of Agency Theory", **Administration & Society**, Vol. 28/4, pp.423-30
[46] Worsham, *et al.* Assessing the Assumptions, p.424; and Limits of Agency Theory, pp.411-2
[47] Worsham *et al.* Assessing the Assumptions, p.427
[48] Worsham *et al.* Assessing the Assumptions, p.429
[49] Jensen, M. & Meckling, W. 1976, "Theory of the Firm", **Journal of Financial Economics**, Vol.3, p.308
[50] Lane, J.E. 1995, **The Public Sector: Concepts, Models, and Approaches**, London: SAGE, 2nd Edit. pp.179-80
[51] Nilakant, V.& Rao, H. 1995, "Agency Theory and Uncertainty in Organizations", **Organization Studies**, Vol.15/5, p.652
[52] Arrow, R.J. 1986, "Agent and the Market", in Arrow, K.J. & Intriligator, M.D. **Handbook of Mathematical Economics**, Vol.III, North-Holland: Elsevier Science , p.1184
[53] Barnea, A. *et al.* 1985, **Agency Problems and Financial Contracting**, New Jersey: Prentice-Hall, pp.26-7
[54] Spremann, Agent and Principal, p.6
[55] Spremann, Agent and Principal, p.6
[56] Laffin, M. 1997, "Understanding Minister-Bureaucrat Relations", **Australian Journal of Public Administration**, Vol.28/4, p.48
[57] Nilakant & Rao, Agency Theory and Uncertainty, p.653
[58] Nilakant & Rao, Agency Theory and Uncertainty, p.653
[59] Shavell, S. 1983, "Risk-Sharing and Incentives in the Principal and Agent Relationship", **Bell Journal of Economics**, Vol.10, p.57
[60] Shavell, Risk-Sharing and Incentives, p.55
[61] Nilakant & Rao, Agency Theory and Uncertainty, p.654
[62] Nilakant & Rao, Agency Theory and Uncertainty, p.654
[63] Greer, New Managerialism, p.13

[64] Efficiency Unit, 1988, **Improving Management in Government: The Next Steps**, London: HMSO, p.9

[65] See some agency framework documents, for example, VIA and HMSO in National Audit Office, The Next Steps Initiative, HC 410, 1988-89, **The Next Steps Initiative**, NAO, London: HMSO

[66] Hugill, B. "A Civil Service on its Last Legs", **The Observer**, 29-05-1994

[67] Thatcher, Downing Street Years, p.46

[68] This response illustrates their approach to political, and non-political issues.

[69] Hennessy, P. 1990, **Whitehall**, London: Secker & Warburg, p.630

[70] Hennessy, Whitehall, p.648

[71] Hennessy, Whitehall, p.643

[72] Wilson, W. 1887, "The Study of Administration" in Woll, P. (ed.) 1966, **Public Administration and Policy**, Harper&Raw

[73] Efficiency Unit, Improving Management in Government, p.9

[74] HC 410, The Next Steps Initiative, p.1

[75] For instance, Campbell & Wilson, The End of Whitehall, p. 279 and Kickert, W.J.M. & Jørgensen, T.B. 1995, "Conclusion and Discussion", Symposium on Management Reform: Executive Agencies and Core Departments, **International Review of Administrative Sciences**, Vol.61/4, pp.577-86

[76] Polidano, C. 1999, "The Bureaucrats Who Fell Under a Bus: Ministerial Responsibility, Executive Agencies and the Derek Lewis Affair in Britain", **Governance**, Vol.12/2, p.223

[77] Efficiency Unit, 1991, **Making the Most of Next Steps: The Management of Ministers' Departments and their Executive Agencies**, London: HMSO

[78] Hood, A Public Management for All Seasons? pp.3-19

[79] Bogdanor, V. 1996, "Agencies and Accountability", **The Executive Agencies Quarterly**, Issue 6, pp.109-10

[80] Because of political reasons work places of 800 middle and lower ranking civil servants were changed (**Zaman**, "Milli Egitimde tayin Furyasi", 16-11-1997). After the formation, the 55th government has started to replace senior civil servants wits its supporter civil servants. In the first 100 days of the government, 1138 senior civil servants (in first 4 grades) were replaced (Kardüz, A.R. **Sabah**, 15-10-1997). It is very significant that the first thing the new PM did was to replace the Permanent Secretary of the PM who is the head of the civil service (**Milliyet**, 05-07-1997).

[81] **The Constitution of the Republic of Turkey**, 1982, Ankara: PMDGPI, and **State Officials Law**, No: 657, 1965

[82] Greer, New Managerialism, p.46

[83] HC 481, 1989-90, **Progress in the Next Steps Initiative**, TCSC Eight Report, London: HMSO, pa. 90-2

[84] Efficiency Unit, Making the Most of Next Steps

[85] HC 496, The Next Steps Initiative, Q361

[86] Efficiency Unit, Making the Most of Next Steps, para.2.7

[87] HC 496, The Next Steps Initiative

[88] HC 494, The Next Steps Initiative, p.3

[89] Hogwood, B.W. 1995, "Whitehall Families: Core Departments and Agency Forms in Britain", Symposium on Management Reform: Executive Agencies and Core Departments, **International Review of Administrative Sciences**, Vol.61/4, p.529

[90] Elder, N.C.M. & Page, E.C. 1998, "Culture and Agency: Fragmentation and Agency Structures in Germany and Sweden", **Public Policy and Administration**, Vol.13/4, p.29

[91] HC 348, 1988-89, **Developments in the Next Steps Programme**, TCSC Fifth Report, xx

[92] **The Financial Times**, "Responsibility for Prisons", 28-08-1996

[93] Although one year earlier the chief executive had been awarded bonus, he was accused for not being successful. Notice the contrast between the two events: **Responsibility for Prisons** (The Financial Times) and **The Times**, "Howard says Jails Director Deserves His £35,000 Bonus"; Derek Lewis, 13-12-1994.

[94] Mrs Thatcher told that new agencies would continue to be in the civil service and staff would be civil servants. So ministerial responsibility, beside with other conventions, would apply to the Next Steps (HC 127, 1988-89). Therefore, as stated in the every occasion, the convention is still valid for implementation; see for example: HC 390-ii, 1992-93, **The Civil Service: Minutes of Evidence**, TCSC, London: HMSO, pa.204 and HC 410, 1988-89, **The Next Steps Initiative**, NAO, London: HMSO, p.11

[95] Riddell, P. "Cabinet, Codes, and Courts", **The Times**, 13-05-1996

[96] Kemp, P., "Bulky Baby Just Keeps Growing", **The Times**, 21-03-1996

[97] Cm 4273, 1998, **Next Steps Review 1998**, London: Stationary Office

[98] Gains, F. 1999, "Implementing Privatisation in "Next Steps" agencies", **Public Administration**, Vol.77/4, p.713

[99] Gains, Implementing Privatisation, p.720

[100] See, James, O. 1995b, "The Agency "Revolution" in Whitehall: A Bureau-Shaping Analysis", in Lovenduski, J. & Stanyer, J. (eds) **Contemporary Political Studies**, Vol.1, pp.445-60

[101] The diversity will not be examined excessively, because the research's main intention, here, is the existence of variation, but not details.

[102] Minogue, M. 2000, "Should Flawed Models of Public Management be Exported? Issues and Practices", **Public Policy and Management Working Paper**, No: 15, IDPM, Manchester University

[103] Hogwood made a similar categorisation in Hogwood, B.W. 1993, **Uneven Staircase: Measuring up to Next Steps**, Glasgow: Strathclyde Papers, pp.5-10, and 1994, "A reform Beyond Compare", **Journal of European Public Policy**, Vol.1/1, pp.81-5

[104] Massey, A. 1995b, "Ministers, the Agency Model, and Policy Ownership", **Public Policy and Administration**, Vol.10/2, p.80

[105] Greer, P. 1992, "The Next Steps Initiative: An Examination of Agency Framework Documents", **Public Administration**, Vol.70/1, pp.92-3

[106] Efficiency Unit, Making the Most of Next Steps, pp.22-5

[107] For example see: Cm.3164, Cm.1996 and Cm.3579, in 1995, 1996, and 1997 respectively.

[108] HC 481, Progress in the Next Steps Initiative, Appendix 5

[109] Zifcak, S. 1994, **New Managerialism**, Buckingham: Open Univ. p.3

CHAPTER V

THE CASE STUDY: The Vehicle Inspectorate Executive Agency

A- Introduction

This chapter sets out empirical foundations of the case both to facilitate evaluation of the agencies' performance, and to examine transfer possibilities of the system. The case study method is well established in public administration literature. Frequently, researchers specify a subject matter/area, examine its theoretical aspects, take cases and then draw conclusions. Provided that the selection of cases is carried out cautiously, this method (dealing with practice) seems to be a healthy one for exploring the value of any concrete attempt.

As the first Next Steps executive agency, the Vehicle Inspectorate (VI) makes an invaluable case for the purpose of the thesis. The preceding chapter proved that the VI portrays features typical of the agency system comprising regulation, service provision, and commercial aspects. It is essentially a regulatory agency, but at the same time it has commercial considerations and trading priorities. Certainly, the trading fund status of the agency expresses this aspect. The service provision side of the agency is also very significant in the sense that it conducts annual safety checks of Heavy Goods Vehicles (HGV) and Public Service Vehicles (PSV). Because of its involvement in the three aspects of a government (regulation, service and commerce), and its 'exemplary' character, the selection of the Inspectorate displays numerous advantages. Besides, VI affects the daily lives of people in the street directly or indirectly, either through MOT testing or vehicle pollution prevention. From the point of view of the agency and 'outsiders' (government, public and the researcher) all these factors make the case valuable and interesting.

The first objective of the chapter, evaluation of the performance, is important, because, as mentioned in the previous chapter, through examination of the three aspects the research is able to clarify whether the initiative has been successful or not. Assessing the agency's performance is important but not sufficient, so working conditions also need to be studied in order to judge the situation thoroughly. This first objective and its methods lead us to the second objective which is related to the transfer possibilities. As mentioned in chapter one, this chapter explores the third and fifth transfer conditions: 'Is the innovation clearly definable and operationalisable?'; 'Is the innovation successfully implemented in full in the originating country?'.

The Next Steps agencies reform is concerned primarily with delegation of power from the centre to the agencies. This places agencies and their chief executives at the centre of the discussion. The characteristics and the management of the organisations were developed in a unique fashion shaped by the leadership and the task. Autonomous executive units with a distinctive leadership, style and culture have the prospect of empowering the staff and encouraging their achievements. The Next Steps ideology is based on the assumption that civil service work should be kept in the public sector, but directed by private sector values. As Mellon identifies in her empirical study,[1] the initiative seeks to promote this end by using semiautonomous organisations with an empowered leadership. In other words, the restructuring process requires separately identified organisations headed by chief executives who would be publicly or directly accountable for their agencies' results. Therefore the Next Steps practice necessitates an assurance that agencies are handed to chief executives with 'freedom to manage'. As Robin Butler, the then head of the civil service, states[2]: "Organising those units as self-contained agencies makes it possible to define their mission more precisely and to delegate responsibilities to a Chief Executive accountable for achieving the mission". The aim of delegating responsibilities to CEs was to promote efficiency and effectiveness of the agency business. As Bardwell[3] highlights, CEs are expected to have five types of leadership behaviour: pioneers; visionaries; team leaders; role models; and, motivators. This issue is also discussed in chapter VIII in detail.

The thrust of the Next Steps reform is something that has objectives and methods similar to the Reinventing Government approach[4]. Though the latter was introduced a few years later (1992), publications which resulted from its introduction led to a 'rediscovery' of the former. The backing of President Clinton together with the leading role the USA plays in world politics may have contributed to the Book's popularity. Butler's effort[5] to prove that its main elements had already been implemented when the Book was published may verify that that was, indeed, the case. One thing is certain: the principles advocated by Osborne and Gaebler were/are prescribed by the Next Steps initiative. For example a central principle of Reinventing Government[6], 'steering, rather than rowing', is the centre-piece of the Next Steps initiative in Britain. In practice, this involves the separation of policy making and implementing functions, empowering chief executives and agencies, and the use of competition within the public sector.

An empowered chief executive and agency will create a positive attitude among the staff to concentrate on the work to be done. Open competition ensures that the chief executive strives to motivate agency staff to believe and act in such a way that they

resemble a family in which the happiness of one member affects others. As the comparative character of the study requires taking into account the conditions of the two countries, this approach (emphasising autonomy, decentralisation, separation of functions, cultural aspects, and leadership) benefits the receiving country, Turkey. The Turkish civil service has, for a long time, been suffering the problems which persist relevant to the above-mentioned aspects of this approach. So the approach employed in the examination of the agency also benefits Turkey.

Three Next Steps criteria that are consistent with the approach are deployed to assess the performance of the agency. They are identified in chapter IV and will be used in chapter VIII to gauge the success of the Next Steps agencies reform in Britain. The six Next Steps features -separation of policy making and implementing functions, minimising political involvement of politicians, empowering chief executive and agency, promoting openness, creating a common culture, and focusing on the targets and performance related pay- are examined under three headings. They can be named as follows: separation of functions and preventing political interference, empowering agency and promoting openness, and creating a common and target-oriented culture. These three criteria clearly indicate that they focus on finding out how decentralised the agency is. One point of note about the relations between the criteria is that they complement each other rather than contradict. They also overlap from time to time. Finally they explore how much success (efficiency and effectiveness) was achieved by VI. Since they may suit the needs of Turkey these aspects are intentionally highlighted. Therefore lessons about process and experimentation as much as about universal policies can effectively be drawn for Turkey. Moreover, the same criteria which are used in this chapter will also be used in chapter VIII in the evaluation, although, in the later chapter, these criteria are examined separately to ensure that they are explored thoroughly. If the initiative brings positive results i.e. if it achieves the intended goals of the Next Steps reformers, then the investigation into whether Turkey can learn from the attempt is justified.

The study reduces the six criteria into three for the following reason: the intention here is to discuss the performance of the agency, and initiative, in brief. The incremental character of the reform and the diversity among the executive agencies show that every agency should be treated separately and agency status should be applied differently. Though the principles, separation of policy making and implementing and empowering chief executive for instance, are the same, the way they are applied to individual cases is different. Therefore the scale of every feature will be different in different agencies. In

other words, every agency comprises different amounts of different features. In some agencies, separation is more significant and openness is less, and *vice versa*. A second reason for having three criteria is connected with the amount of data about the agency. It may be better to keep the criteria and the data simple, and evaluate the situation according to the perceived criteria. So keeping them simple and judging their final performances are the aim of the reduction. Finally, as 'the theory' chapter clarifies, some of these criteria are not explicit, but recognised through their 'indications'. Take the promoting openness principle as an example: it is not explicitly mentioned in the original Efficiency Unit Report[7]. However, implications of the initiative suggests that it is promoted by the Next Steps agencies reform. Therefore it requires an examination but does not have to be taken as a separate criterion. It should be kept in mind that every criterion comprises two original features of the initiative. Creating a common and target-oriented culture is made up of creating a common culture and focusing on the targets and performance-related pay. However, the emphasis is not put on the original criteria but on the 'new' combined one.

The period of the study is between 1988-89 and 1996-97, the launch of the agency and the end of the Conservative era. The chapter uses mainly primary material, but when needed secondary material is also deployed. Agency publications, interviews with various people, independent performance reports, newspaper articles, and parliamentary discussions are used to find out the scale of the success the agency displays. The first kind of material, agency publications, is used with caution. Others, however, are effective means to penetrate into the real state of affairs of the agency, and to test the 'soundness' of the information the agency reveals. So this double-checking assures us that any illusion ('manipulated information') which is assumed to be created by the agency is prevented.

The preliminary analysis shows that the agency has introduced successfully the features (separation, and openness, for instance) which were put forward by the initiative. The features which are introduced above as the criteria promote the agency as an autonomous organisation with a distinctive leadership, style and culture. Separate executive units have the task of utilising the resources and creating a suitable environment for staff to show their talents and contribute to the success of the agency. As mentioned in chapter III, agency staff are delighted to work in an autonomous organisation under a distinctive leadership. These factors help the initiative to settle and prosper.

As autonomous organisations, agencies in general and the Vehicle Inspectorate in particular make a case that the process and the experimentation of the initiative can benefit the civil service in Turkey. Due partly to the structural differences between the two countries and partly to previous unsuccessful policy transfer experiences of Turkey, transplanting the Next Steps reform to Turkey 'wholesale' may not be desirable, but drawing lessons from the process and the experimentation are open for discussion. Once established, every agency will be different from one another. Thus, if we capture the way the change is implemented, we can have the chance of applying the initiative successfully to Turkey and sorting out the problems of the Turkish civil service. Structural differences between the government systems of the two countries will be examined in the following chapters through the conditions which are set up in chapter I. History shows that 'wholesale' transfer has not produced positive results for Turkey. Almost all the judicial laws are the translated copies from certain West European countries[8] and, in retrospect, they have not been successful in yielding the intended results. Therefore, the initiative may not be worth transferring as a whole or as it is, but it is always good to know the way it was implemented in order to promote a more efficient, effective and neutral civil service in Turkey.

The chapter consists of six parts. This introductory part sets up the arguments and criteria. The second part deals with structural characteristics of the agency comprising two basic sub-headings: physical description and organisational specifications. By explaining these aspects of the agency an infrastructure for the research is provided. As Pollitt *et al.*[9] mention certain service characteristics affecting the receptivity of an administrative reform, so there is a need to explore these aspects:

- the size of the organisation;
- whether contacts with users are remote, face-to-face but episodic, or continuous and close;
- whether the service is universal (open to and used by all or most citizens) or selective (some services are obviously highly selective, for example primary education for the deaf and hard of hearing);
- whether the service is 'consumed' on an optional or mandatory basis;
- whether a service is capital-or labour intensive;
- whether a service is closely wedded to and dependent upon a particular technology, or fairly flexible and 'low tech'.

In assessing the working methods of the agency, the third section explores the environment in which the agency operates. This aims to uncover the relational establishment of the agency. So this section pays special attention, as sub-sections, to agency framework documents, accountability and responsibility. The examination is

carried out according to the three criteria stipulated above of separation, agency empowerment, and common culture.

The fourth section, performance of the agency, reviews the achievements and work of the agency. This forms the main part of the chapter and evaluates the positive and negative aspects of the case. Firstly it examines the targets of the agency and, secondly, performance indicators. Thirdly, it considers the agency in respect of efficiency and input/output ratio. Fourthly, it goes on to explore the quantity of services, and their sufficiency and effectiveness. Finally, it assesses the quality by asking insiders (agency staff) and exploring the views of outsiders (the media, independent reports, and surveys).

The fifth part briefly reviews the developments in VI since 1997 when the Labour government obtained the office. The conclusion evaluates and draws lessons from the case. It considers whether or not it is successful in terms of the arguments and criteria. In this way it answers, ultimately, the main question of the chapter: if the agency is successful, and if it therefore satisfies the third condition stipulated in chapter I for policy transfer and can be transferred to another country, Turkey.

B- Structural Characteristics of the Agency

1- Physical Description

In the words of the NAO report[10]: "the VI, the first Executive agency, is about the size of a medium-sized business". It spends over £50m a year to ensure that vehicles are safe and roadworthy, employing more than 1500 staff to carry out its functions. Therefore the biggest item in its expenditure is staff costs (about 61 %), so its running costs are more than policy expenses such as educating the examiners or renewing the equipment they use.

The Inspectorate has a significant degree of autonomy in recruiting and organising its personnel. Therefore beside with the general civil service Grade system, it has its own system of hierarchy: the Band system[11]. The system brings 12 bands across the agency, being Band 1 is the bottom and 12 is the top. Certain civil service grades involve 2 bands. Some of the bands consist of the following civil servants in VI:

Table 5.1: The Band System in the VI

Grades	Bands
AA/TYP/SGB2/Handperson/Tester	Band 1
AO/PS/AVE	Band 2
EO/PTO/TE	Band 3
HEO/STE/HPTO	Band 4
SEO/SPTO	Band 5
G7	Band 6
G6	Band 7

(*Source*: Wilson, L. *et al.* 1999, **Vehicle Inspectorate Evaluation Report: 1995/96 – 1998/99**, para.3.13)

These grades reflect the structural and functional features of the agency. With the existence of this band system the Inspectorate is able to pay different range of salaries to its staff. Besides, they use this system in the promotions and appointments of the personnel. Due to the technical features of the work the agency performs, VI is quite free to recruit personnel from inside and outside the agency and the civil service[12]. Therefore they can specify the quality and the quantity of the personnel when they advertise it. Where applicable the recruitment follows the guidelines issued by the Treasury and the Cabinet Office.

The Inspectorate has had a constant number of personnel since it was established as an agency. Over the years, the number of personnel has revolved around fifteen to sixteen hundred. The increase in 1992 from 1613 to 1861 was caused by the merger of the Inspectorate and Traffic Examiners, whose numbers were 266. Taking into account this factor, in real terms, it is fair to say that the number has decreased since 1986. This was achieved by the cautious approach of the staff. On the one hand, early retirements have been encouraged and new recruitment has been kept to minimum. On the other, staff responsibilities have been growing not only quantitatively, but also qualitatively. New checkpoints are added to the Vehicle Testing Scheme and Vehicle Examination, and more and more vehicles join the fleet every year[13]. Since the Labour government, however, the number of personnel has increased dramatically reaching about 2300 in 2001[14]. This was caused by the change of emphasis from efficiency to effectiveness and the changed priorities of the government.

Relations between efficiency and number of personnel require some additional factors to be taken into account. If there is an increase in efficiency and a decrease in personnel we need to look at some other points. Technological developments, for instance, might have contributed to the success of the Inspectorate, because constant

policies to improve IT facilities and the testing equipment have been on the agenda of the management of the agency. Another factor could be related to the quality of the staff. As 'human capital' the staff has the 'lion's share' in the success of every organisation. Therefore it is a dynamic entity, and as time goes by it is assumed to become more skilled. Human Resource management initiative plays an important role in this result. The organisation and its main ideology could be mentioned as a final factor related to the increase in efficiency. In other words, managerial and financial discretion given to the agency and its chief executive may have played a leading role in uniting all other factors in pursuit of an increase in efficiency. This point will be explored later in the chapter.

Table 5.2: Agency Personnel

	Years	Personnel Number	Personnel Costs £(000)	Pers. Cost/Expenditure (%)
1-	1988-89	1603	20,154	54.8
2-	1989-90	1636	22,589	58.0
3-	1990-91	1653	22,510	63.2
4-	1991-92	1618	26,369	61.7
5-	1992-93	1861	32,272	64.0
6-	1993-94	1768	31,447	63.6
7-	1994-95	1649	30,670	58.4
8-	1995-96	1559	29,832	60.5
9-	1996-97	1582	31,146	61.4
10-	1997-98	1780	33,408	62.0
11-	1998-99	1877	35,333	60.4
12-	1999-00	1808	39,249	60.5

(Source: VI Annual Reports of 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999)

Regarding Table 5.2, one year's figures are of particular interest, the 1992-1993 period. In this period, the numbers of personnel increased by 15.37 %, and the costs increased by 22.38 percent. The merger of Traffic Examiners and VI took place during this period: a probable cause of the increase in numbers and costs. Considering the inflation rate which was about 4-5 % at that time, still there was a greater increase in costs than numbers. The difference between the inflation rate (4-5%) and 7.01% (22.38 minus 15.37) may have been caused by the higher salaries of the examiners. This may have been the reason for the reluctance of the examiners to merge with the Inspectorate[15].

Other figures in the table were consistent with the inflation rate, and within acceptable levels.

The budget of VI (income-expenditure) may provide evidence about the state of affairs in which the agency operates. Can we trace a meaningful explanation/lesson from the figures over the years? I assume the figures' capacity to draw meaningful conclusions is limited in the sense that numbers may be counted grossly. The main intention of this examination is to find out the volume and profile of the financial structure in order to be able to judge the agency and its initiatives in employing managerial and financial strategies.

Table 5.3: Financial Figures of the VI

	Years	Income (£000)	Expenditure (£000)	Surplus (£000)
1-	1986-87	30,510	29,172	1,338
2-	1988-89	36,770	36,494	276
3-	1989-90	40,637	38,960	1,427
4-	1990-91	42,756	40,315	2,441
5-	1991-92	43,965	42,698	1,267
6-	1992-93	54,587	50,472	4,657
7-	1993-94	53,092	49,422	4,099
8-	1994-95	50,108	52,493	-2,385
9-	1995-96	50,751	49,348	1,403
10-	1996-97	53,916	50,718	3,198
11-	1997-98	57,263	53,870	3,393
12-	1998-99	64,884	58,474	6410
13-	1999-00	68,948	64,924	4024

(Source: Business Plans and Annual Reports of VI)

As Table 5.3 clearly shows income and expenditure fluctuated over the years. All the figures have varied upwards and downwards, so income generated from the activities of the agency was usually higher than its expenditure. The table also reveals that we should not jump to a conclusion that the increase in income is always good, and that a rise in expenditure is bad. Sometimes, as happened in 1993-94, one year's increase in expenditure might mean a greater decrease in the following year's budget. This can happen, even though budget maximising theorists deny this conclusion, arguing that once the budget increases it is unlikely to decrease again. As bureau-shaping theory argues, organisations may wish to decrease their financial power, in return for social, moral, and

political values. Thus VI, for some years, decreased its budget in order to achieve its objectives.

One important point is to find out the source of income the agency has for its activities. Having done so, we can have a clear insight into the relationship between the agency and the department. As to the percentage of departmental support and other income generated through the work of the agency since 1988, all the years display more or less a similar pattern. If we take two years' figures, (1995-96 and 1996-97), Table 5.4 gives us a basis for comparison. About 30 % of total income was generated through the departmental funds which are given in return for the work done by VI on behalf of the department. The numbers clearly indicate that VI generates its own income from its own activities. Therefore 30 % support for the Inspectorate should neither make the agency dependent on the department nor affect its autonomy. The possession of Trading Fund status and the nature of the work it implements are the basic factors in making the agency self-sufficient and able to act for its own sake. However, certain other obstacles prevent VI from acting freely for the sake of the work e.g. the requirement of having a testing station every 30-35 mile radius across the country[16].

Table 5.4: Source of Income (£000)

	Years	
Activities	1995-96	1996-97
Statutory Fee Income	26,627	26,975
Departmental Funding	14,707	15,016
Income from MOT Administration	5,777	7,125
Other Income	850	875
Total Income	47,961	50,076

(Source: VI Business Plans and Annual Reports 1995-96 and 1996-97)

Another important factor is related to the reason for the department funding some of the activities. In fact, as will be mentioned, it is because of the agreement between the agency and the department to supply services to the department in return for funds. This is called Memorandum of Agreement[17] (MOA) which is a contract between both parties. We should come back to this idea of 'contracts' and how they are policed. The agency offers some service (enforcement work, in this case) to the public on behalf of the department, and the department pays back through funds. As no commercial (or autonomous) organisation would provide any service unless it gets paid, the Inspectorate as an agent (an autonomous distinctive unit) provides the service and gets paid. So the method of departmental funding would not be a means of interfering with the business of

the Inspectorate. As for the surplus, it used to be taken to Reserves at the end of the year and returned to Actives when the year started. As one interviewee mentions[18], with the Labour government only a small percentage of the profit is built up as reserves, the Treasury takes the rest. This is a discouraging factor for the agency to achieve profit. However, performance-related payment (Group Bonus Scheme) still motivates the agency to make profit.

2- Organisational Specifications

The Inspectorate has been moving from a classical government branch to a decentralised organisation. The aim of the restructuring of the management structure of the agency in 1991 was to delegate power from the centre to branches[19]. The chief executive has shared his responsibilities and power, obtained from the department (DETR) after the agency status, with lower level staff. Abolition of the intermediate-level bureaucracy between the HQ and branches was a positive move to achieve delegation of power. Thus this was praised by the NAO report in 1992[20].

As Figure 5.1 illustrates, the Inspectorate was eager to follow the government's every move. This willingness shows that VI was careful of government and felt it had to follow every act of it (Citizen's Charter and Market Testing for instance). This may have been because, in March 1994, the Secretary of State announced it would not privatise VI's testing functions. VI, however, claims that[21] those initiatives were worth following to enhance the positive perception of the public opinion. They also say that they were not asked to introduce either TQM or the Information System Strategy, but they initiated them only because they were needed.

Since it brings a 'reasonable' amount of financial freedom to the chief executive, the Trading Fund status of VI requires an evaluation. On 1 April 1991, the Inspectorate began operating as a Trading Fund within the framework of the Government Trading Act 1973 as amended by the Government Trading Act 1990[22]. Basically, it is the idea that agencies should be given more freedom in their financial affairs through eliminating budget constraints[23]. VI was delighted to have the status, as it would bring more freedom to the agency[24].

The agency performs mainly regulatory functions of DETR towards vehicles. Road Transport Enforcement function (one of two) involves only in regulatory activities, while the other, Vehicle Testing , regulates and provides service to the public[25].

Vehicle Testing Stations compete with private garages to perform MOT tests of vehicles between 2000 and 3500 kg weight. This represents the commercial and service provision aspects of the Inspectorate. Even though privatisation did not go ahead in 1994, the SoS's view was that testing functions were suitable for transfer to private hands, provided that road safety was sustained. The decision shows that service provision functions can be privatised as well as commercial ones. However, governments seem to be reluctant to take privatisation decisions about regulatory functions.

Figure 5.1: Chronological Events in the Inspectorate

Years	Events
1964	VI was formed as a division of the Ministry of Transport
1988	VI was transformed to agency status, as the first example
1989	1) Introduction of the Group Bonus Scheme
	2) Saturday Testing starts as a "customer service initiative" (CSI)
1990	Voluntary Brake Testing (CSI)
1991	1) Merger with the Traffic Examiners
	2) Trading Fund Status was given as the first agency under the Government Trading Act 1990
	3) Citizen's Charter Initiative was announced to be followed by VI
1992	NAO Report was published
1993	Total Quality Management Initiative was launched
1994	1) Market Testing Initiative was launched;
	2) Secretary of State announced the decision not to privatise the Agency'stesting function;
	3) Information System Strategy was launched.

(Source: Annual Reports of VI)

The role and responsibilities of the Inspectorate are agreed by the SoS with the chief executive who is responsible for the day-to-day running, management, performance and future development of the agency[26]. The Chief Executive, as the Accounting Officer of the agency, has a leading role in the management of the Inspectorate. A Directing Board is also available to help CE administer the agency and make strategic decisions on the business of VI. The Board presided over by the CE consists of the heads of the divisions[27].

Two divisional directors implemented two main functions of the Inspectorate until 1998: Traffic Enforcement and Vehicle Testing. A third division, Corporate Affairs, was formed in 1994 to facilitate the work of the functional divisions. In 1998, VI was

restructured to "sharpen delivery and customer services"[28]. Four Directorates have been created to manage VI's activities: Business Performance Directorate is to concentrate on the delivery of VI's business results and improvement of customer services; Product Directorate is to ensure that existing products meet customer needs, and to search for new products; Process Directorate provides support function services and continues system improvements across VI; and People Directorate (Human Resources Directorate, after 1999) develops staff and organisation through Investors in People, TQM, and Business Excellence Model techniques.

This change was a part of the shift of emphasis from tactical to strategic targets, so the agency could mobilise its resources among its responsibilities. It also shows that the agency becomes a more professional one in the sense that functions are classified across the agency rather than divisions which deal with implementation of a single responsibility, say Enforcement. Having done so, the Inspectorate was able to improve its services. Divisional heads can no longer say that they would manage their divisions regardless of how complicated the issues were. Consequently the power in the centre can be decentralised further to the periphery as much as the lower echelons. Cross agency directorates are more likely to concentrate on specialised functions and sub-functions than a division which deals with everything related to a service and prevents delegation to specialists. Although the post 1998 era is outside the period examined in this study, it was possible to have a clear insight into the issue of delegation and to find out the direction in which the agency is moving. Eventually the main intention of the agency reform is recognised.

Vehicle testing functions are carried out by 9 Regional Offices and 91 (92 in April 2001) testing stations (75 full-time, 16 part-time) throughout the country. The Inspectorate also deploys staff at 73 HGV, and 205 PSV Designated Premises (operators' testing stations). Due to the request of DETR from VI to provide a testing station for operators within a 30-35 miles radius, distribution of the stations is important. Road transport enforcement functions are performed by 23 Enforcement Offices and 69 Weighbridges. Appendix 4 gives a map of the testing stations and enforcement centres across the country.

C- Working Conditions of the Agency: The Agency Environment

This section explores how the agency operates in practice, especially in relation to the other agencies with which it must co-operate. The following questions are answered in

order to examine the criteria. How is CE empowered? How is the separation made in practice? Or How is the agency culture created? Three sub-headings help answer these questions: the Framework Document, accountability, and responsibilities of the agency.

1- The Framework Document

The document defines the relations between the actors responsible for the agency and the responsibilities each one of them has[29]. The actors are four: the Secretary of State (SoS), the Chief Executive (CE), the Permanent Secretary, and the Advisory Board (AB). The SoS is responsible for the policy framework, determining its general objectives, and setting its annual performance targets. The SoS also appoints the CE for a fixed term of office and he/she does not interfere with the daily business of the agency but may seek advice or issue directions to the CE on any matter within the VI's delegated responsibilities.

The CE is personally responsible to the SoS for operating the agency in accordance with the VI Trading Fund Order 1991. He/she is also responsible for day-to-day management of the VI and its assets, and for the achievements of the targets. The CE is charged with the financial, contractual, and personnel delegations in his/her operations. The PS exercises responsibilities which have been delegated to him/her as the Principal Accounting Officer of the department.

The AB is composed of a senior official appointed by the SoS to chair, the CE, representatives of those parts of the department with responsibility for executive agencies and for road and vehicle safety, and at least one external member with relevant business experience[30]. The role of the board is to assist in advising the SoS on the corporate and business plans of the VI, on the agency's performance against the objectives and targets set in them, and on the performance of the CE. The CE reports on the performance and operations of the VI to the AB by quarterly reports: in return the AB provides the CE with advice, support and assistance, as and when he requests it[31]. The Board looks like a private sector company board. Whether or not it functions like a private company board is another issue, but, I assume, it would be realistic if we treat it as a safeguard the CE has in order to consolidate his power. As one interviewee[32] interprets it: the CE can reflect any criticism by saying that the board supports his idea in that particular matter. Because the members of the Board are all civil servants with relevant experience, normally they would not impede the CE's initiatives. When he wants to object to an idea which is suggested by the SoS, the CE can overcome him/her by bringing excuses e.g.

saying "Yes, Minister, but the board does not think in that way". The ultimate point lies with the reality that resisting the SoS or the board's demands may be possible if the CE has 'friendly' relations with the SoS; or if he/she is too successful to be removed from his/her post. Mr Ron Oliver's case in the VI made use of both 'friendly' relations and the success factor to sort out agency's problems with political masters and the board.

The VI was headed by Ron Oliver from 1985 to 1998 as a Grade 4 civil servant. It was stated[33] that his personnel endeavour made a lot of difference. His long tenure and experience in the business of the agency generated a positive motivation among, at least, the senior management of the Inspectorate. An engineering background gave him a specialist's view of the aspects which he was able to realise during his time in the agency. The name Vehicle Inspectorate and Ron Oliver became synonymous. The interviewee[34] expressed further that his strong character and close knowledge of the work bequeathed a successful background to the Inspectorate. Like a middle-level private sector manager, he was paid £67,873 per annum in 1997-98 period (it was £64,990 in 1996-97). His successor, Mr. Maurice Newey, came from the centre of the department, again a Grade 4 bureaucrat. Despite having had 'departmental background', he has been performing his responsibilities in line with the tradition of previous the CE, Ron Oliver[35]. The agency status in the Inspectorate has its backers who enjoy the freedom given by the system and they are expected to safeguard it against any kinds of threats. However, the Labour government's priorities also play an important role in directing the CE in his work.

Regarding the 'controversial' issue of accountability, the document has made necessary arrangements and clarified roles of each actor by mentioning their part[36]. In principle, the SoS is accountable to Parliament for all matters concerning the VI (ministerial responsibility). Additionally, MPs are encouraged to deal direct with the CE on day-to-day operational matters[37]. To 'operationalise' this separation of accountability, a target was set by the SoS. The target gives a time period to the CE to answer questions of MPs i.e. "time taken for the CE to respond to letters from MPs - target 100 % within 15 days, outturn[38] 100 % in 1994[39]. That was to encourage MPs to communicate with the CE and to make the CE accountable not only to the SoS but also to Parliament through MPs. In other words, this was a way of empowering the CE and the agency. The CE was able to 'represent' his agency and defend the policies he followed. As one interviewee[40] explains, staff also feel happy about this empowerment, because they consider the CE as "one of us" rather than someone from the department. The SoS will continue to be dealing with correspondence and Parliamentary questions about matters of overall

strategic policy and resources. However, in practice it is not always easy to identify which is an operational issue or which is not.

The SoS has the responsibility of deciding who will represent the VI at Departmental Select Committee hearings. Therefore, the CE is answerable to the Public Accounts Committee for all the responsibilities set out in the Accounting Officer Memorandum, while the PS is answerable to the PAC on the department's responsibilities for the VI[41]. This memorandum provides objective criteria to prevent confusions caused by ambiguity.

The 'Personnel' section of the document[42] removes any ambiguity simply by clarifying the status of staff, conditions of service, pay and grading, recruitment and promotion, equal opportunities, health and safety, employee relations, and training. The CE is charged with the responsibility for the personnel management of all the VI staff other than Senior Civil Servants in the agency. The staff will continue to enjoy the status of civil servant in the DETR. The CE keeps the VI's pay and grading arrangements under review and any changes proposed will be subject to consultation with the department, trade unions, Treasury and OPS as appropriate. The VI conducts its own pay negotiations with trade unions and implements new pay arrangements as needed. The VI enjoys an important amount of freedom with regard to pay rates. One interviewee[43] states that in line with the permission given by the Treasury and the Cabinet Office, the CE exercises this responsibility. Therefore, the VI is able to depart from general civil service rates. For instance, in February 2001, they were on the verge of finalising a negotiation with the appropriate trade union about the pay increase. Another delegated power to the CE is the authority of recruiting and promoting to any post in the VI except senior positions. Exempted posts are filled by the Principal Establishment Officer after consulting the CE. The freedoms given to the agency are listed in the following section.

Review of the document is carried out both by the SoS and the CE: either party may propose amendments at any time[44]. If the VI needs to borrow money to finance its operations, loans will be agreed with the department and provided from Departmental Votes[45]. The CE is given financial and contractual authority for all expenditure and receipts falling within the Trading Fund's budget, up to the departmental limits. During the Labour era, the agency is not happy with one aspect that when they make profit 'the Iron Chancellor' takes it away, but in the case of loss they have to find financial resources from their own resorts[46]. So, this impedes their willingness to achieve benefit. However, the payment of Group Bonus is an influential factor to motivate the staff. The CE can make some sub delegations within the Inspectorate. The CE's delegated financial

and contractual authority relating to all property vested in the Trading Fund[47] is as follows:

Acquisition, new building, works	£5,000k
Leasing property	£500k
Property Management Consultants	£50k

The first Framework Document[48], compared to the current one (18 pages), was very simple and basic containing only 2.5 pages; a few of the headings were: agency functions, staff resources, aim, objectives, targets, performance indicators, accounting officer arrangements and reporting arrangements. This situation also supports the argument that, in 1988, the government did not know what to do and what to put in the document. Therefore it was a transitional period for the government and, as time went by, it acquired more experience and was able to produce better documents.

2- Accountability

Relations between the Inspectorate and the Department are a vital issue of the Next Steps agencies reform, and reflect accountability of the agency to the department. As Pollitt *et al.*[49] assert to some extent accountability is the reverse of decentralisation, and therefore agencies are meant to give account to the accountee (the department). The balance between the two factors (accountability and decentralisation) becomes important. In this sense, accountability refers to the responsibility of the agency to provide the department with information about its performance and to justify its position as regards to the framework document. The VI seems to enjoy a reasonable amount of freedom given to it after the launch. Ron Oliver's answer to the PAC[50] supports this argument: "we are not being controlled, but we are contracted to provide certain services to the department". However he, as a civil servant, may have uttered these words only because of the Department's reaction to a possible criticism. The permanent secretary of the department also upholds Oliver's view[51] that the department gave the Inspectorate the freedom to choose the supplier of services which they provided for them. An impartial report, the Balme Efficiency Scrutiny, looked at the freedoms the Department of Transport was supposed to delegate to its agencies and found that the department seemed to be reluctant to entrust agencies with the expected levels of freedom and responsibility. Nevertheless, it noted[52] that "the Department of Transport had made considerable delegations of authority to the CE in the Inspectorate and that the agency had made substantial progress towards a decentralised agency culture".

The followings are some of the freedoms which were given to the agency by the Framework Document[53]:

a- higher and more specific financial and contractual delegations;

b- greater opportunities to shop around for support services;

c- pay bargaining power;

d- personnel recruitment delegation up to Grade 7;

e- the authority to operate a Group Incentive Bonus Scheme;

f- the authority to deploy resources in the way best suited to its activities.

Implementation of these freedoms in practice is as important as their availability in the list. If the autonomy of the agency and its CE are undermined by the department, or the department interprets these freedoms differently, the spirit of the Next Steps agencies reform is damaged. A high level interviewee[54] from the agency stated that the Inspectorate was quite happy with relations between the department and the agency. In his words: "although, sometimes we do encounter some problems, usually they (the department) do not interfere with our business. As a matter of fact, they cannot possibly know everything we do". His comment sounds like public choice theory and its basic argument that bureaucrats control the monopoly of information. It is interesting to see that the bureaucrat's point was matched by the PAC report in 1992. The examination revealed that the Accounting Officer of the Department, PS, had not seen the agency's 1991-92 Annual Report which had been published three months before. This lack of interest may have been caused by the personal characteristics of the PS, but still it does not assure us that that is not the case in other departments. The Next Steps reform does not mean that agencies' performance will not be monitored. On the contrary it will be controlled and it will be ensured that they fulfil their duties efficiently and effectively. Therefore paying special attention to the outcome of the agency whenever a problem or public discontent occurs is to try 'to cure rather than prevent'. So too little control is as problematic and deadly as is too much. Effects of both situations may resemble each other, lack of efficiency and effectiveness.

Despite their financial and operational costs, in some cases, the department wants certain services to be available. For example, the rule of "no operator should have to travel more than 30-35 miles to a testing station" prevents VI from managing its business efficiently. As the PAC examination revealed, this rule has caused some concern to the agency in that it damages the delegation which was given to the agency by the Framework Document (asset utilisation). The Department told the Committee that this rule had been set for the convenience of the vehicle operators. The PAC, on the other

hand, found[55] that the department had not asked operators whether the rule was appropriate or whether they would be prepared to travel further for vehicle tests if the test fee was lower. One senior civil servant tells in an interview[56] that:

> The politicians are very keen on the provision of the 35-mile rule, but there is an important problem here. The testing stations and the road network are not competent as the road network was built mainly in the 50s and 60s, and therefore they are not up to the standard of the stations. In one particular case, the road is so narrow in that HGVs and PSVs hardly travel. There is a need to reconsider the locations of the testing stations, but politicians are not concerned about this aspect.

3- Responsibilities of the Agency

The Vehicle Inspectorate is responsible, in conjunction with other authorities such as police and environmental organisations, for enforcing the law on vehicle safety and environmental standards. Its three business objectives[57] guide its operations:

- to ensure compliance of vehicle operators and drivers with road traffic and environmental protection legislation;
- to improve the quality, efficiency and effectiveness of its services and, whenever possible, minimise the burdens which testing and enforcement imposes on industry and the community as far as is consistent with maintaining safety and environmental standards;
- to recover the full cost of fee-earning services through fees.

These three objectives also show that the agency has three government functions[58]. Every year a Memorandum of Agreement (MOA) is agreed with the department to name each area of enforcement work. This is a contract agreed by the department and agency. MOA for 1996-97, for instance, covered the following enforcement schemes[59]:

- HGV and PSV roadworthiness and traffic enforcement and operator licensing support;
- LGV and passenger car roadworthiness and traffic enforcement;
- MOT Standards control;
- Accidents, Defects and Recalls,
- Vocational Driver Licensing and Approved Driving Instructor Enforcement
- Support for the Vehicle Registration Unit.

HGV and PSV roadworthiness and traffic enforcement schemes primarily cover[60]:

- investigating and assessing new HGV and PSV operators' arrangements for maintaining their vehicles in order to advise Traffic Commissioners (TR) on the issue of operators' licensing;
- carrying out interim investigations and assessments to advise TR about existing licence holders;
- carrying out roadside and other spot checks of vehicles and issuing prohibitions to detective vehicles;
- inspections at the roadside, ports and elsewhere for Constructions & Use (in particular overloads), Vehicle Excise and other Road Traffic offences;

- inspections and analysis of tachograph charts;
- follow-up investigative work and prosecutions.

LGV and car enforcement work is done mainly by police forces, but the department funds VI to carry out some roadside spot checks. These concentrate on particular areas such as the roadworthiness of taxis, vehicles falling outside of any statutory test regime (e.g. mobile cranes, and mechanical diggers), and emission checks on cars, LGV, and taxis.

The MOT standards control scheme involves demand-led work such as the inspection of new premises and the assessment and training of prospective authorised examiners who own testing garages, together with the training of the nominated testers who conduct tests. Supervisory work covers regular inspections aimed at preserving test standards and taking actions against testing garages and testers who do not comply with the requirements.

VI examiners, acting in support of police, conduct roadworthiness inspections on vehicles involved in accidents where it is suspected there was a contributory defect. Enforcement work of VI remains critically dependent on an adequate level of support from the police to stop vehicles. The Inspectorate staff also investigate reports of alleged safety defects in vehicle and components. Cases are reported to the agency by the police, local authority trading standards officers and members of the public. Defects can result from design, manufacturing or maintenance faults. Where appropriate, cases are referred to vehicles and/or component manufacturers for further investigation, and if there is sufficient evidence of a serious recurring safety fault, for them to conduct a recall under the Code of Practice on vehicle safety defects.

Three kinds of testing functions are conducted by the Inspectorate. First is the statutory tests of all HGVs, and PSVs, and they compete with private garages to test LGVs which are between 2000 and 3500 kg threshold (vehicles over 3500kg are counted as HGV). Second is the inspection of Notifiable Alterations to HGV and PSV. Third, Specialist Inspections, are carried out on vehicles to ensure that they comply with the following schemes[61]:

- COIF - the Certificate of Initial Fitness indicates that vehicles are safe to use on the highway.
- ADR - is to make sure that dangerous goods are carried on international journeys under a common set of safety rules.
- ATP - sets internationally recognised standards for the carriage of perishable foodstuffs.

- TIR - simplifies customs requirements by permitting the contents of approved load compartments, sealed by custom authorities, to pass through customs control on international journeys without delay or payment of duty.
- TACHO - Standards at Britain's privately owned tachograph installation and calibration centres are supervised by VI examiners.

The Inspectorate is charged with these enforcement and testing functions by contract. VI implements some 'voluntary' functions, and services to its customers. They are to improve the services they provide and to suit the needs of their clients. Therefore Customer Service Initiatives (CSIs) are worth mentioning in this context. These initiatives give the agency, and its CE, some room for manoeuvre, and they can determine the way they provide service to its customers. There are four initiatives:

- 'voluntary test services' help customers to keep their vehicles in safe and roadworthy conditions,
- 'slot bookings and pre-funded accounts' ease the administrative burden on operators;
- 'out of hours testing' reduces operators' productive downtime;
- 'testing at authorised private premises' minimises operators' travel costs, driver time and productive downtime.

Why did VI introduce these CSIs? Do they help increase the quality of vehicles? Or, are they desired by the 'customers'? Are they genuine attempts to suit customer needs, or only to show off? The Inspectorate did not have to initiate these attempts in the first place. I assume it was to show that they can initiate something and so its autonomy is consolidated. In other words, by introducing CSIs, the Inspectorate wanted to declare that it is capable of initiating some policies and services which are not imposed by the department but by themselves. This is again a part of the attempt that they are using decentralised power. The CSIs could also be seen as the sort of 'entrepreneurial' initiative that government wanted. Interviews[62] show that the agency placed special importance on the introductions and success of these CSIs. Earlier years in the agency status were particularly dominated by the overemphasis of the staff that CSIs were vital in the overall success of the agency. In retrospect we can safely argue that they wanted to use these initiatives as a catalyst for consolidating their autonomy. The NAO report supports this argument that in 1992 many customers did not even hear about the 'Saturday Testing'[63]. An important point was the availability of these initiatives at the time, rather than their usage.

Regarding their value as increasing quality of the vehicles or offering convenience to the operators, one initiative was aimed at the quality and three were

directed at facilitating the service they provide to their customers. The Voluntary Testing initiative, being quality orientated, was well thought out for the reason that it encourages operators to have their vehicles checked in order to make sure that they still comply with the standards imposed by the law. The Inspectorate itself cannot make 'policy' decisions and shorten the testing period from 12 to 10 months, but it can add some new check points in the MOT list and encourage fleet owners to have voluntary checks before their MOT are due. This may also prevent some vehicles which are 'old' or 'over-used' from having accidents because of technical failures[64]. CSI for conveniences to customers are to facilitate the statutory tests which operators have to take. These again reflect the idea of having a public service in the form of Reinventing Government. Convenient ways of offering services to customers are appreciated by the agency in such ways as 'slot bookings', 'out of hours testing', and 'testing at authorised private premises'. Though we do not have precise numbers about the extent of the use of these initiatives, they can be regarded as successful. We have the number of the private testing stations, 73 HGV and 205 PSV, but not the number of tests they carried out. Compared to VI stations (91 only), the number is obviously greater. So this initiative, I think, is successful. On the other hand, even if a small percentage of operators use these CSIs, the availability of them itself is a success. Thus operators know that they can have tests on Saturdays or outside working hours.

D- Performance of the Agency

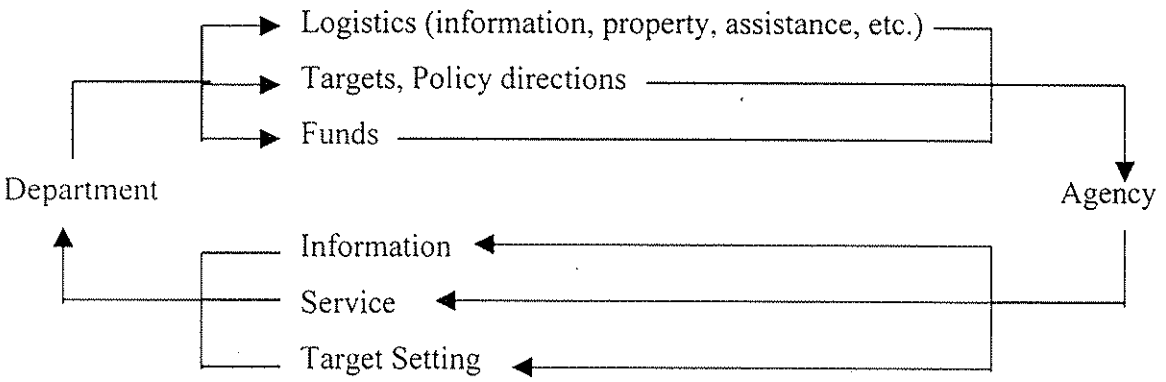
This section gives us an opportunity to test the agency whether it satisfies the criteria in full, or only to a certain extent. Three criteria, separation of functions and preventing political interference, empowering agency and promoting openness, and creating a common and target-oriented culture, are examined under the five headings of targets, performance indicators, efficiency, quantity, and quality of services. Every sub-section may not be used to test every criterion, but all criteria are to be explored in the section.

1- Targets

Examination of the agency targets makes it possible to gauge the reliability of the three criteria in the sense of whether the agency has achieved the intended results of the Next Steps reform. In other words, this examination may clarify whether autonomous units with a distinctive leadership and task have successfully achieved the results which are

aimed at. Targets are the logical outcome of the principal-agent relations. If the department provides funds, it has the right to expect certain targets to be met. This brings us to our first criterion: separation of functions and prevention of political interference. Prevention does not mean that politicians are no longer the masters of the bureaucrats. On the contrary, they are the masters who do not interfere with the daily business of the agency but make overall policy decisions.

Figure 5.2: Agency-Department Relations



The relations between the two actors may vary from one case to another, but the fundamental concern is the availability of principal-agent relation, that the former makes an order for a service and the latter provides it. We have examined these points in the previous chapter. In practice, however, the relationship is not so simple. Figure 5.2 shows the relationship more clearly: the department provides logistics, funds, targets and policy directions, while the agency is producing service, information, and target suggestions.

Every year SoS sets targets for VI. Until the 1996-97 period the department had set a list of rather tactical targets[65]. Since then, however, targets have turned to be a more strategic set which would allow a more sensible focus on its effectiveness. Measures supporting the new main targets would ensure that certain levels of activity are met but would at the same time allow greater flexibility in how they allocate resources to achieve the targets, according to priorities agreed by the ministers and changing requirements of its principal customers.

Comparing the 1995-96 and 1996-97 target figures (see Appendix 3) may illuminate the above-mentioned difference. Two of the four main areas of performance are more or less the same: efficiency and financial performance as measured by the rate of return on capital employed. Other targets are either to deal with the quality of services or to make sure that operational performance is achieved in road, vehicle safety and environmental protection. The first period specified relatively strict targets in numbers, while the second was setting strategic, flexible and rather ambiguous targets. As a matter

of fact, the second type of targets is consistent with the Next Steps ideology: 'telling what to do not how to do'. The agency and its chief executive require discretion and freedom to manage. This does not mean that VI had not been given discretion in the 1988-96 period. On the contrary, it enjoyed a 'reasonable' amount of freedom. This aspect was highlighted by an interview[66] with the agency's bureaucrats. The change is best interpreted as a quest for improvement. It may be unfair to argue that the change was not caused by the lobbying of the Inspectorate. One interviewee[67] expressed this view, that the Inspectorate made a suggestion to the department and the SoS accepted the change of targets. CE was delighted to have flexible targets which left more room for manoeuvre. The foreword by CE to the 1996-97 Business Plan[68] supports this argument: "Adoption of this approach will allow greater flexibility in how we allocate resources to achieve targets, according to priorities agreed by Ministers and changing customer requirements". One can argue that he cannot criticise publicly the decision of the SoS to set strategic targets if he wants to keep his job. However, if the change gives more freedom to CE, his words in the Business Plan are most likely sincerely meant.

2- Performance Indicators

Measuring the performance of a public organisation is not an easy task, especially if it has regulatory functions as well as service and commercial ones: the difficulty is worsened by the nature of the work it performs. As stated in the previous chapter, the Next Steps way of thinking challenges this difficulty simply by offering a kind of dichotomy between policy making and implementation functions. Is this challenge powerful enough to sort out the problem? Experience shows that every implementation decision contains a certain degree of policy making and, essentially, it is virtually impossible to generate a 'pure policy' function. This verdict is also true for 'pure implementation' functions.

These general observations are also valid for the Vehicle Inspectorate case. We can, I assume, make a distinction between two main functions of the Inspectorate. The first type of function, Traffic Enforcement, involves regulatory duties and contains more policy decisions than implementation, which is available widely in the Vehicle Testing side of the Inspectorate. Service provision and commercial sides of VI are found in the Vehicle Testing division. Apart from the discussion about the quality of the vehicle testing functions, qualitative figures of the Traffic Enforcement division can provide a good deal of data for the purpose of performance measurement. DETR, NAO and PAC

assessed the performance indicators of the agency through the examination of figures given by the agency[69]. The use of these figures in the study can be justified by the same argument that justify their use by independent institutions. The change of performance measures used by the Inspectorate over the years are summarised in Table 5.5.

Table 5.5: Performance Indicators of the VI

1986-87	1988-90	1990-91
1- Staff productivity 2- Unit Costs *HGV testing productivity *Vehicle Examiners' productivity 3- Levels of Service	Some changes at the level of service, for instance "Average time to process test application, and HGV/PSV test time available within 28 days.	Virtually all the figures were the same
1991-92	1992-93	1993-94
Considerable changes were made i.e. HGV/PSV test error rate, HGV/PSV exemptions were introduced. Service performance indicators section was developed there were 17 indicators (9 of them were new)	Some small changes especially concerning Traffic Examiners	Small changes in indicators, but classification has been changed. One indicator was added: "Time taken for the CE to respond to letters from MPs". 6 new indicators to Unit cost section.
1994-95	1995-96	1996-97
Some new measures were added but basic structure and indicators remained the same.	Some added and some removed. Unit costs indicators were cut from 18 to 12, and some added to Vehicle Testing section.	The idea of Performance indicators, and targets were changed radically. The Report (on the VI's Effectiveness as an Enforcement Agency, the second part of the Annual Report) details the new style.

(Source: Annual Reports and Business Plans of respective years)

Examination of the table reveals that performance indicators have changed constantly over the years. How can we interpret these changes? Two possible ways are obvious: first, VI manipulated the numbers and figures to deceive the public; second, these changes were part of an exploration towards excellency driven by the Next Steps ideology. I think it is reasonably sound to argue that both arguments were evident in the agency. How and when some of them were introduced signify that they were manipulated to achieve a certain kind of objectives. In 1993-94 period, for instance, the Unit Costs section was subject to 6 additional measures. One is suspicious whether or not the results of these indicators were revealed correctly, and was there any need to introduce them at all? Even, the unit costs of HGV/PSV Statutory Testing functions are questionable, because they are demand-led activities and costs depend heavily on

independent variables as well as dependent. If there is a substantial increase in diesel prices, HGV fleet might be diminished in favour of railway transportation. So HGV Testing stations will not be working fully and unit costs are higher. Any argument for an increase in measures must also be supported by empirical evidence that the new measures are based on objective counting criteria. Unless it is made clear that the same number of vehicles is dealt with by the same number of staff, the unit costs of the 'LGV and Car Traffic Enforcement' function itself do not mean much. If the Inspectorate handles a higher number of vehicles, costs will be less and *vice versa.*

Secondly the introduction of some indicators show that they were evolved over the years from simple numbers to more complicated value-based figures. Annual Reports and Business Plans of the Inspectorate characterise the nature of the changes which have taken place since the agency status, from quantitative to qualitative figures. As public choice theorists argue, VI controls the information and reveals it in the form which suits it best. Keeping in mind this fact, the Inspectorate has passed through the stages of 'beginner', 'learner', and reached 'experienced' level[70]. One example illustrates the development very well: in the 1989-90 Annual Report the indicator of the "Failure rate of PSV" (which shows the initial failure rate of vehicles: if they fail in the test this means that those vehicles which failed were not roadworthy) was only one indicator to address the issue. However it was diversified in the 1996-97 report[71] covering "PSV initial test failure rate by age", "PSV initial test failure rate by operators fleet size", and "PSV failure rates as a percentage of vehicles tested or re-tested". These show that they have increased the 'effectiveness' of their indicators. It is possible to argue against the need and soundness of these indicators, but the report on the VI Effectiveness as an Enforcement Agency 1996-97 proves that they are realistic and useful instruments in transforming the agency into an effective one.

Three stages were visible in the evolution of the performance indicators. The first one covers the time before the agency status until the 1991-92 period, which I call the 'sleeping' period. In this period there were no considerable changes and the agency was still learning what the agency status offered to them. Only after the merger with the Traffic Examiners took place did VI start to initiate something significant. This may have been caused partly by the lack of experience and pattern, and partly by the time factor. As the previous chapter argued, the government did not know what to do regarding the agencies introduced or to be introduced. As time went by they crystallised their views on the structural and functional issues of the new system. Bogdanor[72] interprets the situation clearly that "what a pity it is that governments act first and think afterwards". Mindful of

the fact that the Inspectorate was introduced in August 1988, as the first executive agency, they simply did not have an agenda to pursue[73].

The second 'crawling' period, which was between 1991 and 1996, provided the Inspectorate with the encouragement and impetus they needed. Although it was really difficult to achieve the merger with the Traffic Examiners, this turned out to be a positive move for the Inspectorate. The NAO report[74] expresses this difficulty and the reason for the introduction as follows: "the merger is a considerable management challenge...The merger was proposed on the basis that the work of the Traffic Examiners was complementary to that of the Inspectorate especially in its enforcement activity". However the Inspectorate side, especially the Chief Executive, was delighted to have the merger.

One important point was that the availability of autonomy for the chief executive and the agency, which was created out of the Next Steps theory, helped to foster a suitable environment for managerial discretion. The abolition of the tier between the HQ of the VI and offices initiated by the chief executive was an important indicator that CE had enough power to re-shape the organisation according to the managerial need. By the same token, detailed indicators were developed by the chief executive to measure the agency's performance and eventually this helped consolidate its functions. The Secretary of State's decision in 1993 not to privatise the testing functions of the Inspectorate was due partly to the satisfactory performance of the Inspectorate. After a report prepared by Price Waterhouse, the Secretary of State announced[75] that "The Vehicle Inspectorate has a proud record of achievement since it became the first executive agency in 1988. My decision to retain its testing functions in the public sector will give the Inspectorate's staff and management alike a platform of certainty to build yet further improvements". This outcome and the changes in the measures may support the argument that the agency had managerial freedom to make alterations on performance indicators.

The final period, 1996 onwards, represents a different kind of direction for the Inspectorate from numbers to value-scored indicators. This method emphasises the outcome and effectiveness. Therefore, it essentially gives more freedom to the agency, because it requires an outcome, and 'how' and 'why' a means is chosen is entirely up to the management of the agency. What can we say about the new method? Is it a good or a bad idea? As identified earlier, delegating more power to the agencies and making them responsible for their work was and is one of the main intentions of the Next Steps reform. So, focusing on the outcome and evaluating VI according to the results should be regarded as a positive move. Why the new method was introduced requires an

examination. One interviewee[76] from the agency claims that it was a natural outcome of the agency system. So nothing was outrageous about the move, and one would have been suspicious if it had not been introduced. His answer may be genuine, but, I think, the implementation of Total Quality Method in the agency has played a certain role too. As both the Business Plan and an interviewee[77] assert, TQM required outcome-based indicators and therefore the SoS assented to the alteration which had been proposed by VI. Because the period of the study covers only until the end of the 1996-97 period, results of the new performance measures will not be detailed. The following section examines the agency as to how well it achieved its efficiency targets.

To achieve value-scored indicators, the Inspectorate produced the Balanced scorecard system as a management tool to ensure that due weight is given to all aspects of performance. This system, what became known as 'Performance Gain', identifies the value of the work VI does rather than just the amount. VI's enforcement activities, for instance, have been split into 3 groups –deterrent, educational or enforcement- and a value is given to each activity[78]. Value is determined according to the relative impact that the activity is deemed to have on the improvement of road safety and environmental standards –the highest values are awarded to outcomes curtailing activities that put life at risk- serious maintenance faults or excessive driving hours.

3- Efficiency

As an important characteristic of the Next Steps agencies reform, efficiency was given a prime role in making decisions about agency affairs. The Inspectorate, therefore, respected this priority in handling its work. Moreover, the department always wanted to make sure that the Inspectorate is concerned with efficiency and preventing waste. Unsurprisingly, the first item on the list of targets was efficiency savings. Furthermore, as mentioned in previous chapters, the first agency has attracted huge attention from politicians, academics, the media and the general public. The agency has been monitored closely and concern with its performance has been wider than many agencies and public issues. As a response to the expectations of these parties, VI has been struggling to increase its efficiency and seeking to gain success. In general the Inspectorate has two efficiency targets[79]:

(i) to achieve the overall efficiency target set using the Aggregate Cost Efficiency Index (ACE);

(ii) to achieve a real return on capital employed of 6 per cent from 1991-98 period.

Although ACE was invented by VI, it was examined by a number of independent people and organisations, the NAO report[80] for instance, and eventually it was accepted as a 'reasonable' index to gauge efficiency changes. Every year the target is agreed with the department and Treasury. Therefore it applies to the Inspectorate as a whole. Basically, ACE looks at changes in unit costs of each scheme applying to the Inspectorate as a whole. The outputs and costs of the year are compared with those of the previous year, after taking account of inflation, i.e. what that level of output would have cost in the previous year. That gives a cost efficiency indicator for each scheme. The scheme information is then assembled into a single figure for the Inspectorate. Certain costs, such as early retirement, are not counted in the index[81].

Assuming it is a valid indicator, ACE index figures clearly show that VI has performed well in terms of efficiency increases. We have no reason to believe that it is an invalid index. First of all, it has been examined and approved thoroughly every year since 1989 by NAO[82], in the words: "It does allow those within and outside the Inspectorate to focus on one measure of performance and is consistent with the Next Steps philosophy of judging an organisation as a whole entity rather than concentrating on individual parts". Since the results reflect payment of Group Incentive Bonus Scheme, the CE asks NAO[83] every year to examine the calculation of the index and its supporting unit costs. So far, every year, the ACE index has been approved with the following statement "the ACE index for 19?? is fairly stated and has been prepared in accordance with Treasury guidelines". For the first two years the index comprised 85 % of the work of the Inspectorate[84]. However, after 1991-92, the cover was extended to 95 % and further. Every year, after the examination of NAO, the percentage ACE achieved is paid to the Treasury[85]. Therefore, there is no reason to believe that VI wants to pay more to the Treasury by exaggerating its performance.

Table 5.6: ACE Index (%)

	1989	1990	1991	1992	1993	1994	1995	1996
Target	1.3	2.4	2.7	1.72	5.0	5.0	6.0	3.0
Outturn	4.5	4.1	3.6	1.78	5.6	7.0	6.3	3.0

Increase in efficiency indicated by a positive figure

(Source: Annual reports and Business Plans of 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996)

One clarification here is that, as the NAO report raised the issue, the department and the Inspectorate were looking for solutions to sort out the problem of how the index

should be calculated so as to consider changes in inflation. The ACE index used to be adjusted to remove the effects of inflation for the reason that these factors were independent variables to the Inspectorate. On the other hand, there was an argument that the agency, just like its business counterparts, should bear the consequences if inflation is higher than expected. This point, again, was a matter of autonomy-accountability balance. Agency, and indeed CE, were given a certain amount of autonomy and are expected to achieve a satisfactory performance in respect to their responsibilities. If VI is allowed to determine its fees and asset utilisation, it should be dealing with the effects of inflation. In this particular case, lack of absolute asset utilisation power (the compulsory provision of a testing station within 35 mile radius, for example) was an obvious indicator that the Inspectorate does not have enough autonomy. Ron Oliver, CE, stated[86] in his answer to a question on PAC examination: "We cannot take steps to utilise them (assets) due to the current policies laid down by Ministers. What we do, however, is within those policies take steps to maximise their effectiveness...". Nevertheless from 1994-95, VI agreed with Treasury and the DETR that a figure for pay and non-pay inflation would be fixed at the beginning of the year. This makes sense, because pay bargaining was given to the agency. All these discussions show that the delegation of power and accountability were key elements of the agency reform. How much accountability (and success) depends solely on how much freedom the agency has.

Turning to Table 5.6, the ACE index, it is surprising to note that every single year since the launch of the index has registered achievement. In 1989, the target was 1.3 %, but the result was 4.5 % efficiency increase representing about 3.5 times more than the target. In 1990, again, the target was exceeded by 70 %; 2.4 target and 4.1 outturn. The first two years' achievement meant £1.8m savings in 1989-90, and £1.7m in 1990-91[87]. In the 1991-92 period, the target was 2.7% and outturn was 3.6 %. The 1992-93 period, however, saw relatively lower figures both in target and outturn: 1.72 % and 1.78 % respectively. Poor performance of the Inspectorate was caused by the fall in testing volumes and uncertainty over the future of its testing functions[88]. Fortunately they hit the target, although by a small margin. For the period 1993-94, the target was 5 %, the highest ever, but the outturn was 5.6 %. The following year the target was the same, 5 %, but outturn was 7 %, an unbelievable amount! In 1995-96, again, there was a high target (6 %) and a high turnout (6.3 %). In the 1996-97 period target and outturn were 3 %.

If the index is valid, one may be justified in thinking that the targets been set too low; the NAO report examined this question and concluded that they were not too low, on the contrary, it was the other way around. The examination[89] found the targets

challenging especially in 1990-91. In that particular year, the senior management on VI were so concerned that they would miss the target that a series of cost-cutting exercises was implemented. For example, travel and subsistence and overtime budgets were cut across the board and a great deal of attention was paid to getting directoral approval for filling vacant posts. Eventually a 4.1 per cent efficiency improvement was achieved.

Although it is not such a prime efficiency indicator as the ACE index, it is worth examining targets and outturns of real rate of return on capital employed. Principally, it is to measure asset utilisation of the Inspectorate. Having such a target makes the Inspectorate concerned about the use of its testing stations, weighbridges and other assets. In respect of this target the agency was not bothered very much before 1990, but that year, when the Trading Fund status was acquired, was the turning point for concern. From April 1991, achieving 6 per cent return on capital became the aim of the Inspectorate, because the law related to Trading Funds required this. This aspect also supports the argument that the Trading Fund status was given together with some responsibilities: the 'no responsibility, no power' rule.

The study reveals one constraint that was obvious for VI and which prevented utilisation of its assets to produce a reasonable amount of success. As mentioned before, it is a government policy that the Inspectorate should cover rural as well as urban areas and in general, 'no operator should have to travel more than 35 miles to a testing station'. The network comprises 91 testing stations and some of them operate only for a few days a week. Therefore many of them are under-used. For the areas like this, the Inspectorate's service means 'pure public service'. It might have been the reason for not privatising the testing functions of the Inspectorate[90]. The objections of VI mentioned before about the road network and locations of testing stations should not be forgotten. The Inspectorate deployed certain policies to utilise its assets. One official argued[91] that they introduced some of the customer service initiatives both to utilise their assets and to serve customer needs. It was to 'kill two birds with one stone'. The public would think that they cared, but at the same time VI would use its resources efficiently. Saturday testing and voluntary vehicle testing can be named as two of the CSIs introduced to this end. This argument sounds plausible for the reason that some of the Inspectorate's staff suggested that, in order to utilise idle capacity, testing stations could offer some commercial services such as repairing, and other services which garages carry out now. The suggestion was, nevertheless, rejected for policy reasons[92]. This rejection can be used against the argument that the CSIs were introduced only because of asset utilisation.

Table 5.7: Real Rate of Return (%)

	1989	1990	1991	1992	1993	1994	1995	1996
Target	N/A	N/A	6	6	6	6	6	6
Outturn	5.5	6.6	9.8	12.8	11.3	6.9	6.5	9.2

The Inspectorate achieved all its targets in respect of RRR in the period 1989-1996.

(Source: Annual Reports and Business Plans of VI)

In the first two years (1989-1990) there was no legal requirement for a minimum level, but the Inspectorate achieved 5.5% and 6% respectively. In 1991 the figure increased significantly to 9.8 percent; compared with the target (6 % for 1991-98 term) it represented a 63% excess. The following year the figure was 12.8%, doubling the target. In 1993, the outturn was 11.3% - another year of achievement. In 1994 the figure surpassed the target with a 6.9% RRR. The preceding year the figure was 6.5 per cent achieving the target by more than half a percent. The final year the figure was 9.2 per cent and 53 % more than the request.

In conclusion then, as the NAO report confirmed, asset utilisation of VI clearly shows that the agency was not as autonomous as was intended at the launch. The intervention of the department can be justified only if it was about a 'policy issue' and mentioned in the framework document. As reiterated, policy making and implementing are two sides of a coin and cannot be easily separated. A question arises whether the intervention is an issue of policy or implementation. The department is expected to insist that it is a policy, while the agency asserts it is an implementation issue. The conflict is difficult to resolve. However, one thing is for sure, that the agency has achieved a considerable success story, and has also found some room for manoeuvre by introducing CSIs and increasing efficiency. Apparently the autonomy given to the agency plays an important role in motivating staff to strive for achieving efficiency. One interviewee[93] explicitly mentioned the positive attitude among the staff towards not only the work but also the distinctive agency culture[94]. This agency culture, which empowers CE and the agency, created a sense among the staff that they have a uniting value of membership. This is reflected in their attitude to obtain the desired aims of the organisation.

These two indicators were the two most suitable performance indicators during the term 1988 – 1997 in terms of efficiency and asset utilisation. Their approval by independent and respected institutions such as NAO and Treasury is indicative of the value they own. What is more, both indicators displayed a great deal of success by meeting every year's targets.

4- Quantity of Services

This section examines the quantity of services provided by the Inspectorate between 1986 and 1996. The assumption here is that any increase in quantity is desirable as well as keeping in the mind that every increase in numbers may not bring qualitative increases. If the number of roadside checks, for instance, rises considerably but still the numbers and reasons for accidents remain unchanged, it may indicate that the quality of the checks is deteriorating.

Table 5.8 examines quantitative figures between 1986-87 and 1996-97. In order to keep the table simple even numbered years are displayed. The reason for this is twofold: first is the intention to give the correct idea about the figures by giving enough information and keeping it simple. Second is the reality that the figures are more or less the same in successive years. To give every other year's figures serves the purpose of the study.

As the table shows the activities of the agency have been diversified and new activities have been added to existing ones. Looking at the changes may even give a hint about the route the agency has taken since becoming an agency. The name indicates that Statutory Testing is a demand-led activity, so the Inspectorate does not have control over it. It can only remove or impose items on the MOT list. That is why someone might want to relate this type of activity to qualitative rather than quantitative measures.

Figures regarding HGV tests increased in the period 1986-1990 (by about 13.6%), and decreased in the period 1990-94 (by about 20%). The change of the approach from strategic to tactical targets affected the 1996-97 figures and VI did not reveal any information about the number of tests of HGV, PSV, and LGV. PSV test numbers remained virtually the same over the period. The only concern is the decrease in the LGV test numbers by nearly 50% in the 1992-1994 period. As mentioned, this was for the simple reason that the government changed the HGV Plating and Testing threshold from 2000 to 3500 kg. Vehicles between this range could choose their MOT testers, private garages or VI[95]. So a big decrease was inevitable in this scheme: from 62,345 to 33,920 in the 1992-94 period.

Table 5.8: Levels of Activity

Statutory Testing	1986-87	1988-89	1990-91	1992-93	1994-95	1996-97
HGV Tests	924529	998768	1050810	844984	840517	N/A
PSV Tests	82761	87619	85558	87484	85998	N/A
LGV Tests	N/A	N/A	N/A	62345	33920	N/A
HGV Alterations	N/A	N/A	N/A	N/A	22565	18307
PSV Alterations	N/A	N/A	N/A	N/A	1605	1616
Roadworthiness Enforcement						
HGV MI	28321	32838	38192	46616	44552	N/A
PSV MI	4108	4078	3598	4091	3625	N/A
HGV I	107681	129141	171746	218336	50942	N/A
PSV I	25594	25760	27313	40069	6804	N/A
HGV RC	N/A	N/A	N/A	N/A	115157	126683
PSV RC	N/A	N/A	N/A	N/A	25534	28809
HGV SC	N/A	N/A	N/A	N/A	14878	13687
PSV SC	N/A	N/A	N/A	N/A	7292	11001
MOT AEV	26225	24537	30359	38827	43785	N/A
Traffic Enforcement						
HGV Inspected	N/A	N/A	281140	295124	266185	214922
HGV Weighed	N/A	N/A	114008	124004	120297	78502
PSV Inspected	N/A	N/A	32584	40508	38654	30434
Tacho Screened	N/A	N/A	1856594	1864261	1703047	1750501

HGV/PSV MI= HGV/PSV Maintenance Investigations, HGVI/PSVI= HGV/PSV Inspections, HGV/PSVRC= HGV/PSV Roadside Checks, HGV/PSVSC= HGV/PSV Special Checks.

(Source: Business Plans and Annual Reports of the respective years)

Bearing in mind the fact that LGV figures had previously been counted with HGV numbers, we can add this number (LGV) to the HGV figures. So a drop in HGV testing numbers can be compensated for by this addition. Regarding the decrease in LGV figures after the threshold change, they seem to be reasonable for several reasons. First, vehicles under 2000kg go automatically to private garages. Second, when a monopoly is broken up, people are more willing to go 'outside' - the psychological factor. Third, usually a local MOT garage is more 'reachable' than an Inspectorate HGV testing station of which there are 91 throughout the country in comparison to 19,000 MOT garages. Moreover, the distance factor and 'friendly' and possibly corrupt relations play a very important role in attracting people to private garages.

Would the number of tests be the same if the SoS decided to privatise the testing functions of VI? It is difficult to answer, but definitely many operators would choose private garages. In reality the nature of the work (privatising and opening up to competition) usually generates this kind of result (losing customers). The question we have to ask is 'would the testing services be amenable to private garages?' Everyone may have his/her answer, but certain conditions need to be met. For instance, the safety of PSVs and their compliance with environmental standards[96]. At the moment testing stations are not doing repair work, but only testing. In any case, repair work is done by private garages so they might be reluctant to test instead of doing repair work. As the experience shows "commercially, repairing is more desirable than testing"[97], and also from time to time some garages offer free MOT tests expecting that after initial tests, vehicles might be needing repair.

A number of the Roadworthiness Enforcement activities have changed during the period. Five out of nine figures were not given in the 1996-97 period. This was due to a change in the idea that value scored figures should be given instead of simple numbers. HGV MI, HGV RC, PSV RC, PSV SC, MOT AEV numbers increased in the period, while PSV MI, HGV I, PSV I, HGV SC figures were decreasing. These increases and decreases took place only because of the priorities of the Inspectorate. It was said by the agency[98] that they wanted to focus on those activities which are strategically important for them: an increase in roadside checks, for instance, that was intentionally achieved to make sure that vehicles on the road are safe and sound[99]. These random checks have positive effects on all vehicle owners to keep their vehicles roadworthy. Otherwise, if a HGV fleet operator is informed before the check, it is more likely that the operator will have the problems fixed before the check.

All the numbers regarding the Traffic Enforcement decreased in the 1990 - 1996 period when data are available about the section. Decreases in HGV Inspected, HGV Weighed, PSV Inspected and Tachograph Screened were 23.55%, 31.14%, 6.59%, and 5.71% respectively. Surely, for 'outsiders' these decreases in the enforcement work of the Inspectorate are not desirable at all. The agency, on the other hand, insists[100] that the quality of their work in respect to the traffic enforcement did not deteriorate. So, we need to look at what the case was about the quality.

5- Quality of Services

Since improving the quality of services is one of the main aims of the Inspectorate, finding out the quality level would help assess the effects of the agency structure. Quality, as a concept, is a subjective issue and depends very much on the expectations and perceptions of individuals. In the case of VI, again, there is no direct way of measuring the impact of VI's activities on road safety or the environment. The NAO report[101] argues that, because of the absence of direct measures, it is not possible to establish directly whether the Inspectorate has improved the quality since it became an agency. However, I think we can still examine the quality in terms of immediate outputs. VI has two types of main customer, one is the DETR and other agencies, and the other is vehicle owners and MOT garages. The relationship with the first type has already been explained (agent-principal theory), but the relations with the others are somewhat different. To MOT garages and operators quality of service means that "they are not unnecessarily inconvenienced, that road safety standards are applied uniformly and fairly, that they are properly informed, that the staff act courteously and efficiently and that the service is delivered at the lowest cost consistent with that"[102].

Table 5.9: Failure Rates(%)

	1988	1989	1990	1991	1992	1993	1994	1995	1996
HGV Motor Vehicles	31.5	31.2	28.5	31.5	35.7	34.6	34.0	34.9	36.3
HGV Trailers	26.5	26.7	25.1	20.5	21.4	21.4	21.0	21.0	22.0
PSV	38.8	37.9	35.0	36.8	36.9	33.6	28.5	28.5	27.8
Car and LGV	40.8	37.9	37.9	36.9	38.0	37.2	37.3	36.1	N/A

(Source: VI Annual Reports of the perceived years)

Failure rates in statutory testing for HGV, PSV, and LGV provide a good indicator of the effectiveness of VI, bearing in mind the fact that Failure rates comprise some such independent variables as age of the fleet. Table 5.9 displays the rates between 1988 and 1997. Failure rates since 1988 fell with regard to HGV Trailers, PSV, and Car and LGV, and increased with HGV Motor Vehicles. The changes were 4.5%, 11, 4.7% and 4.8% respectively. The explanation given by the Inspectorate was worth examining. They said that[103] tightening the MOT standards and independent factors (e.g. age of the vehicles) might explain the reason for the increase in the failure rates of HGVs. We respect the independent factor[104]. One thing was obvious: that the agency does not mention the tightening of the MOT standards for other vehicles (PSV or LGV) but affirms that for HGV Motor Vehicles. Other figures decreased during the period but

HGV Motor Vehicles rates increased. One may say that these failure rates are for before the main test, and vehicles which are failed are re-tested. So there may not be any need to worry as to road safety. However, these figures were perceived as worryingly high, and the new government changed the priorities of the agency from efficiency to effectiveness. These changes are examined later in the chapter.

Table 5.10: Quality of Service

	1988	1989	1990
Average time to process test applications	2.5 days	1.6 days	1 day
HGV/PSV test times available within 28 days	71.3%	73.6%	73.5%
Operators given HGV/PSV test dates requested	74%	82%	77.2%

Quality of service the Inspectorate provides during the period.

(Source; VI Annual Reports)

Table 5.10 examines the quality in terms of private customers. Each year's figures show that it managed to increase its quality as to time arrangements of the agency with its customers. One can both criticise and praise these figures. For instance, 73.5 % for test time available within 28 days is open to question. Why is it 73.5 % rather than 100%? Or why is it 28 days at all, not 15? A counter argument might bring some other parameters into the problem such as 'proportionality' and 'reasonableness'. The argument might claim that with the given resources these figures were 'reasonable'. More are required if to achieve better results.

The final table relates to the results of a survey conducted by MORI in 1991[105]. Customers were asked whether the following aspects of the Inspectorate's service had changed in the first three years. Nearly half of the customers thought that quality of service improved, while the other half were of the opinion that the quality remained unchanged. The second part of this enquiry was to find out the view of the staff about the work of the agency. The survey[106] discovered that over 70 percent of the Inspectorate's own staff expressed their positive responses to the initiative stating that the service they offered was either very or fairly good. Additionally, 56 % of staff expressed their view that the standards of service had improved over the first three years. During the very first years of the agency status it was encouraging to hear that the staff (human factor of the organisation) had a positive perception of the quality of the work. It is this perception (psychological factor) which would instruct the staff to employ a positive work attitude.

Table 5.11: The Inspectorate's Service Since Becoming an Agency

	Stayed (%)		
HGV/PSV Customers	Better	Same	Worse
General Standards of service	42	54	4
Inspectorate's awareness of customer needs	40	50	10
Staff's awareness of customer needs	49	45	6
Range of flexibility of service availability	58	48	2
MOT Customers			
Overall service	39	54	5

(Source: NAO Survey Commissioned by MORI in NAO Report, The VI: Progress as the First Executive Agency, p.13)

The instruction given by the key targets in 1996-97 asks the agency to conduct regular surveys with staff and customers. In 1997-98[107], for instance, 2,520 questionnaires were sent out to drivers, fitters and small fleet operators through 36 testing stations. The overwhelming majority of respondents (97%) stated that the quality offered by the agency met their needs. Another survey was conducted to measure the satisfaction of the Designed Promise operators. Once again it appears that the VI responded well to the expectations of its Designed Promise customers. As a matter of fact, the Key target 7[108] required VI to react according to the survey results.

The media coverage of VI conducted by the Researcher shows that it has been a successful agency in providing services to the public[109]. Most reports concerned smoky vehicles causing pollution and the Inspectorate's attempt to reduce pollution caused by these vehicles. Other reports were about the reliability of MOT tests, drivers' working hours, faulty vehicles and recalls, stolen and forged MOT certificates, privatisation of Vehicle Inspectorate, and road deaths and 'cowboy drivers'.

Reports show that there was not much criticism about the service the Inspectorate provided. Of thirty-four reports there were only two negative ones questioning the regulatory function of the agency. After undercover tests carried out by Consumers' Association in August 1993 and August 1997[110] the first report asserts that "the 30-year-old MOT test is a lottery which is letting potentially dangerous cars slip through the net", while the second repeated the same arguments in a similar jargon: "MOT garages failed to spot faults on defective cars, leaving drivers at the wheel of potentially dangerous vehicles". In fact it is very difficult for VI to supervise over 19,000 garages using relatively limited resources and, at the same time, having diversified the bulk of its responsibilities. In operation, VI carries out both routine garage inspections and undercover tests, i.e. 'incognito' checks where a vehicle is submitted for a test to enable

the standard of testing at the garage to be assessed[111]. This is to make sure that private garages comply with the standards set by the agency. Firstly it is fortunate to see that the safety standards of vehicles on the roads are good and poor safety has not caused any notable number of fatal accidents. Secondly, as experience shows, MOT testers seem to be re-categorising the defects as "extremely important, very important, important, and not so important"[112]. Accordingly they reinterpret the items and apply them to vehicles. As one interviewee[113] points out, the quality of the test may vary from small garages to larger ones and from garages in large cities to garages in small places. Therefore busy garages and garages in large cities tend to finish the test quickly, so they are unlikely to check vehicles thoroughly and carefully. Finally, it is obvious that aside from other responsibilities, checking over 19,000 garages regularly is not an easy task, but still this does not make it an acceptable excuse. This may have been the reason for the lack of any harsh criticism about the agency: that there were not many fatal accidents caused by unsafe vehicles. Otherwise, in this important and sensitive issue there would be a lot of public discussion and concern over the safety of vehicle standards[114].

Regarding the reports on smoky vehicles, the vast majority of them relate to the Inspectorate's 'war' against defective vehicles. The methods employed in the 'war' varied from tightening roadside checks[115] to applying £20 fines to 'idling' drivers[116] or increasing on the spot fine for 'dirty' cars to £60[117]. Drivers' working hours is another matter which attracted reporters. VI discovered that "lorry drivers forced to work illegal hours by unscrupulous employers are to blame for up to 200 deaths a year[118]". The Observer reported[119] that "there is growing concern in the industry, the police and VI about working practices by haulage companies".

A different public concern was the question of faulty vehicles and recalls. The Inspectorate plays a major role in the implementation of the process from identifying problems to recalling the vehicles to be fixed. It was reported[120] that: "the VI has been doing well to identify faulty cars...". It was also reported[121] that "drivers blamed for thousands of faulty cars for not paying enough attention to recalls". Surprisingly, there is no statutory duty on owners or registered keepers to react to a recall campaign. The Times' report[122], therefore, was complaining about the bureaucracy of processing a recall of faulty vehicles. The Inspectorate was not happy with the red tape and spoke out about the need for policy change[123]. It therefore tried to mobilise the ministry to take action against the red tape. The complaint was not about the agency but the process set by government. Due to the involvement of more than one organisation/agency 'red tape' occurs.

The issue of stolen certificates and forged MOT documents has been another area of concern for the media. Some of the headlines were as follows: "illegal MOT trade worth £7 billion a year"[124], "the Ideal system to stop the theft of MOT certificates is to computerise the system with a direct link to VI"[125], and "expensive MOT help line"[126]. These issues concern police as much as VI. Therefore we should mention another issue in this context, which is the discussion of the privatisation of the agency: whether or not it can/should be transferred to private hands. Two reports are worth citing: "The privatisation of VI would not go ahead. Motoring organisations, the road transport industry and the Transport Select Committee had criticised the proposal"[127], and "Heseltine in sell-off crusade" which narrates his attempt to privatise VI without waiting for legislation to be enacted[128]. These reports, especially the first one, can be taken as proof of endorsement of the argument that public concern has always been focused on the Inspectorate and wanted to make sure that it remains as a successful public sector agency.

The Inspectorate's responsibility "to contribute to the maintenance and improvement of road safety and environmental standards"[129] was the basis for the SoS to ask VI to carry out more than 2,000 road safety checks to discover the extent of the 'cowboy' problem[130]. This report shows the difficulty of defining the burdens of the work the Inspectorate performs, because the term 'road safety' is involved in very wide area which is intersecting the responsibilities of many organisations.

E- The Developments in the VI Since 1997

With the election of the Labour government in 1997, as promised, the agency system did not face reversal. However, the agency model has been adapted in the light of experience and the changed priorities of the Labour government. In the words of Butcher[131]: "Labour might have placed a great emphasis on the effectiveness and responsiveness of service delivery, and be more pragmatic about market testing and privatisation, but there is a great deal of continuity with the approaches of the Thatcher and Major administrations". One can clearly see that the changes identified by James[132] are the case for VI during the Labour era: moving away from efficiency to effectiveness, the establishment of regulatory institutions and the 'network' solution to the lack of joined up work.

The Labour government argued that[133] "vehicle compliance with roadworthiness standards and pass rates at annual tests did not improve at the desired rate and it was

decided that a change of emphasis was needed –more in favour of education but hitting hard those operators that refused to comply with the law". In addition, the main priority of the Inspectorate, financial focus, was balanced with three other priorities: Customer Focus, Internal Management, and Investment for the Future[134]. This change of emphasis was a kind of counter element to the previous government's efficiency focus and 'value for money' principles. The new government asked the Inspectorate to break even, and concentrate on increasing effectiveness.

The second element, regulatory development, was achieved with the establishment of Driver, Vehicle and Operator Strategy Board (DVOSB) in January 1999. The Board consisting of the heads of five DVO businesses (VI, Vehicle Certification Agency, Driver & Vehicle Licensing Agency, Driving Standards Agency and the Traffic Area Network) promotes cross agency opportunities and solutions, assists the Department in developing a coherent strategy across these businesses[135]. The board has operational responsibilities as well as regulatory, and therefore help make decisions of VI and DETR.

The third element, co-ordination, is achieved through Agencies Management Group (AMG). It is chaired by the Permanent Secretary and includes the Agency Chief Executives and senior members of the Department. The purpose of the AMG is to facilitate information exchange within the Department so that each Agency is kept in touch with what is happening in other agencies and in DETR. Its function is communication not decision making. There is a range of specialist AMG sub-groups including those relating to personnel, finance and IT matters.

The Inspectorate, on the one hand, welcomed the developments with the Labour government, and on the other hand, asked the question rightly that whether the Advisory Board of the Agency was still operational or not[136]. They did not seem to be opposing to the developments relating to co-ordination, but to the regulatory developments which take their discretionary power in managing the agency. The AB consisting of the senior civil servants of DETR and CE of VI can function the role of regulatory institution and therefore one can be skeptical about the creation of regulatory DVO which may restrict the spirit of the Next Steps, the freedom to manage. One interviewee[137], however, was in favour of the change, claiming that DVOSB has undertaken the responsibilities of AB. So, this DVOSB, comprising agency heads is more desirable than AB that consists of senior bureaucrats from DETR and CE.

F- Conclusion

Examination of the case shows that the Vehicle Inspectorate has been a successful agency in achieving the intended results of the Next Step reformers. This assures that the agency satisfies the second condition: success of the innovation in the originating country, for a policy transfer from Britain to Turkey. Empowerment of the agency and the CE produced separate executive units shaped by the leadership and task.

As the Next Steps reform itself, the VI has experienced an evolutionary development since its creation as an agency. The chapter shows that during the Conservative period the agency has witnessed three stages: 'sleeping' (1988-1992), 'crawling' (1992-1996); and 'the final' (1996-97). There were no significant changes during the 'sleeping' period: VI concentrated on establishing the foundations of the agency system. With the 'crawling' period, on the other hand, the Inspectorate was able to initiate important changes as regards to the management and organisation. The agency produced a great amount of outcomes in terms of its regulatory and service providing functions as well as commercial. The final period, after an evolutionary background as an agency, characterised the relations and organisation of the agency with a professional structure. So, there was an emphasis on the outcomes in the form of value-scored amounts rather than simple numbers. This gave the agency more freedom to choose the means in reaching certain level of qualitative improvements.

The previous section indicates, however, that the Labour government has altered a number of aspects in the agency method with the motivation of the experience and the changed priorities of the new government since 1998 with the new CE, Mr. Maurice Newey. Although these changes were important, the spirit of the Next Steps agencies reform remained unchanged so that the freedom to manage and increasing performance were effective. Besides, the six Next Steps elements, which are examined below, are still operational.

The first criterion, separation of functions and minimising political involvement of politicians, has been achieved since the agency status was given. The Framework document clearly spelled out responsibilities of the actors, but this was consolidated with the personal "endeavour" of CE, safeguarding the interests of the agency. Apparently, political involvement and ambiguity about the functions vary from one agency to another. This point was supported by the differentiation in respect of the three functions of a government, and VI itself. Therefore regulatory functions seemed to cause more confusion than service provision and commercial aspects in the Inspectorate. The main

problem regarding the ambiguity of whether an issue is a policy making or implementing function has been not only in the regulatory work of the agency but also in the service provision. SoS's decision on the provision of testing stations supported this verdict. Another conclusion is that a successful separation depends very much on the extent of 'supportive' environment within the agency. In other words if staff show solidarity among themselves, i.e. the agency has a positive mood created by the agency culture, it is likely that they will be 'respected' and 'recognised' more by the department. This aspect involves the third criterion as well. One important point that should be made is that lack of interest by the department in the work of the agency is not welcomed, because this represents a deviation from the constitution (framework document). This poses the danger that one day the department may not fulfill its responsibilities, and the next it may do too much. Since the system requires a balance between freedoms and responsibilities, both actors should play their roles properly. Satisfactory performance of the agency regarding this criterion was also helped by the financial relations between the agency and the department. In the final outcome, one should not forget the fact that only 30 % of the agency income was generated through departmental funds and the agency enjoys the Trading Fund status which gave it an enormous amount of financial flexibility. The above factors come together to make the agency focus more on the requirements of the work rather than chasing the department and Treasury to obtain more resources and financial freedom.

The second criterion, empowering agency and promoting openness, also has been fulfilled by the agency. Some financial, personnel, and operational freedoms were transferred to the agency and they have been exercised by the CE. The CE's position and discretion to manage were the tools of the criterion. Delegation of power from the department to the agency was followed by the delegation from CE to other staff involving not only HQ personnel but also people in the branches. The abolition of the regional level has been a characteristic of this intention of CE. Promotion of openness appeared to be the reason, the means and the outcome of the empowered agency. The empowerment process was achieved by openness, in the sense that it starts with the selection of CE and goes as far as the revelation of figures about the performance of the agency. It was discovered that the driving force for the criteria is empowerment, because it makes the real difference simply by providing the infrastructure. Without legitimate and sufficient power to operate, the agency has very limited aims to achieve. So the separation alone does not make any difference as to achieving something significant. Media interest, quantities of information, papers, booklets, and other publications and

Internet sources may make sure that it is really difficult to hide anything from the public. This aspect, namely openness, provides these complementary elements to the service of the agency. Otherwise, empowerment could have turned the agency into a monster without any moral and legal barriers.

Creating a common and target-oriented culture has been the final criterion which was achieved by the agency. All the agency publications indicated that the agency implicitly and explicitly emphasised a common culture and something common to share. The common aspect was sometimes an initiative and at other times a target. However, the management of the Inspectorate was keen to place a symbol or value to motivate staff not to forget the success and prosperity of the organisation. Group Bonus Schemes, Customer Service Initiatives, and annual targets filled the vacuum created by the traditional role of the department. Personnel in the agency did not feel that they were abandoning the civil service values and characteristics. Instead they were encouraged to get used to the new status which the Next Steps reform envisaged for them. Upon launching the agency and introducing CSIs and Bonus Scheme everybody's success became dependent on everybody else. Another effect of the common culture was on the consolidation of the power the CE controls. A separate executive unit managed by a CE has to meet some targets. As the manager of an organisation, the CE is given a special role to play by promoting uniting values. The common culture is prompting staff to support the head of that united institution who is protecting their interests against the department and Treasury. It may be difficult to differentiate what was the starting point. In other words it is not certain whether the common culture consolidates the power of CE or empowerment of CE causes the existence of the common culture. This study is not concerned about the 'cause' and 'effect' of the issue.

What happened to the most important issue of efficiency and effectiveness? Mrs. Thatcher did not introduce the initiative for the sake of change or fantasy, but to increase efficiency and effectiveness. The figures show that the Inspectorate has achieved a good deal of success as to these two goals. The improvement was actually possible due mainly to the results of the criteria. Separation of functions, common culture and empowerment worked only to make the agency more efficient. It could have worked to have such adverse effects as mismanagement or inefficiency. Fortunately staff, including the CE, and the department did not let the agency go to that direction. As the discussion in the text shows, efficiency and effectiveness increased in real terms.

We have 'reasonable' confidence to believe that the figures are correct and decreases in numbers of staff did not affect the quality of the work. This should be

understood as a part of 'the freedom to manage' and empowerment issue. The agency has used its discretion to decide the amount of the service it provides to its customers. It is still bound by the targets agreed with the 'parent' department. After providing the services the department required they questioned their priorities and took some actions. One good thing was the lack of public discontent towards the Inspectorate as to the work it performed. In addition, customer surveys, and the media reports did not contradict this conclusion.

The case also proved that the agency represents three aspects of the government functions: service provision, regulation, and commercial aspects. As mentioned, testing services and other such functions as checking vehicles to be imported on behalf of the DVLA showed that it provides services for public and private customers. Regulatory functions are symbolised by the enforcement work of the agency. As the name of the agency indicates, this aspect may be the most significant feature of the organisation. The commercial face of the agency was apparent in the case of statutory testing for vehicles between 2000 and 3500 kg threshold. The agency has to compete with its private counterparts to test vehicles in this category. Before commencing to state the possibility of transfer it is reassuring to know that the agency can represent all the aspects of a government.

One basic conclusion can be drawn from the case is that public choice criticism applied in this agency but the monitoring and incentive structures avoided them. This was due to the design of the agency structure which delegated power to the agency but the agency used it to improve its efficiency and to increase the quality of its service. Certainly, the evolutionary process followed by the agency (the above three periods) shows that agency has settled well and as the time went by it has accumulated more discretionary responsibilities. The incentive structures deserve a great attention too. Not only the Group Bonus Scheme but also the amount of autonomy given to the agency have been effectual in motivating the staff to work hard to make it success.

From time to time, on the other hand, the department did not seem to be fulfilling its full responsibilities towards the Inspectorate. They displayed a certain degree of lack of interest so that the agency was able to fill the vacuum created by the department. Relatively small departmental fund (around 30% of total income of VI) in return of regulatory functions exercised by the agency has been another important reason for the amount of the agency freedom. Nevertheless, the media coverage conducted by the research indicates that the regulatory functions of the VI have been fairly successful.

This study found also that the separation of policy and implementation functions has helped to increase transparency in agencies in the form of either publications or relations with other actors such as the department and the public. So asymmetry of information has been avoided to a certain extent. There is no evidence, however, that the whole information announced by the Inspectorate has been honestly revealed. Due to the specialist character of the agency work, the VI might have hidden a certain amount of information, this research found no conclusive evidence that the amount was great. So the application of the two theories, principal-agent and public choice, have been evident in the case, and to a certain extent they successfully implement the fundamentals of the theories.

All the results given above indicate that the second condition for policy transfer across space is satisfied by the Next Steps case in general and by the Vehicle Inspectorate case in particular. The unique combination of the features of the agency reform made the success of the organisation possible. The approach which was detailed in the introduction of the chapter projected that the agency system would overcome the traditional weaknesses of bureaucracy by re-distributing the responsibilities and roles of the actors involved. Consequently, the case reveals an important lesson that other countries might learn about process and experimentation from the agency. Certainly, this process and experimentation as well as universal principles could benefit the Turkish bureaucracy through providing guidance and experience. As far as this case is concerned, it meets the condition of a successful policy transfer. So, the possibility that Turkey can learn from the Next Steps agencies reform will be examined through the following chapters.

---

[1] Mellon E. 1993, "Executive Agencies: Leading Change from the Outside-in", **Public Money & Management**, Vol. 13/2, pp.25-31

[2] Butler R.1994, "Reinventing British Government", **Public Administration**, Vol. 72/2 p.266

[3] Bardwell, G. 1996, "Leadership in the Public Sector, including Executive Agencies", **Executive Agencies Quarterly**, Vol.6, p.115

[4] Osborne D. and T. Gaebler, 1992, **Reinventing Government**, Reading: Mass: Addison Wesley

[5] Butler, Reinventing British Government

[6] 10 principles of Osborne & Gaebler (Reinventing Government) are:

1- steering rather than rowing;
2- empowering communities rather than simply delivering services;
3- encouraging competition rather than monopoly;
4- driven by mission, not by rules;
5- concentrate on outcomes rather than inputs;
6- meeting the needs of the customers rather than the bureaucracy;
7- concentrating on earning rather than spending;
8- investing in prevention rather than curing;
9- decentralising authority; and,

10- solving problems by leveraging the market place, rather than simply creating public programmes.

[7] Efficiency Unit, 1988, **Improving Management in Government: the Next Steps**, London: HMSO

[8] The Civil Law from Switzerland, the Trade Law from Germany, the Penal Law from Italy, and the Local Governments Law from France.

[9] Pollitt, C. *et al.* 1998, **Decentralising Public Service Management**, London: Macmillan, p.174

[10] HC 249, 1991-92, **"The Vehicle Inspectorate as the First Executive Agency"**, National Audit Office Report, London: HMSO, para.1.3

[11] The structure was explained in a confidential interview with a civil servant of VI (Bristol, February 2001)

[12] Confidential interview with a civil servant of VI (Bristol, February 2001)

[13] "In January 1993, 13 items would be added to the MOT list" in **Annual Report of VI 1991-92**, London: HMSO, p.11

[14] The information was supplied in a confidential interview with a senior civil servant of VI (Bristol, February 2001).

[15] HC 249, Vehicle Inspectorate as the First Executive Agency, para. 4.30

[16] HC 249, Vehicle Inspectorate as the First Executive Agency, p.4

[17] For example, HC 163, 1996-97, **VI Annual Report 1996-97,** London: The Stationary Office, p.7 and Key Target 1.

[18] A confidential interview with a civil servant of VI (Bristol, February 2001).

[19] HC 249, Vehicle Inspectorate as the First Executive Agency, paragraphs 4.1 - 4.10, and **VI Annual Report 1990-91**, London: HMSO, p. 4

[20] HC 249, Vehicle Inspectorate as the First Executive Agency, para. 4.1

[21] Confidential interview with a civil servant of VI (Berkeley House, September 1998).

[22] **VI Annual Report 1991-92**, London: HMSO, p.16

[23] See relevant part of the previous chapter.

[24] **Annual Report 1990-91**, p.4 and **Annual Report 1991-92**, p.4

[25] This structure (two divisions) was changed in 1998.

[26] **"Who are we"** leaflet by VI, 1998

[27] Directing Board members and their salaries (£000) as at February 2001:

1- Mr Maurice Newey, Chief Executive: 65-70;
2- Mr Robert Tatchell, Operations Director: 50-55;
3- Mr Jeffrey Belt, Process Director: 50-55;
4- Mr Hugh Edwards, Product Strategy and Policy Director: 50-55; and
5- Mrs Judith Smith, Human Resources Director: 40-45. (The names supplied by the Press Officer of VI - Bristol, February 2001).

[28] **VI**: http://www.via.gov.uk

[29] **Vehicle Inspectorate Framework Document**, November 1996, pp.1-5

[30] After the withdrawal of the External member (from Sainsbury's Ltd) the membership for external candidates is vacant. Members of the Advisory Board as at 26 February 2001:

1- Mr Willy Ricket – Chairman - Director General of Transport Strategy and Planning, and Chairman of the DVO Agencies' Advisory Board;
2- Mr John Plowman – Director of Road Safety and Environment Divisions and the main policy customer for DVLA, DSA, VI and VCA. A member of Advisory Board and the DVO Strategy Board;
3- Mr Brian Wadsworth – Director of Logistics and Maritime Transport; he is a policy customer for VI. A member of Advisory Board and the DVO Strategy Board;
4- Mr Richard How- Head of Agency Sponsorship in Corporate Business and Agencies Division; he has overall responsibility for the business and financial sponsorship of all DETR's agencies apart from the Highways Agency;
5- Mr Malcolm Blake-Lawson – Head of Road Haulage Regulation Branch 2. He is responsible for policy development on regulatory enforcement. He co-ordinates and chairs the Enforcement Sub-group.
6- Mr Jim Milner – Head of the Executive Agencies Branch in Corporate Business & Agencies Division which has responsibility for the business and financial sponsorship of the four DVO agencies and issues relating to DVO itself and possible agency status for the Traffic Area Network;
7- Mr John Underwood- Business and financial sponsor for VI and VCA. He is secretary to the VI and VCA Advisory Board and is the day-to-day contact for any related queries on these agencie and for queries about TAN and DVO; and,
8- Mr Maurice Newey – Chief Executive of Vehicle Inspectorate. (The names and information supplied by the Press Officer of VI (Bristol, February 2001).

[31] Vehicle Inspectorate Framework Document, p.3
[32] Confidential interview with a civil servant of VI (Bristol, August 1998)
[33] Confidential interview with a civil servant of VI (Bristol, August 1998)
[34] Confidential interview with a civil servant of VI (Bristol, August 1998)
[35] Confidential interview with a civil servant (Bristol, February 2001)
[36] Vehicle Inspectorate Framework Document, pp.4-5
[37] Remember the previous chapter on the distinction of operational matters which is a Next Steps concept should be answered by CE.
[38] In the 1999-2000 period, there were 29 MPs letters replied by the Agency and 26 Parliamentary Questions answered by VI through the relevant Ministers. Nearly all of the letters were replied by CE (This information was supplied by the CE's Office in February 2001).
[39] HC 651, 1994-95, **VI Annual Report 1994-95**, London: HMSO, p.17
[40] Confidential interview with a civil servant of VI (Bristol, September 1998)
[41] HC 651, VI Annual Report 1994-95
[42] Vehicle Inspectorate Framework Document, pp.7-8
[43] Confidential interview with a civil servant of VI (Bristol, February 2001).
[44] Confidential interview with a civil servant of VI (Bristol, August 1998)
[45] VI pays interests to Treasury, and paid £252,000 for 1995-96 period to Treasury. **Annual Report 1996-97** (p.42) shows that VI had loans from the department and pays 10.375% interest for 15 year maturity loan and 8.75% for 20 year repayment loan.
[46] Confidential interview with a civil servant of VI (Bristol, February 2001)
[47] Vehicle Inspectorate Framework Document, p.14
[48] HC 410, 1988-89, **The Next Steps**, NAO, London: HMSO. Appendix 6
[49] Pollitt *et al.* Decentralising Public Service Management, p.12
[50] HC 118, 1992-93, Committee of Public Accounts, **Nineteenth Report, the VI: Progress as the First Executive Agency**, London: HMSO, p.14
[51] HC 118, Nineteenth Report, the VI, p.16
[52] HC 249, Vehicle Inspectorate as the First Executive Agency, para.1.8
[53] The NAO report also made a similar list, HC 249, Vehicle Inspectorate as the First Executive Agency, pp.8-9
[54] Confidential interview with a VI civil servant (Bristol, August 1998)
[55] HC 118, Nineteenth Report, the VI, p.16
[56] Confidential interview with a senior civil servant (Bristol, February 2001)
[57] http://www.via.gov.uk
[58] First objective means regulation; second, service provision; and third, commercial aspect.
[59] HC 163, VI Annual Report 1996-97, p.7
[60] HC 163, VI Annual Report 1996-97, pp. 8-9
[61] http://www.via.gov.uk
[62] Confidential interviews with civil servants in various positions in VI (Bristol, September 1998)
[63] HC 249, Vehicle Inspectorate as the First Executive Agency
[64] VI officials stated in an interview that they do not have precise figures about the number or the percentage of the voluntary tests, but they assured that a considerable amount of their customers have had voluntary tests (Bristol, August 1998).
[65] **Vehicle Inspectorate: Effectiveness Report 1997-98**, London: The Stationary Office, and **VI Annual Report 1996-97**, p.4
[66] Confidential interview with a civil Servant (Bristol, August 1998)
[67] Confidential interview with a civil Servant (Bristol, September 1998)
[68] London: HMSO, p.2
[69] See: HC 118, Nineteenth Report, the VI; HC 249, Vehicle Inspectorate as the First Executive Agency; and, VI Annual Reports which display the targets set by DETR to assess performance.
[70] These stages were pronounced by a civil servant of the agency in a confidential interview (Bristol, September 1998).
[71] **A Report on the VI's Effectiveness as an Enforcement Agency 1996-97**, London: The Stationary Office, pp.8-10
[72] Bogdanor, V. 1996, "Agencies and Accountability", **Executive Agencies Quarterly**, Vol.6, p.108
[73] Confidential interview with a civil servant of VI (Bristol, August 1998)
[74] HC 249, Vehicle Inspectorate as the First Executive Agency, Paras.4.29-4.30
[75] **Press Release**: the Secretary of State for Transport, John MacGregor on 17-03-1994.
[76] Confidential interview with a civil servant of VI (Bristol, September 1998)
[77] 1995-96, London: HMSO, p.10 and an interview with a civil servant of the agency (Bristol, September 1998)

[78] Wilson, L. *et al.* 1999, **VI Evaluation Report: 1995/96 – 1998/99**, London: The Stationary Office, pp.3-12
[79] Official publications all show that these two targets have been the main indicator of the efficiency in VI.
[80] HC 249, Vehicle Inspectorate as the First Executive Agency
[81] **VI Annual Report 1993-94**, London: HMSO, p.3
[82] HC 249, Vehicle Inspectorate as the First Executive Agency, p.17
[83] NAO is an independent auditor and its examinations are impartial.
[84] HC 249, Vehicle Inspectorate as the First Executive Agency, p.17
[85] A confidential interview with a civil servant (Bristol, February 2001)
[86] HC 118, Nineteenth Report, the VI, Q21
[87] HC 118, Nineteenth Report, the VI, Q21
[88] Review period over the future of testing functions to privatise was between May 1993 and March 1994.
[89] **VI Annual Report 1990-91**, London: HMSO, p.18
[90] Although the SoS told that the VI's performance was the key, he also revealed some clue that he decided not to privatise after consulting interests groups, the Transport Select Committee, and so on. Apparently, they influenced his decision.
[91] Confidential interview with a civil servant of VI (Bristol, August 1998)
[92] HC 249, Vehicle Inspectorate as the First Executive Agency, p.20
[93] Confidential interview with a civil servant of VI (Bristol, September 1998)
[94] This was also noticed in the visits to the Berkeley House, the HQ of VI. Everybody seemed to know each other and this displayed a warm environment for work.
[95] **VI Annual report 1990-91**, and HC 249, Vehicle Inspectorate as the First Executive Agency
[96] **The Times**, "200 school buses not safe", 03-04-1998
[97] Confidential interview with a civil servant of VI (Bristol, September 1998).
[98] Confidential interview with a civil servant of VI (Bristol, August 1998)
[99] Confidential interview with a civil servant of VI (Bristol, August 1998)
[100] Confidential interview with a civil servant of VI (Bristol, September 1998)
[101] HC 249, Vehicle Inspectorate as the First Executive Agency, p.10
[102] And also charter awards can be an indicator in this sense, "Four more charter marks for VI", **VI Press Releases**, 27-11-1997
[103] Confidential interview with a civil servant of VI (Bristol, September 1998)
[104] The research shows that old vehicles are more likely to fail in the tests. See Figure 1.3 in **A Report on the VI's Effectiveness as an Enforcement Agency 1996-97**, p.7
[105] HC 249, Vehicle Inspectorate as the First Executive Agency, p.13, Figure 3
[106] HC 249, Vehicle Inspectorate as the First Executive Agency, p.13
[107] **VI Annual Report 1997-98**, London: The Stationary Office, p.15
[108] VI Annual Report 1997-98
[109] It covers the 1993-98 period, and the Quality papers of the Times, the Sunday Times, the Guardian, the Observer, and the Independent.
[110] **The Guardian**, 05-08-1993, and **the Independent**, 07-08-1997
[111] See, for example, **VI Business Plan 1994-95**, London: HMSO, p.34
[112] Confidential interview with an MOT Tester (Exeter, August 1998)
[113] Confidential interview with an MOT Tester (Exeter, August 1998)
[114] See **the Press Releases of VI**: "Children put in danger by poorly maintained coaches", 26-10-1997; "VI Takes Part in Vehicle Safety Check at BBC's 'Big Bash', 21-10-1997; "Are You Sitting Safely", 02-02-1998.
[115] **The Independent**, 28-02-1995
[116] **The Times**, 22-12-1997
[117] **The Observer**, 21-01-1996
[118] **The Observer**, 22-10-1995
[119] 21-01-1996
[120] **The Times**, 'Just how roadworthy is your new car?' 21-01-1995
[121] **The Observer**, 17-09-1995
[122] 'Red tape hits alert over Escape', 11-03-1995
[123] http://www.via.gov.uk
[124] **The Independent**, 28-11-1993
[125] **The Guardian**, 24-11-1993
[126] **The Sunday Times**, 02-07-1995
[127] **The Independent**, 18-03-1994
[128] **The Guardian**, 19-05-1994
[129] Vehicle Inspectorate Framework Document, p.1

[130] **The Observer**, 'Cowboy truckers face confiscation threat', 29-10-1995
[131] Butcher, T. 2000, "The Civil Service: Structure and Management", in Pyper, R. & Robins, L. (eds), **United Kingdom Governance**, London: Macmillan, p. 76
[132] James, O. 2001, "Beyond the 'New Public Management': Regulated Partnership in the UK", in Byong-Man, A. Halligan, J. & Wilks, S. (eds), **Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea**, Forthcoming Book
[133] Wilson *et al.* , VI Evaluation Report, para.1.14
[134] Confidential interview with a civil servant of VI (Bristol, February 2001)
[135] "Chief Executive's Statement", **VI Annual Report and Accounts 1999-2000**, London: The Stationary Office, p.2
[136] Confidential interview with a civil servant of VI (Bristol, February 2001)
[137] Confidential interview with a civil servant of VI (Bristol, February 2001)

CHAPTER VI

THE TURKISH CIVIL SERVICE

A- Introduction

This chapter questions the validity of the fourth transfer condition, 'objectives set for the innovation in the two countries must be similar', by highlighting the basic features of the Turkish civil service and evaluating its principles and fundamentals. Hereafter the study concentrates on Turkey as the receiving end of the lesson drawing exercise. Therefore the civil service system of Turkey is reviewed; suitable and unsuitable aspects for transfer are identified and eventually a conclusion is drawn.

This chapter, as an introductory stage of the Turkish side, will explore the Turkish civil service up to the present by examining the historical side, describing the present situation, going beyond official explanations and finding out the 'real' state of affairs. The chapter examines the Turkish side by seeking answers for the following questions: What went wrong in the civil service? What are the basic features of the Turkish bureaucracy? Is it successful in finding solutions for society and its political and economic problems? Was it politicised? What has been the trend of change in the direction of the service for two decades? What kind of policies has been implemented to 'integrate' the civil service with the developed western bureaucracies? By replying, it is hoped that possible objectives for a service reform in Turkey can be identified.

This study takes into account the surrounding factors of the civil service such as social, cultural and political elements which influence the administrative system. For example, one cannot possibly understand the bureaucratic practice without knowing the political system and democratic tradition of a country. If civilian institutions, for example, are weak one expects to see the scarcity of intermediary groups. So the relations between society, and political and bureaucratic actors will be tense. When there is a 'strong' state and 'weak' society tradition then the power struggle will be among politicians, bureaucrats and public pressure groups. The more variable the parameters, the more the possibilities. Not only qualifications of all the above actors but also a number of external elements e.g. cultural and social effects determine the place where power lies.

This chapter is in eight parts. After this introduction, the Social Background gives basic characteristics of the Turkish political and societal structure. This background information helps understand certain political issues and the relations within the political

and administrative system. The third part deals with the historical side of the issue starting from the Ottoman Empire to the present by clarifying positions of political and administrative actors. The fourth part examines the administrative reform attempts since 1923 classifying the developments under three periods: from the independence (1923) to WWII; WWII to 1980; and 1980 onwards. This historical evaluation is essential to discover the 'objectives' in the past and at present in comparing them with the British ones.

The fifth part critically examines the type of the system. Basic principles which give the system its colour are considered and the possibility of having some of the same principles as the British system is studied. As the transfer condition implies, if the systems and objectives are completely in opposition to one another there would be no chance of transfer from the UK to Turkey. The sixth section studies the physical part of the bureaucracy especially changes in numbers and the reasons for increase in volume. This measures the public choice arguments. The seventh section identifies the fundamental problems of the service. In doing so, it is hoped to establish the criteria to examine the validity of the Next Steps for the Turkish civil service. Finally, the conclusion evaluates the findings of the chapter by identifying the objectives-to-be and by highlighting the problems the civil service faces.

B-Social Background

Before starting to examine the Turkish civil service a few points need to be made clear about the social background of political practice. First of all, Turkey suffers from the lack of a properly established democratic system of government. It certainly is more advanced than many third world countries but still not tolerant enough of different views and opinions about politics, law and order. Contrary to the Constitution that "Turkey is a democratic, secular, legal, social republic", it has not been able to establish democratic institutions and traditions in the society. The prevailing concepts of 'sacred' state and 'papa' state indicate that people must obey the political and administrative authorities without questioning[1]. The interaction has always been one-way, from state to citizens: the state makes decisions, form regulations and citizens obey[2]. As a recent report[3] from European Commission both "welcomed recent positive developments in Turkey" and criticised the poor democratic performance of the country, the state turns a deaf ear to the demands of its citizens. The submissive character of the people and certain Islamic principles concerning this problem have signified its social dimension such as 'the ruler

is the representative of God' and 'the ruler's commands should not be looked into', and determined the tone of the relations between state and society. The interviews[4] with politicians in Ankara have confirmed that both left and right wing parties see themselves as the 'owner' of democracy and state in Turkey. So they do not seem to trust people, claiming implicitly that people do not have the ability to distinguish what is right or what is wrong for them.

Contrary to, the founding father of the Turkish Republic, Ataturk's wish of establishing the country as 'a democracy school', people are scared of claiming their very basic democratic rights and of involvement with politicians. Sociologically, both individualism and self-confidence have not been developed in Turkish society, quite the opposite ideas have been encouraged to flourish. 'Don't speak in the presence of elders' or 'don't object to your teacher even if he/she is wrong' are two examples of advice to illustrate the attitude of parents when they are bringing up children[5]. Fortunately these practices are being eroded by modernisation, and urbanisation with the help of mass media, and eventually people are becoming more liberalised. However, the influence of traditional and conservative norms is still powerful enough not to be ignored. Since individualism is premature, the lack of liberal values reflects the whole society and characterises the interactions among human beings and institutions in a way that they cannot even claim their basic rights and freedoms[6].

More important than the above is the existence of the 'strong state' tradition[7] which is used to mean that "the state is able to frustrate the development of civil society into an entity with political efficacy, by planning too great an emphasis on the long term interests of community at the expense of sectional interests"[8]. As Heper[9] states unlike other 'strong state' traditions, such as France[10] and Germany, this has hampered Turkey's pursuit of democracy. Turkish people and society lacked democratic values and historical elements. The republic and democratic institutions were established, in a popular jargon, 'for the people but against the will of people'[11]. The tradition necessitates political actors (the state elite) to take good care of the regime.

Strong state tradition is not compatible with powerful public opinion organisations. In addition, military intervention almost in every decade of the multi-party era has become the ritual of the army since 1960. Intellectuals from both the right and left have been imprisoned, academics have lost their jobs and a number of civil society organisations has been closed down by army officers or military courts. In a confidential interview, an interviewee says that: "two recent convictions significantly illuminate the issue. The first is a left wing journalist-intellectual who was jailed for 1 year 1 month for

publishing an interview six years ago conducted with the leader of PKK (Turkish version of IRA)[12]. The second one, a pro-islamist politician, popular Mayor of Istanbul, was jailed for 10 months for reciting a poem of very famous poet[13]. As a result, people in the street are afraid of criticising the state and the ideology that forms political system, and economic rules and relations"[14].

This background information will help understand the reasons for reform attempts and their difficulties. Fortunately, the country has historical and political potential to overcome the aftermath of anti-democratic practices. As Turgut Ozal tried and achieved a certain degree of success in the 80s, there seems no obvious reason for failure. However, Ozal's sudden death hampered the advancement of democratisation of the government, because his successors have not had the vision to follow in his footsteps. All these developments have their roots in the history which will be examined in the next part.

C-Historical Background

The political heritage of the Ottoman Empire has deep effects on the administrative system of the country. Besides, certain political historians even argue that some of the contemporary principles of Turkish bureaucracy were developed in Seljuk Empire time in the 11th and 12th century. The merit principle, for example, was initiated in that time to promote a well-working administration[15] . This principle was developed and implemented by Ottoman rulers, especially since *Kanuni Sultan Suleyman* (Suleyman the Law-maker) in the 16th century. Such a large Empire (about 14 million square kilometres) required sultans to establish a bureaucracy through which they would easily govern even remote parts of the country. Considering how troublesome these areas were/are (Middle-east and Balkans, for example) and the primitive nature of the communication technology at the time, sultans needed to rely on well-educated, trustworthy and loyal bureaucrats in the periphery. The historical elements were illustrated by Figure 6.1 very well[16]. The figure summarises the evolution of the relations between the two actors since the Ottoman time till year 2000. Starting from the bottom of the figure it follows the development of the 'strong state' through the time, taking into account the 'objectives', tools', 'time', and 'outcome' dimensions.

The ideological reasoning for the strong state was provided by the traditional recruitment system, namely *Devsirme* (gathering). The people employed by the *Devsirme* system were called as *Kapikulus* (loyal slaves of the sultan). When the army went to a war they used to bring non-muslim male orphans to Istanbul. Orphans were educated and

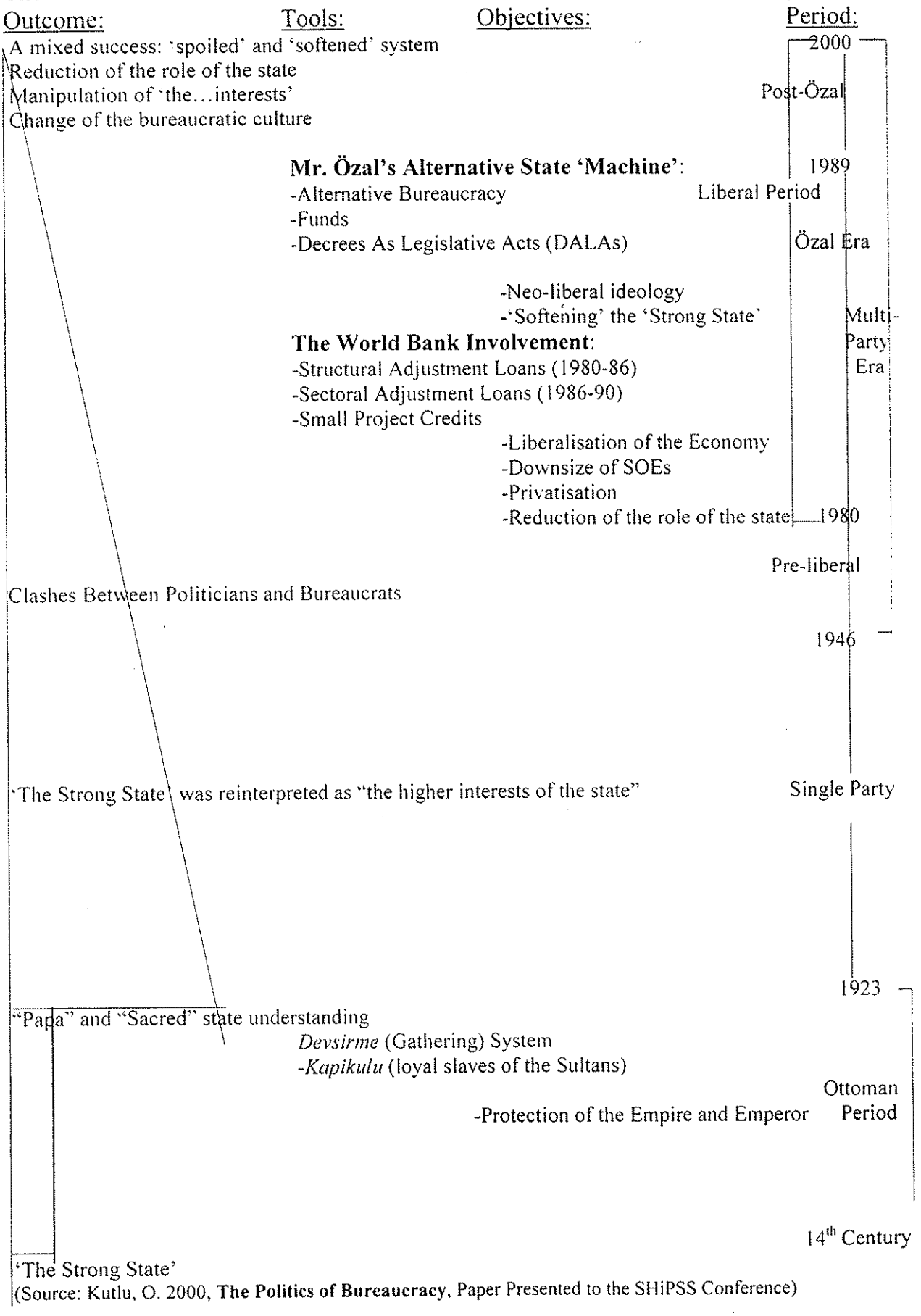
brought up as Muslims and when they reached a certain age, according to their ability and need, they specialised either in *Ilmiye* (clergy, justice and academia), or *Mulkiye* (bureaucracy), or *Seyfiye* (military). According to Shaw[17] relatives of these boys were usually quite happy to send them to Istanbul and knowing that one day would occupy high positions in the capital. Others, however, criticised this practice claiming that children were forced not only to change their religion but also to leave their ancestors. *Kapikulus* were expected to be loyal to the empire and emperor. Failure to fulfil service required of them might lead to them being executed.

Because of this, the word *siyaset* (politics) had double meaning, one was execution (punishment); the other was the policy bureaucrats make and follow. Since the Ottoman time the *Kapikulu* mentality has never quite left the bureaucracy. During the Imperial period bureaucrats did not question any act of the sultan, so there were virtually no problems. This continued throughout the period of the single-party regime (between 1923 and 1946) in the republican era, because bureaucrats replaced the authority of the sultan with the dogma of the 'higher interests of the state'. The new name of strong state was 'the higher interests of the state'. Depending on the social and political backgrounds of people in the bureaucracy, these interests have changed from time to time. However, nobody was quite sure what the 'higher interests of the state' were; so some used this ambiguity as an excuse to eliminate their political rivals, simply by accusing them of working against the concept.

Starting from 1923 (declaration of the republic) or from 1920 (opening of the Grand National Assembly) there existed no dichotomy between politics and administration. There was a one-party regime which focused its whole attention on nation building and regime consolidation. The Republican Populist Party Congress (RPP) in 1935 announced the appointments of governors as the party leaders in cities[18]. Therefore bureaucrats were also regarded as members of RPP. When the multi-party regime was brought into existence in 1950, problems between bureaucrats and politicians started to emerge. Bureaucrats were confused as to where their loyalty should be placed[19]. In other words, they were puzzled to respond to demands of the new government (DP, the Democratic Party). The new party's program and politicians asked bureaucrats to behave and obey the things they had never heard before such as democratisation, liberalisation, decentralisation and devolution of power from the centre to the periphery[20]. Furthermore, the RPP's view of 'the higher interests of the state' was not the same as the new definition of the concept. On the one hand, loyal bureaucrats (to the state not to the government of the day) were not so happy with the new government. On the other hand,

Figure 6.1:

The Evolution of the Relations Between Bureaucrats and Politicians in Turkey



(Source: Kutlu, O. 2000, **The Politics of Bureaucracy**, Paper Presented to the SHiPSS Conference)

the DP was not happy with the attitude of bureaucrats and took some kind of countermeasures by appointing certain political figures to the civil service, reducing the importance of the bureaucracy[21]. They argued they were supported by the people and did not need any other power to sustain them. As a response to this reaction bureaucrats made alliances with the CHP, the media, academics, trade unions, and the military bureaucracy with the purpose of working against the government. In effect, the majority of the bureaucrats resisted the government, the civil service became politicised and eventually the state elite (the above alliance) organised a military coup d'etat in 1960[22]. The Prime Minister and two of his colleagues (Foreign and Finance ministers) were executed in 1961.

After 1961, AP (Justice Party, DP's new form) seemed to take lessons from the past and chose a gradual transformation of the conceptual elements constituting 'the higher interests of the state'. They tried to look more moderate and compromising, and planned to spread the appointments of new bureaucrats over time. In 1961-1980 period, one of the main arguments between the two parties was over the appointments of civil servants. Suleyman Demirel, leader of the JP, always spoke out against the restrictions of the appointments of senior bureaucrats once government changed[23]. Ismet Inonu and then Bulent Ecevit, leaders of RPP, on the other hand, defended the practice alleging that if political appointments start it would spoil the system[24]. Apparently, it was a power struggle between the two parties: JP wanted to appoint bureaucrats who were ideologically close to them; CHP preferred the status quo because bureaucrats were representing their political principles.

Two other parties which emerged in the political arena are worthwhile to mention in this context. One was, MSP, National Salvation (pro-islamic) Party and the other was, MHP, National Action (nationalistic right-wing) Party. The proportional representation system paved the way for a fragmented parliament with two major and many small parties. Between 1971 and 1980 (two military *coup d'etat*) MSP and MHP took 5-15 % of the vote and played key roles in the formation of coalitions. Thus they were able to gain important ministries and appoint as many supporters of their parties as possible to the bureaucratic posts in ministries such as Interior Affairs, Police Force, Education, Trade and Technology, Turkish Broadcasting Institution, and State Planning Organisation. Three parties followed similar policies towards politics, economics, and society. By the time of the 1980 military coup d'etat, resistance of bureaucrats to the politicians of JP, MSP, and MHP had been eradicated in some ministries. Nevertheless it existed in many others i.e. Foreign Affairs, Trade, and Finance Ministries. After 1980,

however, Mr Turgut Ozal was in charge of the government and fundamentally changed the relations between bureaucrats and politicians.

The final period can be named after its main actor, Ozal[25]. Surely he was the determining person in every aspect of the government policies between 1980 and 1993 as the Head of the Civil Service, the Deputy Prime Minister, Prime Minister and President. Turkey's neo-liberal direction in the 80s was decided and implemented by Ozal. His main intention was to redefine the role of the state in economy, law-order, culture, and society. Ozal's term of office coincided with the prevailing New Right movement in the West. He was the architect of the liberalisation in Turkey symbolised by an agreement with the World Bank signed on 24 January 1980. He always had good relations with both international finance organisation and Western governments. The relations with finance organisations were due to the common interests of both parties[26]. In a process adopted by many Latin American, Asian, and African countries[27], the World Bank wanted to integrate the Turkish economy into the global market and provided loans to this end[28]. Three concepts, democratisation, decentralisation and privatisation were pivotal both in the World Bank's program and Ozal's government policies. Ozal's priority was to tackle the traditional problems of the bureaucracy as well as ideological concerns in order to free the economy and society from the 'deadly hands of the bureaucrats'[29].

Ozal was able to gather the confidence and support of the private sector, liberal minded political elites and society. The main opposition came from traditional bureaucracy and left wing politicians. As mentioned, because the period prior to his Prime Ministership was calm in the sense of oppressed opposition due to the military intervention that the 'weak' public opinion institutions were weaker than ever. Therefore this popular support was a reaction to the poor economic and political conditions of the previous era, namely the pre-1980 period when over 5,000 people were killed because of terror and "the government was in need of 70 pence[30]" due to the economic crisis. The traditional resistance from the bureaucracy was again of great significance. This chapter also states the countermeasures taken by Ozal to break their resistance. Political clash between Ozal and the leftist party leader, former soldier, Calp is still fresh in the minds of people. In a televised debate in 1983 in the first democratic election after the military coup, for instance, many people remember the hot discussion when Ozal said he would privatise the Bosphorous Bridge how angry was Mr Calp in his comment "I will not let you sell this nation's properties".

Two factors underpinned and motivated him. Firstly, his business background and secondly his perception of the bureaucracy. Having been successful in the private sector,

he was unhappy not only with the performance of the public sector but also the way it was run. Regarding the second factor, Ozal's political background made ideological clashes between his and the bureaucracy's understanding of 'the higher interests of the state' inevitable.

Ozal had served in the bureaucracy from the very bottom to top positions and had known its weaknesses and its conservative character. In his struggle, he had an overwhelming majority in the parliament (over 60 %), and had energy and courage to initiate his principles, but lacked an efficient, enthusiastic administration, as well as a working state mechanism. In the short term, as Figure 6.1 illustrates, he created his own 'state machine' by establishing an alternative bureaucracy, a fund system, and Decrees to be considered As Legislative Acts (DALAs). It was an alternative 'state machine' with human factors (alternative bureaucracy), financial resources (fund system), and legislative power (DALAs). These three tools were deployed to 'put the bureaucracy in order'. Firstly, he brought young, bright people (so-called 'princes') graduates of the US universities into government. These usually worked in international organisations like the World Bank, IMF and the UN[31]. Upon coming to power, he also re-organised certain ministries by merging and diverging in such a way to break resistance and 'departmentalism' among its members. In other words, the operation was not only to create a better way of co-ordination but also to upgrade or downgrade their positions among ministries[32].

It was an important move to 'discipline' the traditional bureaucracy; he not only merged service providing ministries, but also redistributed crucial functions to newly established state ministries. Looking at some of these ministries would give an idea of whole picture. The Ministry of Finance and Ministry of Customs were merged but Treasury was separated from the ministry, the Ministry of Industry and Ministry of Trade were merged but Foreign Trade Division was separated again, and the Treasury and Foreign Trade were merged and headed by a 'prince'. The EU relations division was taken away from Foreign Office and attached to the Prime Ministry and headed by a 'prince'[33]. Seven government banks and the Central Bank were headed by princes. Therefore, quite a few princes were re-deployed in the Prime Ministry either as senior civil servants or under the title of advisor, or consultant.

Secondly the establishment of funds was a strategy to eliminate a long and difficult budget process by directing some specific revenues to specially designed funds. The government had a free-hand to control these funds and could spend freely without the constraints of normal budget procedures. In doing so, Ozal overcame the Ministry of

Finance's traditional bureaucracy. Thus, Funds are audited by the Higher Auditing Council under the authority of PM, while the spending in the budget is audited by the State Auditing Bureau, an autonomous institution. In 1998, there were 141 funds ranging from the Mass Housing to the National Defense[34].

Regarding the DALAs, they could only be produced by the cabinet in emergency situations and exceptional cases. They are regarded as parliamentary acts and governments get permission from parliament to produce these decrees. Once produced they should be presented to parliament for approval immediately. These exceptional cases became normal rituals for the Ozal governments. Therefore many of these decrees quite often bypassed the scrutiny of parliament[35].

D-Administrative Reform and the World Bank

This section examines the administrative reform history of the country and the World Bank involvement mentioned above. The issue during the republic could be examined in three periods: 1923-1945, 1945-1980, and 1980 onwards. In the first term, between 1923 and 1945, governments were engaged in making fundamental decisions not only on economic, industrial and political matters of the country but also on achieving social modernisation and the transformation of a theocratic state into a secular one. The administration took part heavily in organising the industrial and social development of the country. The lack of an entrepreneur class obliged the state to invest in industry and initiate industrial and economic policies. A great amount of success was achieved in heavy industries such as steel, iron and aluminium, sugar, cement, animal food, refineries, textiles, petrochemical, paper, and commercial and investment banking. In effect, the governments were too busy with economic activities to deal with administrative problems.

After WWII, however, the government started to notice certain economic problems caused by the civil service. This was due to the involvement of bureaucracy with managerial and administrative means in public sector companies and investments concerning energy, infrastructure, roads, and construction. As regards to the political reasons, domestic and international politics played a crucial role in urging the country to decide its direction. After the war the world tended to be polarised, on one side was the communist; on the other was the democratic western block. Turkey realised that it can no longer have a closed economy and society, so it was in the interest of the country to employ democratic values and principles. Opening up the system to multi-party

competition was the first step: sending troops to Korea in 1951 and joining NATO was the second act of Turkey to show its intention of drifting towards the western block.

During this period, the discussion about administrative reform was always popular to produce practical solutions to the problems of country. However this period was famous for its numerous administrative reform 'research projects' and 'reports' rather than the application of these documents. The Neumark Report, and the Barker Report in 1949, the Martin-Cush Report in 1950, the Leimgruber Report in 1952, and the Maurice Chailloux-Dantel Report in 1953 were some of the examples of these reports. All these studies were sponsored by international finance organisations except the Neumark Report and they dealt with limited parts of the civil service. Comprehensive reports came after 1960; two common features of these research projects were first, they examined the civil service and public sector enterprises separately, and second, they were conducted after economic crises and military *coup d'etat*.

Beside with general structural problems, during 1962-63 the MEHTAP (Central Government Research Project) conducted jointly by the State Planning Institute and the Public Administration Institute for Turkey and the Middle East (TODAIE) studied co-ordination, planning, auditing, economic, social, financial and cultural elements of the civil service. This was the most detailed and carefully written document about the civil service problems in Turkey. Unfortunately, the politicians did not implement it. However, it was helpful in inspiring the academics to research and in giving the politicians the comfort of knowing the problems. Even though politicians did not implement the findings of the Project, at least they did not need to worry about what the problems were!

The second study, the Report of Administrative Reform Advisory Board, was produced again shortly after a military intervention in 1970; the idea was to create a dynamic, reformist civil service and to pursue sustainable national development. To this end, the report was designed to make general policy decisions and to define general strategic actions. A number of different working groups submitted their parts of the report, in an uncoordinated manner. After the military coup, the civilian government did not want to be associated with the heritage of the military government, and therefore the reform lost its chance of implementation[36].

The reform attempts of the 1945-80 period aimed to achieve three important goals: first, to ensure that international aid, investment, and loans are successfully managed by the bureaucracy; second, to create a capitalist type of civil service as to take

care of the functions of a liberal state; and final, to determine the position and role of the bureaucracy, and to eradicate its closed nature and rigidities.

Another reform attempt was made after the military intervention of 1980. In his very first speeches, the PM of the military rule, General Bulent Ulusu[37], pointed out the reasons for the reform attempt:

> the biggest obstacles to the economic and social development of the country were sicknesses of bureaucracy such as inefficiency, red tape, over-centralisation, and over-employment. To heal these problems the following actions should be taken: re-distribution of responsibilities and duties, diminution of over-employment, decentralisation of central government, and simplification of bureaucratic process. (the author's translation)

The government set up a commission to evaluate the public sector employment regime. The findings of the commission were similar to previous reports and did not mention, for example, privatisation or delegation of power. One thing was quite significant: the commission, chaired by the Deputy Prime Minister Ozal, recommended legislative and executive changes to organise the bureaucracy in order to address the needs of the new era. As mentioned, the new era, after the 24 January 1980 decisions, was the era of liberalisation and of the New Right in Turkey. It was fairly easy to make fundamental decisions and to implement them, because the political and social opposition was repressed[38]. The commission was not asked to submit a general report but to produce DALAs (Decrees As Legislative Acts), so the military rule could easily implement the recommendations. Certain recommendations were implemented by the military government, while the others were executed by the Ozal government. Re-organisation of the ministries (mergers) was a result of the work of this commission as was Ozal's idea of making some ministries more important and others less so. Another recommendation was the launch of vital boards such as the Money and Credit Board, Co-ordination Board, and Higher Planning Board. These boards consisted of senior civil servants and were headed by the Deputy Prime Minister, Ozal. They had executive power and could make binding decisions for the entire civil service.

The final study, Public Administration Research Project (KAYA), was conducted by TODAIE in 1988. The project has never been implemented because it was a total disappointment. First of all, although it was a research project it was too conservative and did not take into account the prevailing tendency of re-defining the role of the state in the country and in the world. The report did not examine, for instance, privatisation efforts, the role of the state in the economy and in public affairs. The government was seriously considering the reduction of state involvement in education, health, economy, and social security, while the report recommended increased public share in these areas. The result

was a complete conflict. Although the introduction of the report just mentioned a reduction in the role of state in the western world since the end of the 70s and in Turkey since the 80s, it did not emphasise this point at all. The civil service aspect of the reduction policy in Turkey can be summarised in three facets: re-definition of the role of state, reduction of the volume of the public sector, and increase in public sector efficiency. Nevertheless, it did not examine the civil service critically by considering the developments in the 80s.

At this point, the World Bank dimension of the liberalisation struggle is worthwhile exploring. After the 1980s, the World Bank has changed its policies and started to offer Structural Adjustment Loans (SALs) for middle and long term problems of developing countries. Through introducing these loans the bank intended to globalise public sector structures and policies of affiliated countries[39]. Whilst Ozal's and the Bank's prime intentions might have been different, one trying to connect Turkey to global economic system, the other wishing to eliminate the determining position of the elitist bureaucracy the one common aim was the desire to reduce the public sector volume and re-define the role of state.

It may be illuminating to summarise the Structural Adjustment Loan Agreements between the bank and the Turkish governments on this account[40]. Altogether there were five SALs signed by the bank and the Turkish governments between 1980 and 1986 involving $1.481 billion credit. At a glance this amount seems to be small. Given the reality that the Bank plays the role of 'indicator' for private creditors assuring that the country is trustworthy, the amount has a symbolic meaning as well as providing financial assistance. Therefore private creditors follow the Bank to find out which country is trustworthy in terms of paying back. The conditions of the loans can be summarised under four headings:

1- liberalising the economy by lifting restrictions on imports;
2- downsizing and privatising State Owned Enterprises;
3- reforming SOEs, taxing system, and energy sector; and
4- adjusting annual national development programs and five yearly plans to the SAL agreements.

From 1986, the general type of SALs were followed by special category of Sectoral Adjustment Loans (SECALs) "to observe agriculture, energy and finance sectors"[41]. Take the Agricultural SECAL as an example, it was given for the period 1986-90 "to finance the import of agricultural devices and improve administration of agricultural organisation"[42]. The most fundamental effect of the loans was the change of

the role of state in relations with the sector from active to passive involvement. The policy was 'hands off', 'encourage' or 'push' the sector to meet private and foreign capital. Moreover, the state also withdrew the policy of supplying supportive credits in cheap rates to farmers. Instead, it encouraged private banks to provide commercial credits. These policies explicitly show the request of the loan and the deliberate effort of the government. Starting from 1986 the basic functions of the Turkish Institution of Agricultural Assistance, for instance, have been transferred to semiautonomous and private organisations. For example, authority for fertiliser distribution, and the provision of agricultural credits to farmers were transferred to formerly semiautonomous and since 1992 independent, the Turkish Agricultural Credit Co-operatives in 1992. By the same token, the independence of the Credit Co-operatives was decided on the same ground with the TIAA experience.

Finally, there were also small 'project credit' schemes supplements to facilitate the implementation of SAL and SECALs. These loans focused mainly in administrative structures of strategically important ministries, divisions of SOEs aiding in 'adjustment' their 'structures'. Two good examples are the Technical Aid Project for SOEs and the Project of Technical Aid on the Implementation of Privatisation and Social Security Network. These projects provide the technical components of the 'structural adjustment'.

Regarding the governments since 1989 (when Ozal left Premiership) or 1991 (when his party left the government) one thing was quite significant that the methods used by Ozal have been deployed by his successors; namely his political rivals. They have continued extensively to issue DALAs, use specially designed funds, and appoint political figures to the bureaucratic posts. Since 1991, Turkey has been governed by coalitions. The nature of these coalition governments has tended to be more open to the problems of patronage and nepotism. So all governments have been accused of appointing their supporters to the bureaucratic posts. Although Bulent Ecevit, the present PM, criticised the Justice Party in the 70s for carrying out politically-driven appointments, he was accused of rushing to appoint senior bureaucrats even in the coalition forming day in the 90s[43].

The reform attempts in the 80s and 90s clearly show the changing role of the bureaucracy from defence, and law and order to facilitating privatisation and creating a market economy. The change of functions has affected the organisational structure of the bureaucracy and public sector. As the case of Turkish Agricultural Assistance Institution and agricultural industry at large illustrate, the bureaucracy has relinquished its responsibilities in favour of private sector, and foreign financiers and investors[44].

Besides, the public bureaucracy began to move from 'providing' towards 'regulating' position. A number of traditionally organised ministries have failed to adapt to the new functions and therefore there have occurred certain problems in the transformation era. When we look at the problematic ministries they are more or less the same as the ones where Ozal tried to eradicate their rigidity and 'departmentalist' structures, such as Ministry of Finance, Ministry of Defence and Ministry of Foreign Affairs. As an interviewee explained in an interview[45], certain other ministries were quite adept in 'adjusting' to the new functions such as Ministry of Energy and Natural Resources, Ministry of Agriculture, and Ministry of Public Works. Because of their 'clientist' nature and the World Bank involvement these ministries were easily adapted to the new responsibilities. The private sector e.g. construction companies, investors in energy, and supermarket chains, as supporter of Ozal's liberalisation agenda, lobbied to change the structures and responses of these ministries. During the 80s the transformation was fairly easy. However, in the 90s, after the Ozal era the transformation and advancements in liberalisation attempt were hampered by the coalition governments and unfaithful politicians and bureaucrats; they have tried to slow down the liberalisation program. Fortunately, the pressure from the EU for the accession process and liberal politicians and the public have been urging the government to reform the public sector by limiting the public involvement and by adopting market methods to the public[46].

E- Administrative Structure

The Turkish civil service system was designed in line with the basic elements of the classic Weberian type of bureaucracy, so that the service could be effective in overcoming the difficulties of development. The idea of using bureaucracy as a means of development was the notion of the founders of the republic, but they used it haphazardly without having a proper civil service act. Though an act (No: 657, State Officials) was passed in 1965, some fundamentals of classic Weberian bureaucracy have been implemented thoroughly during the multi-party era. What is more, the law spells the essences of the bureaucracy and its type.

As mentioned, there was no dispute over the relations between bureaucracy and government until 1950. Ironically though, the governments in the 50s faced some resistance from bureaucrats, but did not intend to pass a bill in the parliament organising the civil service structure and its relations with government. After the military intervention of 1960, however, the newly established State Personnel Directorate (SPD)

submitted 'the State Personnel Regime Report' to the cabinet and its findings constituted the skeleton of the act.

The recruitment system is 'specialist' and therefore every post must be filled by persons who have certain degrees and qualifications. For instance, Assistant Governorship requires graduates either from law or political science faculties, teachers have to come not only from education faculties but also certain departments (biology teachers from an education faculty biology department). Graduates from science faculty biology departments cannot be employed as a biology teacher in a school. There are two sets of 'requirements' set for recruitment in State Officials Law[47] (SOL): general requirements and special requirements. The general requirements are valid for all posts regardless of the 'class' and special conditions. In general, candidates must:

a- have Turkish Republic Citizenship;
b- be minimum 18 years of age;
c- have minimum high school education;
d- not be banned from employment of public services;
e- not have convictions for more than 6 month imprisonment;
f- either did or postponed their national (compulsory military) service; and
g- not have disabilities which may affect their performance at work (apart from the quota of 3% for disabled).

Regarding the special conditions[48], the candidates should:

a- have special extra education, degrees and qualifications depending on the post demanded;
b- pass special exams designed to select the most appropriate candidate.

This act (657) is a frame law which specifies general conditions of recruitment and employment of 'state officials'. Beside with this, certain occupations have their own personnel laws and decrees. If there is a law regarding, say, teachers, that specific law prevails, otherwise SOL is valid. Generally, important positions and occupations have their own brief laws defining special conditions as to education (usually level and department, for example graduates of political science faculty public administration department), age (35 years maximum for instance), health (e.g. fit to travel), and experience (e.g. to become inspector in the Ministry of Interior, 10 years of experience as District governor).

As mentioned, because of the concerns regarding the 'strong state' tradition, selection of the civil servants has been of great importance. The law and the general perception of public service view the civil servants as the 'state officials' with a clear

understanding that they represent the state and therefore their primary goal is to make sure that whatever the circumstance is, the stability and security of state are protected. Therefore civil society institutions and citizen participation are not favoured when they contradict the interests of state. The logic of restrictions on convicted people in recruitment, for instance, reflects the elitist belief explained well by an interviewee[49] that "one cannot and should not forget that civil servants are to represent the state as a superior authority. The rationale behind this metaphysical idea is that convicted people may not have the qualities of being loyal to the country". In this vein, the oath taken before commencing to work as a 'state official' is an indicator of the philosophy behind the 'strong state'. 'The oath of a state official'[50] is as follows:

> I swear with my honour and dignity: that I shall be loyal to the Constitution of the Turkish Republic, the main tenets and revolutions of Ataturk, the Turkish Nationalism described by the Constitution; that I shall apply the laws of the Turkish Republic impartially and equally to the public; that I shall strive, protect and develop the Turkish Nation's national, moral, humanitarian, spiritual and cultural values; and that I shall carry out my duties and responsibilities towards the national, democratic, secular and legitimate Turkish Republic which is based upon human rights and the basic elements prescribed by the Constitution. (the author's translation)

The oath is an obvious mirror of the 'strong state' tradition in public administration. In addition, the name 'state official' rather than 'public servant' also supports the argument that the priority is on 'state' not 'public', and on 'official' not 'servant'.

The act stated "merit, classification, and career" as the principles of civil service regime characterising its basic standards and priorities. The merit principle is to make sure not only that the right kind of persons are recruited to the civil service but also implies a service that contains certain qualities. In other words the principle requires recruitment of the best people for the job as well as characterising a civil service which maintains this throughout its operations and in relations with its human factor. With this nature it represents a dynamic entity rather than static one. In its first sense, recruiting the best candidates, merit consists of knowledge, social and cultural qualities, the ability to respond to unexpected situations, physical appearance, and so on. The SOL prescribed the solution: the best way to apply merit principle is to organise open competitive exams comprising written and interview parts. Therefore, after recruitment the principle requires the implementation of rules and regulations which pave the way for an effective, and efficient civil service. According to the law, tenure and promotion in the service depend solely on success, and financial benefits and other conditions of the service facilitate efficiency and maintenance[51].

Not only the act but also the Constitution prohibits political and politically-driven civil servant appointments to the civil service. In two exceptional cases, governments are not bound with any law in the appointments: provincial governors and ambassadors; there is neither education nor conviction restrictions. Another facility for governments is to employ 'political advisors' as and when they need. When civil servants want to stand on local and general elections, they have to resign 2 months prior to the election. If they are elected, their posts are preserved until the end of their political terms either local or national levels. So they can resume their posts at the end of their political careers. In the law, there is no room for political concerns in appointing civil servants. However, the reality is completely different and governments, regardless their political origins and affiliations, appoint their supporters to bureaucratic posts.

The above features were envisaged for the Turkish civil service, but certain malpractices overshadowed its reliability. Take interview technique as an example, after the written exam it turned into a way of eliminating candidates who did not have backing from politicians (so-called references from politicians not from academics). As the Head Judge of the division to deal with complaints from civil servants in the State Council stated in an interview[52]:

> It is a breach of the law to apply subjective criteria, but nearly impossible to prove it in the court either. However, when a case comes to us we seek for the implementation of equality among the candidates. If candidates are treated equally, we do not rule out. Unfortunately we are too busy to deal with the complaints of candidates rather we give priority to the civil servants who think that they are victims of their political view because they are sacked or moved to less important positions.

Some such exemptions in the law as 'recruitment without exam', 'accelerated promotion', and 'appointment to exceptional positions' also break this principle. The justification for 'accelerated (lift, parachute) promotion', for instance, was that, new-blood bureaucrats would bring new ideas and fresh impetus to the service, and young and talented bureaucrats would be given a chance to show their quality. In theory the idea is wise, but in practice it is open to abuse and misuse. This policy was criticised by a senior civil servant of the SPD in an interview[53]. He stated that a country like Turkey which has not been able to solve the problem of nepotism and political patronage should not have such rules. Thus politicians are ready to misinterpret the law and abuse it accordingly. The same view was expressed by some other bureaucrats, academics and administrative judges[54] in interviews with each of them in February and March 1999. Some of Ozal's 'princes' were brought in by this rule but many of them were accused of involvement in corruption and misuse of power. For example, one of them, Engin Civan, the chairman of a state bank was asked to pay back $20 million and jailed for 10 years by the court.

Because these kinds of bureaucrats have strong political support they are more likely to become reckless and behave accordingly[55].

The second principle, career, ensures that bureaucrats enter bureaucracy as a life-long position and, as the time goes by they obtain experience, get promotion and climb up in hierarchy. This does not mean that there is no transition between public and private sectors. The major enemy of the principle is the implementation of the recruitment policy that turns bureaucrats into the position of 'contractual personnel' status which fails to offer 'official immunity', tenure and anonymity. It also has psychological side effects because such a position weakens the feeling of belonging to an integrated part of a huge organisation (bureaucracy), and idea of moving between organisations (quite similar to that of the effects of agency reform) with a chance of promotion.

The final principle, classification, groups bureaucrats and services according to the prescribed qualities and experience which they are expected to provide. The criterion for this is 'common general professional specifications'. The system[56] is mainly based on classification that pays special attention to the type of service which requires the effective use of the equality and merit principles. Mainly there are ten types of services as classes in the act: General Administration, Technical, Health, Educational, Legal Support, Religious, Police, Supportive, Territorial Administrators, and National Intelligence.

Unfortunately, in practice, these classes have been regarded as a way of rewarding or penalising staff by politicians through financial means. In other words governments have tended to discriminate against certain classes and applied different payment methods and amounts to each of them. The alleged benefits of a principle such as equality, same payment for the same work and objectivity were never fulfilled fairly. More importantly nobody explained why there are ten classes instead of neither nine nor eleven. By the same token, there is the Territorial Administrators Class for the bureaucrats of Ministry of Interior but not a Diplomats Class for the diplomats of Ministry of Foreign Affairs.

This lack of guidance was worsened by frequent changes in the law since 1965 through DALAs of governments. Significantly for two decades the governments avoided passing laws in parliament and prevented big scale public discussions; rather they used decrees awkwardly. The act was amended 19 times by parliamentary acts, and 29 times by DALAs in the period 1965-95 (overall, 1.6 change/year). In the period 1982-95 there were 11 amendments by parliament and 17 by DALAs overall, 2.15 change/year). In fact, the original act of No 657 has been transformed completely into a different one over 35 years. Moreover, during the period 1982-90, there were nine authorisation acts and 261

DALAs to organise the bureaucracy. These DALAs were involved in structural conditions of bureaucracy, personnel regime and administrative process in detail 108, 121, and 32 respectively[57]. Transformation itself is not something to be afraid of; what is not desirable is the volatility of stability in the service. Virtually all the bureaucrats whom were interviewed highlighted this aspect stating that such frequent changes were the best sign of instability in the service. At the same time, changes are likely to affect both the morale and performance of civil servants, especially changes to give additional financial benefits to a particular class (as often to Police) and not to others.

The administrative structure of Turkey was characterised by the Weberian type of bureaucracy especially during the multi-party era. However, the Weberian features such as 'legality, career, and merit' were not even applied thoroughly since 1950. The general problems of the Ozal period and the traditional tense between politicians and bureaucrats (significantly with 'liberal' parties) have affected the civil service features and the SOL negatively. Frequent changes, especially with DALAs, created an unstable civil service, making civil servants more concerned about their physical and emotional benefits than their contribution to the achievements of the civil service.

F- The Dimensions of the Civil Service

The minimalist trend in the world and the idea of minimising the state involvement in Turkey since the 80s have been denied by populist policies of governments in Turkey. Contrary to Ozal's and his successors' minimalist policies, bureaucracy has continued to grow for two decades. One can argue that growth in bureaucracy is indispensable as it is a dynamic being and follows the growth in population. However the case for Turkey cannot be justified, as the increase in bureaucrats has been more than the rise in population. With regard to the numbers, the population was 54.5 million in 1984, while it increased to 63.4 million in 1996[58]. This represents a 16.4 percent increase for the period 1984-96. During the same period the number of bureaucrats was increased from 923,521 to 1,487,898 showing 61.1 % change. The argument that the governments of this period were politically motivated and recruited more than needed does not seem to be realistic for a few reasons. First of all, as explained in the previous section about the liberalisation trend in the economy and agriculture, a considerable number of families left their farms and villages and migrated to cities especially in the 80s. In line with this development their children started to go to further education and, in effect, the level of education has risen sharply[59]. The positions and conditions of villages and farmers in Turkey are far

more severe than that of Britain. In Turkey, apart from the south-west, west and north-west regions the rest of the villages in the country are so remote and usually suffer from lack of further educational institutions (after 8 year compulsory education). Therefore, after the second part of the 80s the unemployment level among the university graduates reached the levels never seen before. During their studies these young people had not even thought about unemployment. Moreover, a relatively weak private sector was far from absorbing unemployed people. Even if it would lead to over-employment, to prevent social problems governments felt obliged to employ some of these people. The country could not have afforded to have social problems caused by unemployment, because it has already been suffering from terrorism and economic problems in eastern and south-eastern parts of the country.

Nobody can argue, however, that governments were so neutral as to choosing the best people for the job. Nor can someone allege that they appointed just the right quality and quantity of people to bureaucracy. Since the frequency of appointments increased during the election times we can safely assume that the necessity to appoint overlapped with deliberate efforts by politicians. Having a look at newspapers in election times crystallises the point. For instance, his coalition partner accused the present PM of rushing to appoint too many bureaucrats even on the coalition forming day[60]. As mentioned, every party is playing this 'game' and appointing their supporters to bureaucracy. It is really difficult to name a single party that appoints too many or too few of its supporters. For instance, after a widespread public criticism of appointing his party supporters as judges and public prosecutors, the Justice Minister's[61] (from RPP, a left wing party) response was very meaningful: "Should I have appointed MHP (a right wing party) supporters" (see Figure 6.2). Two deadly points are: first, it is the breach of the law to appoint according to political views of people; and second, compared to others the Justice ministry is supposed to be the most neutral department by delivering justice. One can think one moment that as long as the appointed bureaucrats are not extremist supporters of their ideology there exists no obvious danger. This is not 'reasonable' for the reason that first of all, it is difficult to differentiate who is 'extremist' or who is not; and secondly, justice among the candidate civil servants should be maintained in order to prevent people from being extremists. In other words, if fairness is not achieved, candidates may become religious or ethnic extremists.

Table 6.1 demonstrates the situation in the bureaucracy and more specifically in the ministries. For the purpose of the study, the important thing is the volume of changes rather than the details in ministries. The change in 1984-94 period was 44.9 %, whereas it

was 11.2 % in 1994-96 period. One point again was significant in that 1994 was the worst economic year in the history of the republic when it experienced negative growth. However before the 1994 local and 1995 general elections many people were recruited to civil service posts. This again proves the argument of electorally-motivated civil servant recruitment.

Table 6.1: Number of Civil Servants in Ministries

	Total Employment			% of Total		
Organisations	1984	1994	1996	1984	1994	1996
Justice Ministry	39,630	44,523	57,826	4.26	3.32	3.88
Finance Ministry	50.228	74,517	78.607	5.43	5.56	5.49
Education	458,440	541,074	531,174	49.64	40.43	35.69
Health	111,305	194,902	198,916	12.05	14.56	13.36
Religious Affairs	49,784	75,073	77,183	5.39	5.60	5.18
Police Force	78,517	144,775	164,400	8.50	10.81	11.04
Forestry	32.743	25,192	23,810	3.54	1.88	1.60
Social Security	33,743	48.786	49,619	3.57	3.64	3.33
Others	69.847	189,415	384,970	7.56	14.15	25.87
TOTAL	**923,521**	**1,338,257**	**1,487,898**	**100.0**	**100.0**	**100.0**

(Source: Public Personnel Surveys, 1984, 1994 and 1996, Ankara: State Personnel Administration)

A senior civil servant of the Ministry of Interior Affairs who occupied key positions there stated in an interview[62] that "Ozal wanted to enlarge the ministry and especially police force quantitatively and qualitatively as a kind of insurance against a military coup d'etat. In every occasion he praised the force and did not allow any kind of conspiracy against it. He thought that a well-trained and equipped force against the generals would provide protection for politicians". The increase in the numbers of police force might be explained by this idea. Three percent increase may not be so significant overall, but what is important is that to establish the link between what was told earlier in the chapter about Ozal's position in the power struggle against 'old type' bureaucrats and military elite. Even this illustrates the position of Ozal against the status quo and for a more open and liberal system.

Regarding the table, these numbers do not show all central government workers, instead it shows only 'officials' of the civil service. Firstly, it does not include those who do manual works ('workers') regarded as doing supportive works, and 'contracted personnel'. Secondly, the table also does not mention 'temporary guardians' who are employed to fight against PKK in the south-west and number about 130 thousands. The

third group is military personnel, even if they are civilians but working for military they are not regarded as civil servants. Having the second largest army in NATO, Turkey employs more than one million military personnel, but has a separate military bureaucracy instead of having a unified one. Finally, the people who work for SOEs are not mentioned in the table.

This table is illustrative, and does not claim to give every number in detail. What it does intend to do is point out the tendency in numbers, making clear that they are growing rapidly against the trend in the world (or in Britain at least). What kind of problems caused either by growth or by other factors is discussed in the next section to finalise the examination of the service.

G-Problems of the Bureaucracy

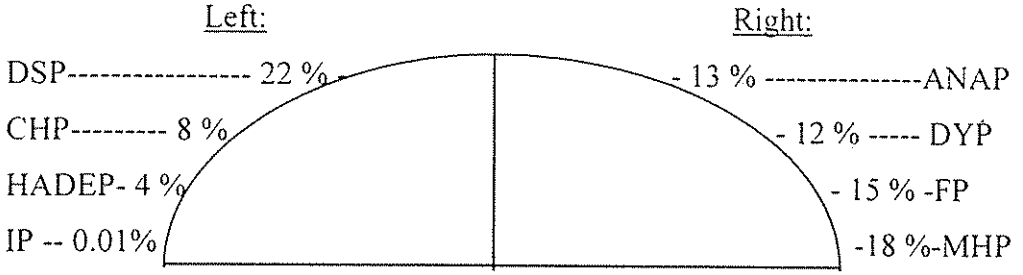
As one of the influential *Pasha* (generals) of Ottoman Empire in the 19th century said to a French Ambassador: "I am astonished to see that how strong the Empire is, as you are from outside we are from inside trying to destroy it but it still endures", the Turkish bureaucracy is like the Empire exactly one hundred years ago. Lots of criticism have been made about the civil service in Turkey by whole segments of the society from the person in the street to ministers, from academics to bureaucrats, and from trade unions to chambers of commerce. Regardless of his or her position everybody has a complaint about the bureaucracy criticising not only rules and regulations but also the human factor which runs the system. Never mind the quality, it is still in service and conducting its business. Maybe the reason for this there is no alternative to it, because politicians (other part of executive power) do not seem to be behaving righteously. During the examination of problems, the environmental conditions and background information stated earlier in this chapter should always be kept in mind to comprehend the issue.

As chapter I explains the existing literature on Turkish administration, the problems highlighted in this study are not 'standard treatment' of the Turkish civil service. This thesis therefore is unusual in reviewing them both frankly and with original material (interviews and documents in Turkish)[63]. Due partly to the legality approach and partly to the administrative law in the country, academics and critics of government deal with different issues such as financial inequalities among civil servants stemming from the law, corruption, and too many laws as to administration. As such, they are concerned more on the principles of Weberian type of bureaucracy than NPM. For instance, lack of

morale and inefficiency are not the kind of concepts dealt by Turkish academics and critics of government.

One way or another, more or less all involved parts are responsible for the failure, so some of the responsibilities overlap. Politically motivated decisions of elected actors, for instance, represent one side of the problems. Politicians have not appointed the right people to posts and secondly they interfered with decisions of bureaucrats either in direct or indirect ways. For different reasons governments were quite enthusiastic for appointing their supporters to senior echelons of bureaucracy[63]. First of all, ideological differences between parties are so dense and each party wants to promote its supporters or at least its sympathisers (see Figure 6.2). Because concern about the regime is alive, and the system is not stable yet, appointments are seen as a kind of assurance of each party to consolidate its position (remember background information). This appears both in recruitment of civil servants and in appointments to strategically important positions. The following pattern is repeated for senior posts: in general elections bureaucrats stand for parliamentary seats; if they win they show solidarity with their fellow bureaucrats by arranging their appointments to important posts; if they fail they are appointed to senior posts[64].

Figure 6.2: The Political Parties in the Political Swing and Percentage Vote they achieved in the April 1999 General Election



Others: Right and left wing parties

(Adapted from: The Supreme Election Authority, 1999, **Confirmed 18 April 1999 Election Results**, Ankara)

Replaced bureaucrats, on the other hand, are put 'on the shelf' until their party comes to power. Ironically, these bureaucrats become the centres of opposition by criticising, leaking information to 'outside' and by obstructing every effort of government. So they portray a typical politician's picture[65].

Secondly, by manipulating and interfering with daily business of bureaucracy, politicians want to satisfy their election campaign supporters. One may argue that this kind of relations may occur even in developed democracies. The answer to this argument is quite clear: it may happen secretly and on a smaller scale in those countries, but in

Turkey it is more tragicomic and open[66]. One incident remarkably illustrates this issue. In 1992, PM Suleyman Demirel (the 9th President of Turkey) ordered the purchase of a particular land which belonged to one of his supporters, but payment was five-six times more than its real value. After a public criticism he recklessly said: "I ordered the payment. So what!"[67]. Because the attitude of PM was/is like this, favouritism of this range, nepotism and cronyism have been institutionalised.

The further type of problem, red tape, is related to the work and the mechanism in which bureaucracy operates. Roughly speaking, four features of bureaucracy can be mentioned as reasons for red tape. Firstly, as told, the bureaucracy employs more than is needed, so new jobs should be created. Jobs and new posts can be created, but in a legal-rational bureaucracy new artificial functions cannot or should not be launched[68]. The dilemma is if you recruit people you must ask them to do something and if you ask you will hamper the efficiency of bureaucracy, just like Parkinson Principle. One example would be illustrative at this point. If someone is selling his/her car he/she needs to get a proof from Revenue Office that he/she paid annual tax of car. This person has to go to 6 different persons in the same building to get it. The first person does the job by checking records through the computer, and others just accept, or sign, or record the paper. As Crozier[69] notes too many people working in an office reduces the solidarity among them. So they start complaining about "the bareness, the lack of amenities, and the poor maintenance. ...Usually the complaints are phrased more as a sort of emotional grudge-'they do not care for us'-than as a direct grievance."

The centralised character of the system is the second factor to cause red tape. Regional offices and local branches of central government departments suffer from a lack of delegated power. Crozier[70] points out the problem that "those who have the necessary information do not have the power to decide, and those who have the power to decide cannot get necessary information". Even very trivial issues have to be solved by the bureaucrats or the politicians in the centre. This means additional personnel for correspondence and financial resources including the time wasted for nothing. So personnel in the centre become too busy to deal with major things. However, the problem does not stop there because very silly matters should be solved either by senior bureaucrats or by ministers.

The third reason is the ambiguity of duties, responsibilities and authorities. Working charts of many organisations have not been drawn yet. In many organisations questions of who is responsible for what and to whom have not been made clear. This situation has worsened especially after the 1960 *coup d'etat* because a number of

bureaucrats faced lots of criticism from the military and accused of misusing their power[71]. Consequently, every bureaucrat wanted his/her senior in hierarchy to make a decision and take responsibility for it. Therefore, this concern caused a waste of time and resources. One example is also worth mentioning. After the arrest of a Turkish Mafia leader in France in 1998 it was discovered that he had a diplomatic Turkish passport issued by the Directorate General of Police Forces. Although the issuing was ordered by senior bureaucrats in the police, only a few PCs were found guilty; high ranking officers were protected by politicians. Accordingly, the PCs working in the Passport Section are playing 'the three monkeys'. Even ordinary extensions of passports are done cautiously and slowly, and the seniors cannot ask them to do them quickly[72].

The final reason for red tape is the rigid and much too detailed law regarding the official process. Crozier[73] states that "a system of organisation whose main characteristics is its rigidity will not adjust easily to change and will tend to resist change as much as possible". Generally, the process is defined in the law in detail and this prevents any kind of flexibility and discretion. This factor may seem to be contrasting with the previous one, but it is not. The latter indicates that work is defined in detail as to how it should be performed, while the other implies that who is responsible for what is not defined. So bureaucrats are tied with rules and regulations. When any kind of ambiguity occurs the answer of junior bureaucrats to a client is always the same: 'I have to ask "Ankara" whether it is possible or not'. As a Chairman of CC complained[74], its members are irritated by the attitude of local bureaucrats because they are scared of taking initiatives by not responding quickly for the export demands. He also said that "if the law did not mention, for instance, items for export name by name and used general language, you are in trouble. On the other hand, business needs quick decisions and responds. Otherwise you couldn't compete in national and international levels".

Contrary to the trend in the world, efficiency of the bureaucracy has not been on the agenda of the country[75]. The only attempt to reduce red tape and increase efficiency was in the 80s, but it was limited by time and by space[76]. Another related factor to efficiency of bureaucracy is the insufficiency of high-tech equipment. Someone might argue that if the bureaucracy is over-employed, certain works can be done manually. May be this is a sort of policy preference, but a system which is claiming that it would minimise the state functions (remember the discussion about Structural Adjustment and World Bank proposals) and make it 'leaner and fitter' should not rely only on manual work.

One important factor associated with efficiency is the *esprit de corps* of bureaucrats which plays a vital role in motivating them to work hard. In a hyperinflationary economy, bureaucrats, mainly low level, do not get enough salary to survive especially in big cities such as Ankara, Istanbul, and Izmir. Meanwhile, even the President Evren in 1987 was complaining that his salary was lower than that of a waiter in a hotel restaurant. If these people have children going to school, and pay rent, they need to have extra financial benefits to take care of their needs. When they are worried about their livelihood, they cannot possibly fulfil their job properly. You cannot expect them to smile, or to act as a happy person, instead they may pretend to behave 'normal'. Even in these conditions, however, bureaucrats are quite helpful. The reason for this lies in the existence of social ties among members of bureaux. In other words, the presence of solidarity (bureau-shaping type) among members of the bureaucracy provides an alternative mechanism for happiness. Workers are more concerned about the success of their bureaux than their individual well-being[77]. As mentioned, the lack of 'individualism' in the society may be manipulated to have positive results. It can be possible if a director of an organisation gives a speech to low level bureaucrats mentioning the prosperity of the nation or that particular organisation rather than its members, they would accept sacrifies[78]. Nevertheless, there is always a limited endurance, which varies from one person to another or from one society to another. You may not always get positive response every time you speak because bureaucrats also have sense of comparison with other segments of society.

As this chapter makes clear, with 'the Ozal effect' and the World Bank projects Turkish administration has been transformed to a certain degree from its traditional form to facilitating privatisation and enabling markets. Besides, his 'princes' were effectual in changing the stereotype of traditional civil servants. One can observe the creation of a calibre of young and enthusiastic group of civil servants who are always demanding more power and new responsibilities.

The civil servants are willing to obtain power, but having seen the problems in public administration they do not seem to be pushing hard to get it. They might be afraid of being blamed if they fail to provide the outcome required of them. On the other hand, with the developments in the media and Internet they see their private sector and developed country counterparts especially in the EU countries are enjoying a reasonable amount of freedom from Treasury control and independence from traditional ministerial bureaucracy. As the above paragraphs indicate, they seem would be more happy if the power is delegated to them as groups. This sociological characteristic of the

administration deserves notice. So the freedom given from Treasury and departments may prompt civil servants to mobilise through participation in a collective effort and participating in agency culture.

H- Conclusions

The fourth transfer condition examined in this chapter reveals that the objectives of a possible Next Steps – type reform in Turkey display a certain degree of similarities with that of Britain. Both the 'liberalisation' process of Turkey pursued by Ozal mainly in the 80s and partly in the 90s and the process and developments in Britain evaluated in chapter III are very much alike in terms of encouraging the change of role of bureaucracy from traditional defence and law & order type to liberal 'enabling state' by adopting 'market techniques'. This gives a ray of hope in the comparison between the two countries to find out the applicability of the Next Steps. In addition, the problems identified in this chapter show resemblance to the elements of the Next Steps. Chapter VIII examines similarities and differences between two countries in detail.

The study also indicates that in Turkey the pressure for reform comes from two sources: the EU, and the societal and political actors. The EU dimension of the reform provides a strong incentive in motivating the reformers to benefit from the Next Steps experience by concentrating on the job to be done and by preventing the politicians' electorally-motivated interferences. The public and politicians are aware of the need for reform both to find solutions to the economic and political problems of the country and government.

Four broad conclusions can be drawn from the history of the reform and the clash between politicians and bureaucrats in Turkey. The lessons drawn from these conclusions hint also the problems to be faced by a reform attempt. Firstly, the efforts of Ozal to 'soften' and transform the civil service and detect any resistance have had a mixed blessing. On the one hand, he undermined any resistance of the civil service through the use of three 'tools'. On the other, he caused long term problems by spoiling the legislative system through the use of DALAs, financial system by funds, and recruitment system via an alternative bureaucracy. Overuse of these tools prompted a number of unforeseen side effects such as corruption allegations associated with the misuse of funds, also a considerable amount of DALAs were rejected by the Court of Constitution on the grounds that they were against the constitution[79]. Besides, quite many numbers of politically driven appointments were made to the civil service[80]. Consequently, the

classic Weberian type of bureaucracy has lost some if its fundamentals, such as merit, career, and legality.

Secondly, the wishes of Ozal and World Bank have been granted and the state involvement in economy, and society has been reduced. Instead private sector initiatives and techniques are promoted to replace the conventional provision of public services. This has decreased the importance of bureaucracy among the actors of public policy-debureaucratisation. Despite the reduction of the state involvement in many sectors such as agriculture, energy and finance, the number of personnel increased significantly. Secondments both from private sector and foreign countries have eradicated the image of the bureaucracy associated with traditional values, 'and 'dogmas'. Therefore, the perception of the 'higher interests of the state' has been re-framed to represent financial, managerial, and physical well being of the state rather than ideological and abstract discussions.

Thirdly, after 1991 the use of Ozal's methods continuously (funds, DALAs and alternative bureaucracy) by the left and right wing parties (e.g. RPP and TPP) clearly show that the disagreement before 1980 arose mainly from the self-interests of the parties. Every government wanted to control the bureaucracy fully and did not wish to encounter any kind of resistance. In other words, 'the higher interests of the state' was an ambiguous concept which was manipulated by different political and societal forces in the struggle to control more power in the country. The main concern seemed to prove the public choice argument of self-interested individuals or group interests.

Finally, one positive difference between the before and after Ozal era is the political and social combination and preferences of the bureaucrats. Bureaucratic posts were opened up to different views and people during the new term. Although Ozal represented the second type of the political parties (Democrat Party's view), his appointments showed that he did not look for people with certain political and ideological affiliations. Therefore his only concern was the enthusiastic and open-minded people as was Thatcher's in Britain. His 'princes' did not have a particular view but had left, right, or religious backgrounds. Consequently this factor facilitated the work of Ozal against the traditional bureaucracy and its understanding of the 'higher interests of the state'.

Associated with the above conclusions, six problems are identified in this chapter to gauge the ability of the Next Steps in providing solutions to the Turkish civil service. They will be examined in depth partly in chapter VII and mainly in chapter VIII. The problems are as follows: 'red tape', over-employment, inefficiency, political interference,

lack of morale, and rigid personnel law. Because of the close qualitative and quantitative similarity between these problems and the six elements of the Next Steps, a possible comparison between the two cases is likely to become easy and successful.

---

[1] Kutlu, O. 1999, **The Bureaucrat-Politician Relations in Turkey**, Paper Presented to the Third Triennial EURAMES Conference, Ghent, September

[2] Ozen S. 1996, **Bureaucratic Culture** (in Turkish), Ankara: TODAIE, p.25

[3] A recent report from the EU makes these points clearly, see: European Commission, **2000 Regular Report From the Commission on Turkey's Progress Towards Accession**, 8 November 2000, http://www.europa.eu.int/comm/enlargement/dwn/report_11_00/tu.pdf

[4] Confidential interviews conducted in Turkey between February 1999 and April 1999.

[5] Eroglu C. 1995, **Evaluation of Political Rights, and Political Participation** (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB, Ankara

[6] Kutlu, O. 2000, **The Politics of Bureaucracy in Turkey**, Paper Presented to the Postgraduate Conference of SHiPSS, The University of Exeter, March

[7] Although certain scholars examined the role of the 'strong state' tradition as an obstacle to having a democratic Turkish state, the interpretation of the problematic relations between the bureaucrats and politicians in Turkey with this concept is a new attempt. See also: Kutlu, The Bureaucrat-Politician Relations, and The Politics of Bureaucracy.

[8] Heper, M. 1992a, "The Strong State as a Problem for the Consolidation of Democracy: Turkey and Germany Compared", **Comparative Political Studies**, Vol.25/2, p.189

[9] Heper, M. 1992b, "The Strong State and Democracy: the Turkish Case in Comparative and Historical Pespective", in Eisenstadt, S.N. (ed.), **Democracy and Modernity**, Leiden: Brill, p. 145

[10] Alan Gresh (Journalist, Le Monde Diplomatique) asserts that the French state is also a 'strong' one in the same sense that can be attributed to the Turkish state (The Key-note Speaker to the Third Triennial Eurames Conference, Ghent, 29 September 1999).

[11] Confidential interview with a senior civil servant (Ankara, February 1999)

[12] See: Ulsever C. "The Conviction of Oral Calislar" (in Turkish), **Hurriyet**, Daily, 03-06-99

[13] See: **Yeni Safak,** "Recep Tayyip is in Jail" (in Turkish), 15-04-99

[14] Ankara, February 1999

[15] Aykac, B. 1990, "Merit Principle in Personnel Administration" (in Turkish), **Public Administration Journal**, Ankara, Vol.23/4, p.102

[16] See: Kutlu, The Bureaucrat-Politician Relations in Turkey

[17] Shaw, B. 1988, **History of the Ottoman Empire and Modern Turkey**, Cambridge: Cambridge University, p.114

[18] Citci O. 1995, **Political Rights of Civil Servants in the World and Turkey** (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB , Ankara, March

[19] Zabunoglu Y. 1995, **Political Rights of Civil Servants** (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB, Ankara, March

[20] Kutlu, The Buraucrat-Politician Relations in Turkey

[21] Zurcher, E.J. 1993, **Turkey: A Modern History**, London: I.T. Tauris & Co. p.241

[22] Bayraktar, G. 1993, **Bureaucracy and its Role in the Turkish Political Life** (in Turkish), Unpublished Thesis, Ankara, p.165

[23] Demirel S. 1969, **Greater Turkey** (in Turkish), Istanbul: Dergah, p.186

[24] Ipekci A. "Interview with Ecevit" (in Turkish), **Milliyet**, 29-04-1975

[25] Kutlu, The Bureaucrat-Politician Relations in Turkey

[26] Guler does not accept this common interest thesis, arguing that the Bank asked and Ozal implemented New Right ideology. However when this common interest argument was outlined to her she did not object and made clear that her emphasis was on the implementation of New Right policies not on the intention of Ozal (Interview with Dr. Guler, Ankara, February 1999)

[27] Meyer, G. 1999, **Impact of Structural Adjustment on Small-Scale Manufacturing in Cairo**, Third Triennial EURAMES Conference Paper, Ghent, September, and Dillman, B. 1999, **Private Sector Response to Economic Reform in North Africa: Morocco, Tunisia, Algeria, and Egypt**, The Third Triennial EURAMES Conference Paper, Ghent, September

[28] Guler B.G. 1996, **The New Right and the Change of the State** (in Turkish), Ankara: TODAIE, p.57

[29] Admad, F. 1993, **The Making of Modern Turkey**, London: Routledge, pp. 203-4

[30] Ozal phrased the dramatic situation with these words when the government in 1980 did not have enough foreign currency to finance export and to pay its debts.

[31] Heper, M. 1990, "The State and Debureaucratisation: the Case of Turkey", **International Social Science Journal**, Vol.126, p.611

[32] Heper, The State of Debureaucratisation, p.610

[33] Heper, The State of Debureaucratisation, p.610

[34] Information supplied by a senior civil servant of the Prime Ministry.

[35] Guran, S. 1990, **The Turkish Personnel Law in the 80s** (in Turkish), Public Administration Symposium Paper, Ankara, the State Council

[36] Albayrak D. 1997, **Administrative Development Attempts in Turkey** (in Turkish), Unpublished Thesis, Ankara, pp.72-3

[37] Prime Ministry, 1982, **Speeches, Messages and Statements of Prime Minister Bulent Ulusu**, (in Turkish) Ankara, p.17

[38] Confidential interview with an academic (Konya, March 1999)

[39] World Bank, 1988, **Evaluation of Structural Adjustment Lending in Turkey**, Report no: 7295

[40] The Loan Agreements and the Government Approvals were provided by the Prime Ministry, Laws and Decrees General Directorate.

[41] Guler, The New Right and the Change of the State, p.90

[42] The Agricultural SECAL Agreement

[43] **Sabah**, 16-06-1999

[44] OECD also highlights this changing nature of the role of the bureaucracy (see for the OECD view: http://www.oecd.org/puma/turkey.htm

[45] Confidential interview with an academic (Ankara, April 1999)

[46] Firstly, the prospective candidacy status to the EU and the accession conditions prescribed in the Copenhagen Criteria reflect the EU dimension of the optimism. Secondly, the election of the new President, Ahmet Necdet Sezer, in May 2000 and certain other politicians such as the Interior Minister, the Justice Minister, and Deputy Prime Minister who fight against corruption and try to bring a new impetus to the civil service and government indicate the optimism about the politicians. Finally, public opinion surveys conducted by variety of institutions (both public and private) are clearly in favour of reforming the public sector for the benefit of the private (see a popular public survey institution web site: http:www.anararastirma.com.tr.

[47] SOL, 1965, No: 657, Clauses: 40, 41, and 48

[48] SOL, Clause 49

[49] A confidential interview with a senior civil servant (Ankara, April 1999)

[50] SOL, Clause 6, as amended on 12-05-1982 by 2670/1

[51] Sen M.L. 1995, "Merit Principle and its Implementation in Turkish Personnel System" (in Turkish), **Public Administration Journal**, Ankara, Vol.28/1

[52] Confidential interview with a senior Judge of the State Council (Ankara, March 1999)

[53] Confidential interview with a senior civil servant of the State Personnel Directorate (Ankara, February 1999)

[54] A senior civil servant in the Administrative Development in Prime Ministry, an academic, and a senior judge in the State Council.

[55] Confidential interview with an academic in TODAIE (Ankara, February 1999)

[56] Designed by the SOL

[57] The information the Director General of Laws and Decrees in the Prime Ministry.

[58] The State Statistics Institute, 1998, **The Population Census 1997** (in Turkish), Ankara

[59] When the researcher took the University Admission Exam in 1986, the number of candidates were about 600,000, but they are about 2.1m in 2000. University numbers were 27 in 1986 and 72 in 2000.

[60] **Sabah**, Istanbul, 16-06-99

[61] **Zaman**, "An Outrageous Comment by the Justice Minister" (in Turkish), 13-08-1995

[62] Ankara, February 1999

[63] One of the problems the author faced during his research in Turkey is the lack of relevant material about the country, so that he had to conduct interviews and search the documents in Turkish to find out the problems reflecting not the Weberian type of bureaucracy but the NPM.

[63] Citci, Political Rights of Civil Servants

[64] Seylan G. 1996, **Bureaucrat-Politician Relations** (in Turkish), Symposium Paper, Ankara
[65] Interview with a senior civil servant in Prime Ministry (Ankara, February 1999)
[66] Recently, a UN survey classified Turkey in the top-ten of most corrupt countries (See newspapers on 03-11-00, **Milliyet, Hurriyet, Radikal** and **Sabah**)
[67] This has caused a lot of public discussions, but no investigation was conducted at all.
[68] Confidential interview with a retired senior civil servant (Ankara, April 1997)
[69] Crozier, M. 1964, **The Bureaucratic Phenomenon**, London: Tavistock, p.33-6
[70] Crozier, The Bureaucratic Phenomenon p.51
[71] Confidential interview with a senior civil servant in Prime Ministry (Ankara, April 1999)
[72] Personal experience
[73] Crozier, The Bureaucratic Phenomenon, p.195
[74] Confidential interview with a Chairman of a CC (March 1999). In another interview, the Secretary General of the same organisation also pointed out similar problems (March 1999).
[75] Current initiatives will be explained in the following chapter.
[76] Prime Ministry, 1986, **The Three Years of Government (13/12/1983 - 12/12/1986)** (in Turkish), Ankara, p.15, and see, for example, Pitirli, A. 1993, "Attempts to Reduce the 'Read Tape' in the Ministry of Interior Affairs" (in Turkish), **The Turkish Administration Journal**, Ankara, No:400
[77] This point was proved by the survey of Dr. Cahit Emre in 1993, **Turkish Public Administration in Terms of Social Cultural Aspects** (in Turkish), Unpublished PhD Thesis, Ankara, p.136
[78] This interesting explanation was given by an academic in an interview (Ankara, March 1999).
[79] Capoglu G. 1995, **Bureaucrat-Politician Relations** (in Turkish), Symposium Paper, Ankara, March
[80] Before 1980, there existed politically driven appointments but not in the levels of the last two decades. See, for instance, Tutum, C. 1977, "Politicisation of Administration and Partisanship" (in Turkish), **Turkish Public Administration Annual**, Vol.4, pp. 206-14

CHAPTER VII

THE FUTURE OF THE TURKISH CIVIL SERVICE

A- Introduction

This chapter aims to follow up the discussion in chapter VI, to examine new civil service reform attempts, and predict the future of the bureaucracy in Turkey. The sixth transfer condition, 'the theory must also be valid in the context in which it is transferred', is also examined in this chapter. What is more, chapter VII helps ascertain the elements that should be adopted by the civil service and the extent and features of the initiatives which are being applied currently to the Turkish bureaucracy. By exploring qualitative and quantitative features of the current reform attempts in Turkey, this thesis examines the possibility and feasibility of introducing Next Steps to Turkey.

This chapter studies the six problems of the Turkish civil service identified in chapter VI and four reform (or change) initiatives currently under consideration, and eventually questions whether the reforms can sort out the problems. The problems are stated as 'red tape', over-employment, inefficiency, political interference, rigid personnel law, and lack of morale, *esprit de corps*. The recent attempts to respond to the problems are four: the Civil Servants Bill (to replace the SOL), the Norm Posts, the Public-Net Project, and 'the Journey Towards Excellency Project' (JTE, a TQM application to the MTI). By examining these attempts the research can identify possible problems and the aspects which could lead reform initiatives to failure, regardless of whether the reform is an old-fashioned one or a modern type. Three cases represent three important aspects: the reform in the laws represents an old fashioned change; the Public-net project represents a technical change; and the JTE represents a comprehensive reform. Because the Norm Posts is a complementary project of the Civil Servants Bill, both bills will be studied together[1].

The initiatives claim to sort out certain problems of the bureaucracy, for example Norm Posts and the new Personnel Law would eliminate over-employment, 'red tape' and rigid law. The JTE Project was planned as a comprehensive reform attempt to ease all five problems over 8-10 years time period, whereas the Public-Net Project offers to sort out the technical inadequacies of the bureaucracy, namely inefficiency, 'red tape', and over-centralisation of power and resources.

The general atmosphere to join the EU is playing the locomotive role to accelerate the reform process in Turkey. The powerful lobby for the EU membership,

including the politicians (mainly the left, centre-right and islamists), the private sector and liberal minded academics, the media, the public and most importantly the army[2], are in favour of joining the EU and therefore pressing the government to take necessary actions to speed up the accession process. The direction pointed by Ataturk that 'catching the developments in the civilised world' namely turning the country's face towards the west rather than the east is embodied in the intention of joining the EU. So neither the army nor democratic pressure groups oppose the accession. What is more, even the islamists[3] advocate the EU membership with the assumption that the democratisation and 'Europeanisation' will bring more freedom and rights to them in practising their religious rituals.

Beside with the EU dimension, the severe economic crisis affecting the country in an increasing pace since the beginning of the 90s and the recent crisis became apparent in February 2001 are urging the politicians and bureaucrats to find better ways of improving her record of efficiency and effectiveness. The government's invitation of Mr Kemal Dervis, who is a Turkish born Deputy President of the World Bank to reform the economy and the public sector in general, has been a great sign of forthcoming reform initiatives. The loan over $20 billion from the IMF and the World Bank to the Turkish government on the condition that they must support the reform process led by Mr Dervis seems to be the most powerful sign for urging the government to initiate reform. In addition, the unprecedented riots and demonstrations by public workers, and middle and small scale entrepreneurs against government policies were alarming indications for the government. So, Mr Dervis is implementing structural adjustment reforms to sort out the problems of Turkey. As he has started to carry out his reforms, '15 reforms in 15 days', on certain areas such as banking sector, telecommunications, competition law, and agricultural policy, he has hinted his intention to reform the civil service by saying 'economy and politics must be separated from each other'. This separation necessarily involves depoliticisation of public administration whether the functions are related to the economy or society. If it is implemented, the Turkish public administration will need to adopt a Next Steps-like agency reform.

The idea behind the implementation of reform is that a public sector incompatible with the private does not have the prospect of overcoming the economic problems and facilitating the struggles of the country's talented entrepreneurs. The liberalisation process initiated by Ozal in the 80s has created a relatively developed private sector which could compete head-to-head with its international rivals in a number of sectors such as textile, furniture, tourism, agricultural products, construction, military equipment,

ship building, and so on. In line with the points made in chapter II and the public-private partnership arrangement, the private sector needs a well-working public sector to support its development and to alleviate its work. So, as a secondary source, the above sectors lobby for change of the public sector organisation and ethics.

The above three aspects of the pressure (the EU membership, the international finance institutions, and the private sector burden for an efficient and effective bureaucracy) determine the direction of the reform symbolised by the moving of government functions from its traditional sense of defence and law & order to facilitating privatisation and creating a market economy. The EU standards in public services and the requirements for accession became known as the Copenhagen criteria of 1993 and they oblige the recognition of managerial reforms in the public administrations of member countries. Therefore, because of the harmonisation of the laws of Turkey with those of the EU and the pressure from the Union upon the country pressing it to increase the efficiency of bureaucracy leave no room but to reconsider the way it runs the civil service. So this also encourages the transition towards a regulatory or liberal enabling state. As the previous chapter states, the privatisation attempts and the curtailment of the role of the bureaucracy during the Ozal era with the active support of the World Bank hastened the pace of transformation from 'providing' to 'enabling'.

Interviews conducted in Turkey with people in various positions are the prime source of the data for this chapter. Using this method has several justifications. First, applying other techniques, surveys for instance, are more difficult than interviews. Conducting only one survey would not be representative, because it might not cover the three initiatives properly. Because of the diversity among the qualities of the initiatives, they require separate examination. Therefore the study intends to avoid being general and superficial. Second, senior bureaucrats, politicians, and academics in Turkey, do not like to reply survey questions, and be restricted by pre-determined and close-ended answers. Rather they prefer to express their opinions with their own words[1]. The final reason is related to the number of the people to be contacted. It is more practical to conduct interviews with fifty or fewer people than attempting surveys. Since the number of the interviewees is not too large to comment, interviews will be used extensively (about 60).

After evaluating the attempts and their effectiveness one by one, the chapter combines them together and examines their overall value and ability in creating a bureaucracy for the third millennium. In examining the sixth condition the study shifts the theme of the discussion from Turkey to the Next Steps and their application. While evaluating the three initiatives, the chapter asks fundamental questions regarding the

altered societal settings of the country, a major cultural change towards market and business values, and the measurement of the commitment of political actors. So the study concentrates on the 'new' analysis of major changes in the principles of bureaucracy rather than 'old fashioned' administrative analysis. These three important elements, society, politicians and administration, also reflect the three elements of principal-agent theory as explained in chapter IV.

As parallel to the six problems, the examination of the three initiatives deals with the following questions: What kind of benefits do they offer? Can they be solutions to the Turkish bureaucracy? Have they covered all the identified problems? Can they guarantee limited political involvement or high '*esprit de corps*'? Are the ideas behind the attempts politically motivated? Are they worth consideration as genuine initiatives? Do they have public, bureaucratic, and political support? What is the extent of their implementation? And, Does the civil service need to have a different kind of reform, like the Next Steps?

The chapter deals with the three initiatives separately. The above questions reflect the structure of the chapter in general: the first four questions examine the essence of the bureaucracy and its ability to solve its problems; the following two questions explore the attempts' genuineness; the next two question the feasibility of their implementation; and the last one evaluates the attempts to find out whether they need extra qualities and quantities to become effective and efficient.

The chapter comprises six main sections. After this introductory part, two components of the project, the Norm Posts and the Civil Servants Bill, are examined. The Norm Posts part focuses on its theoretical aspects, while the bill is introduced in detail. In line with the above questions, the third section explores the Public-Net project in terms of its technologic and strategic importance. Therefore the inquiry goes beyond the official claims and explores the rationale behind the attempt. Fourth, as an interesting case, the JTE Project is worthwhile examining, so its challenging rhetoric is examined and its value as a reform is discovered. The fifth section, the evaluation of the initiatives, analyses the three attempts to find out their ability to solve the problems of the Turkish bureaucracy. Moreover, it clarifies if the reforms are introduced for show off or genuine reasons. The concluding part draws lessons from the initiatives, and identifies their positive and negative aspects to use in chapter VIII, in comparing the UK reforms and the Turkish bureaucracy.

B- The Reform in the Law

Following the pattern set in the questions this part examines the attempt at four levels: first, finding out what was new with the initiative; second, evaluating it as an administrative reform; third, exploring its feasibility; and finally, assessing the overall position. The law reform is not limited only to the Norm Posts; it also deals with other facets such as political appointments and the principles affecting the bureaucracy. The reform of the Norm Posts is examined first, because it partly reflects the theoretical aspect of the initiative. Therefore, the examination of the Norm Posts looks a bit partial, but the problems regarding its implementation are discussed together with the bill.

1- The Norm Posts

The attempt was initiated by SPD as a part of its job 'to research improvement possibilities of public administration'. Therefore, it was only a research project until its submission to the cabinet. Moreover, the project does not enjoy the support of either cabinet members or MPs. The reform was introduced in late 1998s and since then only one ministry, the Ministry of Education, partly applied the project to the appointments of teachers. In April 1999, the government approved the reform 'in principle'. In the Turkish government tradition this is an implicit way of leaving ministries free to make their policies whether to accept it or not. Ministries seem partly to be ignoring the attempt. By examining the essentials of the Norm Posts this study may still learn about possible constraints and dynamics of Turkish politics and public administration.

The objective of this reform is to create optimum quality and quantity of posts to enable the bureaucracy to operate with efficiency and effectiveness. Having done so, over-employment and associated problems such as inefficiency, low-level financial benefits, and lack of morale can be overcome. The Norm Posts can be determined through a process in which there exists 'organisational and work analysis', 'essentials and definition of work', 'definition of norm posts', and 'post analysis'[5].

The logic of the initiative is that the public sector posts should be filled with genuine justification. In other words, over-employment in the public sector can be prevented by creating the posts with careful consideration. Organisations and their functions are analysed asking the questions of 'why', 'how', and 'what'[6]. By utilising the findings of organisational and work analysis, work definition makes sure that jobs are properly defined. A senior civil servant of Prime Ministry[7] claims that provided that it is

implemented precisely, the work definition (norm posts) principle may offer a valuable contribution to the civil service in sorting out its 'red tape', inefficiency, over-employment, and political interference problems. The essentials of the work emphasises the qualities of the personnel to make sure that defined works are performed successfully, outcome is satisfactory, and clarifies the effort required from the personnel and suitable conditions in which personnel work[8]. Information gathered by the work analysis is concretised in 'work definition' and 'work essentials' forms. Finally, the definition of the norm posts specifies the number of the posts to be created in an organisation. It is built upon other analysis and definitions.

The Norm Posts initiative may be criticised for being abstract, inflexible, and old-fashion. Prevailing New Public Management understanding looks for a more flexible, customer-driven, decentralised and competitive civil service in which posts depend on success and achievement, and management is not only the responsibility of the seniors but also the juniors. Therefore the 'top-to-bottom' approach in management coexists with the 'bottom-to-top'. Besides, the initiative does not pose any cultural change of administration towards market and business values. As the previous chapter makes clear, even the developments in the Ozal era are ignored such as the questioning the role of the state, and encouraging the private provision of goods and services. One can safely assume that the Norm Posts tries to maintain *status quo* rather than promoting change. So the attempt seems to suit a Weberian type of bureaucracy which regards civil service as a mechanical apparatus.

As an academic and politician[9] gives an explanation in an interview about the lack of support to the project that the reason for the inertia was related to the intention of the reform that is to alleviate over-employment. The ministries might have thought that the Norm Post would damage their discretion in determining the quality and quantity of posts in their ministries. The outcome is no surprise: a traditional constraint, resistance, prevents the implementation of a traditionalist reform, the Norm Posts. On 28 November 2000, two announcements coincided: one was related to the transfer of 60-70 thousand staff from three government banks prior to their privatisation to the civil service, and the other was the revelation of the names of 40,000 recruits to the civil service. The irony was that when asked the spokesperson of the cabinet[10] said that they had no plan where to transfer the staff from the banks. He did not comment, however, on the question that why did not they transfer the staff to the posts which were filled by new recruits in the very same day. So, this shows that the Norm Post is not even observed by the cabinet and

the government prefers to employ new people rather than transferring staff who are 'idle', which is not compatible with the initiative.

The handicap of the initiative is that it is a brainchild of SPD which was established in the 60s but has not developed functionally and organisationally. In addition, as one senior civil servant states in an interview[11] "the directorate symbolises an old-fashioned style of public administration, this is even evident in the apparatus they use". When an organisation is an old-fashioned one itself, it becomes highly improbable to expect it to produce new managerial methods and to be open to new ideas. The position of the SPD in the bureaucracy is so weak that though they know the real solutions they do not dare to suggest them. A number of interviewees suggested that the SPD wanted to satisfy the government and submitted "the things which would not make them upset"[12]. This reminds us, as cited in chapter III, the view of Mrs Thatcher about the civil servants and their advice[13].

2- The Civil Servants Bill

The SPD drafted a bill to replace the SOL and placed it on the agenda of the cabinet in February 1999. The bill claims to sort out the problems of the bureaucracy by changing certain aspects of the law. The directorate argues that the negative perception of the law (No 657) in the society related to the bureaucracy is responsible for the structural and operational problems of under-performance and lack of morale. This bill proposes to change a number of fundamental aspects of the bureaucracy such as neutrality and classification principles.

The proposals of the bill can be summarised under four headings: first, redefinition of the principles and approaches to the bureaucracy and the governing law; second, appointments of the bureaucrats and their period of time in posts; third, interconnected with the previous one, introduction of a three-level-bureaucratic-structure; fourth and final, standardisation of the system and the law by simplifying and centralising some functions such as recruitment, and financial and social benefits.

As mentioned in the previous chapter, the Turkish civil service is characterised by the following three principles in the law: merit, career, and classification. The bill, on the other hand, suggests the replacement of the classification principle with that of the 'performance measurement' and 'post definition'. However, their replacement does not seem to be justified fully in the 'statements of the reasons' section which is found adjacent to all acts to explain the reasons for introducing every single article of a given

act. Why these two new principles are suggested rather than others are unanswered at all by that section. The evaluation of the Turkish bureaucracy showed in chapter VI that without clear-cut evidence, changing the law frequently has been one of the problems itself.

Regarding the performance measurement principle it sounds as if it is a move in the right direction provided that it is based on objective criteria. As the bill[14] states "it (performance measurement) is to evaluate personnel by monitoring their efficiency, effectiveness, creativity, initiation, success, perseverance, and working discipline". Unfortunately, apart from the above statement the bill fails to supply any kind of measures to judge their performance. The justification of the changes is made via relying on old-type of elements and ambiguous tools such as the assessments of hierarchical seniors in the bureaucracy. Therefore, the initiative lacks objective criteria unlike the ACE index of the Vehicle Inspectorate which was praised by NAO. So hierarchical superiors' capability to gauge the performance of personnel might be weakened by the fact that they are subject to evaluation themselves, and may tend to show solidarity with their colleagues simply by over-marking their efforts. As pointed out by several interviewees[15], in small organisations everybody's score is related to each other, and it is very difficult to differentiate who has achieved what. Therefore staff usually have informal relations and friendships, so a superior may wish to protect his/her friends against 'Ankara'[16]. The dilemma here is that if an immediate superior evaluates a bureaucrat he/she may not be impartial, but when a distant superior evaluates he/she may not be able to observe the bureaucrat's real performance. This point is also pointed out by Crozier[17], the dilemma of choosing 'field officers' or central agency staff. Alternatively, a group performance scheme can be more useful both in encouraging staff to work together by seeking improved efficiency, and in facilitating the measurement of their performance: the Next Steps is very good at achieving this.

Regarding the post definition principle, Article 4A[18] spells it out: "Based on the outcomes of work analysis, the post definition specifies the post's characteristics, responsibilities, place in the hierarchy, the quality of the personnel to have it, and finally to employ such people". This principle will reflect the implementation of the law. However one can be tempted to ask that do we have to introduce it as a separate principle at all. It is a basic component of the classic public administration theory that in the launch and review of a bureaucratic organisation all these definitions and analysis have to be made. Unfortunately, the over-employment in the Turkish civil service shows that so far, the work analysis and the post definition have not been conducted properly. So we have

no guarantee that the politicians would not interfere with the recruitment process, appoint more bureaucrats than needed, and undermine the post definitions[19]. Although politicians deny this argument alleging that they are in favour of tight rules to prevent over-recruitment by having an excuse against their parties' grass roots, they do not seem to be letting the bill pass through. It was told that behind closed doors many MPs and ministers have already expressed their opposition against the bill[20]. In addition, bureaucrats are also unhappy with the bill on the grounds that after the work analysis and definitions their positions might be jeopardised. The irony is that when politicians and bureaucrats oppose the bill, there exists nobody to defend it in parliamentary debates. The aspect will be examined later.

The second major change envisaged by the Bill 'has been proposed to put the appointments of the senior bureaucrats in order'. The Bill[21] asserts that:

> To prevent instability in the bureaucracy and therefore to reduce the burden on the administrative courts, senior bureaucrats can always be removed from their positions. Therefore, in line with this system of increasing efficiency and effectiveness in the bureaucracy and keeping the service permanently dynamic senior and middle level posts can be occupied for a maximum of ten years. After ten years, their work places or positions have to be changed. (the author's translation)

At a cursory glance, the argument looks very innocent and positive. A possible argument for the favour of the change might be: 'we cannot prevent politically motivated appointments, so lets allow them to see what happens'. However, the empirical data does not support this view: The interviews[22] and history[23] of the bureaucracy are critical of the argument. They argue that since the multi-party period, whenever the bureaucracy is politicised, it is pushed into confusion, corruption and inefficiency. On the contrary, they suggest politically motivated appointments should be prevented altogether, and bureaucrats should be protected against any misconduct of the politicians. "'Success' and 'competition' should be the prime elements in promoting bureaucrats rather than 'loyalty' and 'ideology'"[24]. Surely, the proposal might bring a big disappointment and inertia to the civil service, because bureaucrats may want to satisfy political actors by taking inappropriate decisions which favour politicians or which do not work at all[25]. For example, a recent public criticism came from the Director of Board of Inspectors of the Finance Ministry[26], "politicians are looking for bureaucrats to carry out their personal business. This is the main reason for corruption". What is more, the Interior Minister, Sadettin Tantan, who is well known for his 'war' against corruption cursed "the officials who work hard to please politicians rather than performing their duties properly"[27]. There is a widespread belief among the academics and civil servants that whenever bureaucrats

have been out of political discussions they have done their work properly and *vice versa*[28].

First, this proposal seems an effort to convert *de facto* situation in Turkey to *de jure*. As chapter VI explains, regardless of their political origins all parties have abused the rule of an impartial civil service and appointed their supporters to senior (as well as junior) posts, but one thing was quite clear that administrative courts and the State Council have worked as a safeguard for the bureaucrats. By and large, sooner or later wrongly discharged or transferred bureaucrats have been able to return to their posts by court verdicts; the law (No: 657 and the Constitution) protected them against any kind of misconduct by politicians. Despite the criticism about the legal process for being slow, justice is eventually done[29]. Nonetheless, the proposed change will leave the 'appointed people' defenceless against the 'elected'.

Second, the reasoning to introduce this change is not properly phrased. Here is the justification[30]: "by donating the politicians with absolute power on appointments, efficiency and effectiveness of the bureaucracy will be increased, and stability in the service will be sustained". One remembers the fact that the last four years have seen five different governments and each government changed thousands of senior bureaucrats[31]. Surprisingly, the bill still claims that if politicians have the power to remove bureaucrats from their positions freely the service will be stable. If they dared to remove such large amounts of people when they were not meant to, one wonders what would happen when they have the power. Therefore it is really difficult to understand the meanings of 'stability', and 'instability'. When is it stable or unstable: does it happen if the bureaucrats are changed or stayed. If they think that it is stable when bureaucrats are removed easily, it is against common sense that frequent changes cause instability. Even though new appointees are the best people for the job, the time the appointees spend to get to know the job is a waste itself. It implies that in four years, five new chief executives for an organisation, five new permanent secretaries for a ministry, five new directors for a division and so on. In fact, Turkey does not have such rich human resources at all. The previous chapter highlighted that every government brings its own team regardless of whether they are competent or not. Because they come and go frequently, every new 'team' tries to show they are successful and their predecessors were not. So this adverse relations cause instability, inefficiency and ineffectiveness[32].

Third, as chapter VI indicates, the involvement of bureaucrats in politics and of the politicians in the daily business of bureaucracy have created confusion and serious problems in society and in bureaucracy. The administrative system, on the other hand,

was designed to be impartial and independent of any political interference. The argument that 'we cannot prevent the political appointments so lets limit them with this way' does not seem to be valid as well. A number of interviewees objected to this proposal saying that if it is implemented it might cause an 'avalanche' effect. In other words, senior civil servants might appoint their juniors from the top posts to the bottom. Therefore, politicians would say that they did not appoint junior political figures, but the seniors (appointed actors) did it. This situation also is not desirable.

The Final argument about maximum ten years in a particular position seems to be a reasonable proposal at least in theory. The practitioners, however, do not support this view for the reason that "it is nearly impossible to find a bureaucrat in a particular position for more than ten years". If someone achieved to do that even in middle levels it is an exceptional circumstance so he/she must have extraordinary qualifications, and deserves to occupy those positions for many more years!

The third major change introduced by the Bill is the classification of the bureaucratic posts as upper, middle, and lower levels. Each level is designed to create a pattern with common educational, cultural, and seniority backgrounds. This classification would facilitate assessments of appointments, promotions, and changes of working places. Therefore the bill gives a detailed list of posts and pre-requests for the appointment to each position such as 10 years service, and a master degree[33]. The proposal is consistent with the above proposals in its own right. Such elaborate conditions and restrictions are questioned by academics and practitioners[34] as well, on the grounds that, as an interviewee[35] says, "in certain cases governments might want to appoint talented new blood bureaucrats to exceptional posts, but this bill leaves no room for manoeuvre". However, chapter VI concludes that in Turkey, exceptional cases usually become normal rituals of governments, and "they act as if the routine was exceptional[36]". So governments have to make delicate decisions to balance the need to appoint new blood people and to maintain neutrality.

The fourth and final major change is related to the arrangements and methodological approach of the bill and the civil service. The intention is to create a comprehensive civil servants act by introducing a centrally-organised entrance exam, abolishing the 'contracted' personnel status, and simplifying the law. These proposals seem to tackle the problems of Turkish administration to create a more efficient and neutral civil service. By simplifying the law and creating a more efficient civil service, the bill tries to adopt certain private sector methods in the civil service. The launch of the central exam, for instance, will help plan the number of the bureaucrats and co-ordinate

efforts to seek success. Potentially, this has the prospect of reducing the involvement of politicians in the routine business of administration, though, as a concept, centralisation is against 'the freedom to manage' idea and therefore is not desirable. Nevertheless the proposal does not seem to provide the correct type of tools in facilitating the implementation of an impartial recruitment system[37]. An independent recruitment board might be proposed as a solution to overcome the problem[38].

In Turkey, from time to time, assertions are made about impartiality and quality of recruits, alleging that they were selected only because of their political affiliations. A central exam, however, may make sure that the quality of recruits is high. It was pointed out by an interviewee[39], a trade unionist, that one possible problematic area is the interview part of the exam which is often criticised for paving the way for misconduct[40]. In fact, nearly all complaints are about the interview part. Because candidates can always challenge in the courts the results of the written exams assessed by the recruitment boards of the ministries, test results reflect neutrality. Interviews, on the other hand, are conducted according to subjective criteria. Therefore, administrative courts do not accept applications against interview results[41]. In practice, the nature of the work makes the intention of the boards nearly impossible to prove. As Divisional Head of State Council, states if a candidate has an 'obvious and clear' proof that the interview board had bias or any kinds of prejudice against him/her, he/she can apply to courts to have the result invalidated and the board members convicted[42].

Abolishing the 'contracted' personnel status may alleviate confusions caused by too many status and rules as to the personnel. As explained in the previous chapter, Guran[43] notes that "the status was introduced to employ skilled and temporary personnel, but it turned out to be a way of either rewarding bureaucrats with financial benefits or creating a type of personnel which lacks tenure". From the outset, it might be seen as a way of introducing a private sector type of recruitment system which is based on flexible relations and success rather than seniority. Their recruitment is based purely on subjective criteria, because they are not selected by an exam at all. The problem is that, as chapter VI explains, each type of 'contracted' personnel has its own rules and recruitment system, this hampers not only the work of the public administration and parliament but also judiciary. Thus this makes co-ordination and regulation of personnel quite difficult. As a number of interviewees[44] make it clear the real problem is the fear of the resistance from the bureaucrats who work as contracted personnel in the most influential departments of the government such as the Prime Ministry, Treasury, State Planning Institute, and Under-secretariat of Foreign Trade. The benefits provided with

these personnel are not rationally determined and therefore not based on performance and success. As mentioned in chapter VI, their support could not be risked at all by any government in Turkey. However, a senior bureaucrat suggests that "the government might bring a ray of hope in terms of equality and high degree of morale to the rest of the civil service by abolishing this status"[45].

The simplification of the personnel law is one of the important issues suggested to eradicate the 'red tape' in bureaucracy. The view of the Chairman of CC[46] cited in chapter VI is powerful enough to justify this argument. As the problems section of chapter VI indicates the law is rather detailed at the moment, and any attempt to ease is welcomed by both practitioners and politicians. This is also consistent with more accountability of public administration, as the public becomes aware of the functions of administration and therefore what to expect. This is like the Citizen's Charter of the UK in terms of setting the standards of services. In addition, certain civil servants[47] argue that it will be much appropriate if the law is more general by identifying the basic points and leaving the details to practitioners. As a senior civil servant[48] points out an important aspect that the reflection of the state tradition is apparent as detailed law by not trusting its bureaucrats and determining everything in advance. On the contrary, NPM and the Next Steps reform advocate delegation of power and empowerment of individuals and agencies.

Chapter VI draws conclusion from a number of interviews that bureaucrats are scared of using discretion and initiating policies. If it is the case, the bill does not promise anything new in this respect.

Are the changes powerful enough to have a reasonable amount of impact on Turkish administration? The question involves the actors of P-A theory e.g. society, politicians and administration. Firstly, although the bill has certain new elements, it does not bring a reasonable degree of changes to meet the needs of sophisticated society. Again, there is no mention of customer needs and customer satisfaction. However, the society has become aware of its power and started to enjoy the roles given to the citizens of its developed counterparts, such as the right to know about the services provided for them and the right to criticise the providers. Secondly, the bill does not seem to promote a major cultural change of civil service towards market and business values. Therefore, it sticks to Weberian type of rhetoric such as standardisation and classification. It does not mention the usage of market techniques and change of civil service culture. As mentioned in chapters II, IV, and V, the Next Steps and NPM require shift of concentration from hierarchy-based Weberian bureaucracy to competition-oriented

entrepreneur spirit. Thirdly, as stated earlier, there is a lack of commitment by politicians to change the administration by changing their attitudes and incentive structures. The 'Orphan' character of the bill not only makes the possibility of becoming a law highly unlikely but also even if enacted the implementation chance is low. For two years up to 2001 the bill was in the Prime Ministry waiting to be discussed in cabinet and sent to Parliament.

C- The Public-Net Project

This project has been established by the Administrative Development Authority (ADA) to improve the technical conditions of the civil service by installing IT equipment throughout the public service. Unlike the previous initiative, this project was already launched and some of its objectives have been fulfilled. As co-ordinators, the Prime Ministry in general and the ADA in particular play key roles in advancing the pace of the initiative[49]. The project was established in December 1997, but the start was given with 'the Public-Net Conference' in February 1998[50]. Many academics, politicians and bureaucrats attended the conference and their contributions facilitated the launch of the project[51]. This project is very challenging in its claim to heal all the problems of bureaucracy i.e. inefficiency, ineffectiveness, 'red tape' and over-employment[52]. Beside with understanding the Public-Net project, the evaluation of the attempt helps identify the elements and possible difficulties of a civil service reform which has a strong technical aspect.

The project comprises three sub-projects: the Prime Ministry Administrative Information System (PMAIS), the Ministries Administrative Information System (MAIS), and the Government Administrative Information System (GAIS). The Public-Net has started from the core of the initiative, the Prime Ministry, to the outer circle (ministries) and the entire government (regional and local). The PMAIS was completed and nowadays the MAIS is on the agenda.

The PMAIS claimed to offer a number of important advantages such as "provision of a national data bank of resources and statistics, efficiency in following correspondences within the PM, promotion of a transparent government, and increasing the citizen participation through letting them have access to cabinet minutes and so on"[53]. By establishing so, the communication will be hastened, and the delays caused by 'red tape' will be prevented. The late establishment of the network gives Turkey, unlike its certain Western counterparts, the chance of having a modern computer network and

relieves the country from the trouble of updating at least for a few years[54]. What is more, the centrally launched computer network sorts out the harmony problems amongst ministries, which has occurred in certain European countries. In fact the need for a computerised and up-to-date system is self-explanatory. On the brink of the 21 century, the flash news about the Microsoft which was announced that it is the ninth biggest economy in the world in 1999 with its market value of over $ 500 billion is the clearest evidence for the importance of IT[55]. As Heeks[56] mentions such computerised networks provide two kinds of benefits with managers: "faster decision-making through provision of timely information and better decision making through provision of relevant information". So the study exploits the genuineness and the chance of implementation, and therefore examines its prospect of changing the culture of the bureaucracy and the society at large.

The basic question to test the quality of the attempt is that: Can a technologically advanced bureaucracy achieve all of its targets? In other words, is technology the only problem? Contrary to the claim of the Chairman of the ADA[57], the answer does not look so simple. His engineering background may have given Prof. Banger the idea that he can find solutions to all problems of the bureaucracy through computers by sitting and "re-allocating resources and responsibilities, revising organisational structures, and discovering easier ways of communications"[58]. Would this be possible? It is central to administrative theory that organisations consist of human actors who have emotions, attitudes and traditions, so these morale values need to be taken into account in evaluating the performance of administration.

The project had certain disadvantages: the reason for the rush deserves an answer. Needless to say that it is an important issue but without enough infrastructure it may cause waste of scarce resources[59]. Thus computer technology is advancing rapidly, whereas prices are decreasing steadily. The vast majority of the bureaucrats have never met computers before, so their training programme can be speeded up[60]. The example given in an interview about the project is that "if you supply a computer to a scientist, he/she may innovate something useful. If you provide a computer for a child, he/she may play games. At the end, both of them use computers, but the purposes and consequences are completely different from one another"[61]. One may say that the project should have been implemented gradually by using pilot divisions. Finally, because of the financial crisis in the government, the second part of the project, the MAIS, has been postponed for a while. This also means waste of money and efforts. The three points mentioned above imply that the project was not thought out properly.

The answer of Prof. Banger to the question of 'would the project cause some job losses?' implies that this project is also a traditionalist one. Contrary to his reiteration in the interview[62] that "the project would simplify the works of bureaucrats", he does not accept the result of his argument: if you save some work you will not need a part of the work force. His attitude demonstrates a typical traditional bureaucrat: due not to attract political opposition in the run up to elections (in April 1999) he did not admit that there would be job losses.

D- The Journey Towards Excellency Project

The initiative is limited to the Ministry of Trade and Industry (MTI) and established with the personal endeavours of Yalim Erez, the minister, and Prof. Aziz Akgul, the advisor. Unfortunately, after the departure of Erez (together with the adviser) from the ministry in January 1999 the initiative seemed to lose momentum. At the moment the initiative is on the agenda but only by name. It was the first managerial reform attempt in its modern meaning to restore a government department in the history of the republic.

One may be tempted to draw a conclusion on the attempt that it looks like the Citizen's Charter initiative in Britain for several reasons. First of all, the political situations of the two actors, Yalim Erez and John Major, seemed to be similar to one another. As mentioned in chapter III, Major wanted to initiate something significant and something of 'his own' to the public after Mrs. Thatcher. Apparently, Erez had similar concerns when he planned to introduce the initiative. Before his appointment as a minister he had resigned from his party, True Path, when over 30 MPs resigned. He became an independent MP and minister in the coalition government in July 1997. However his ambition to become the leader of the True Path Party was not made secret[63]. So this initiative was a good opportunity to show something 'fashionable and significant'. Secondly, his business background gave him mistrust against the public sector and its 'deadly hands'. Before entering politics he was a very successful businessman being the Chairman of the Chamber of Commerce Unions in Turkey[64] (the most influential business organisation with millions of members). Meanwhile, he was a 'queen maker' of Mrs Tansu Ciller achieving almost the impossible by having her elected in the most difficult party (traditional and man-dominated) in 1993. Lastly, his personality facilitated the introduction of the initiative. As a civil servant[65] described him "he is an open-minded, practical, and visionary person". Another bureaucrat[66] also pointed out that "he has never dismissed any reasonable suggestion of bureaucrats and

encouraged them to bring new ideas and ways to the ministry". These three factors played crucial roles in the launch.

The gradual development of the initiative is worthwhile noting in order to understand its roots; they symbolise the reasons for the launch. This project was commenced by the launch of a committee to examine improvement possibilities in the ministry in July 1997 (like the Next Steps). The committee's concern was on the three Es: economy, efficiency, and effectiveness. They emphasised concrete suggestions to improve the quality and quantity of the work of the ministry and identified responsibilities and powers which can be delegated to the lower levels in the hierarchy, other public institutions, quangos, and private organisations[67]. In addition, in combating 'red tape' they listed the functions to be abolished and the forms not to be used.

After the submission of the report in September 1997, the ministry announced the introduction of the Total Quality Management Initiative[68]. So, the following four aspects summarise goals to be achieved:

1- to increase service quality;

2- to improve the quality of the working conditions and morale;

3- to generate a common culture among workers; and

4- to strive to meet the conditions of the quality award: ISO 9000.

The initiative was envisaged to be established over a 8-10 year period. In November, the name of the project was changed to 'the Journey Towards Excellency'.

Although the initiative was introduced three years ago and physically established two years ago, there seems no clear-cut evidence to judge its full effects on the ministerial bureaucracy[69]. Firstly, as envisaged in its introduction, it is a long-term project which needs to establish infra-structural tools at once. The initiative has not been able to complete the infrastructure yet. The evaluation of the JTE contains this limitation. Secondly, because of the 'red tape' and problems in the bureaucracy, it may have been the reason for the delay. Ironically, the attempt to heal the problems of the bureaucracy is being hampered by those problems, a vicious circle. This slow progress may not be a positive sign for the JTE, as radical projects like this are implemented quickly. Thirdly, the attempt lost its chief supporter, Yalim Erez, too early not to miss his determination and strong pursuance. New ministers (one during the January-June 1999 period, another June 99 onwards) looked reluctant to implement the initiative for political and strategic reasons. They must have thought that when the project was successful Erez would take the parade, while in failure they will be blamed[70]. Three of them are from different political parties and represent different political views, the first is a centre-right

politician, the second is a left, and the last is a right wing minister. So it may be natural not to be 'adherents' of Erez and his line, but the followers of their own party policies.

By examining the JTE, there will be a case to evaluate the likely effects of an NPM type of reform, such as the Next Steps. Inappropriateness and inadequacies of old-fashioned reforms are of good cases to reflect failures and problems. Regarding the initiative[71], it has four main intentions:

1- creating a customer-oriented civil service;

2- promoting full participation;

3- having permanent development in every aspect; and

4- providing an environment in which the talents of the workers are discovered.

These are all familiar intentions in other countries especially the first one has been popular in the United States and the UK for the last decade. The second intention promises to materialise the experiences and positive attitudes of the civil servants in the ministry by consulting and empowering them. Even though their views are not put into practice they would feel that they were important. The third point, the permanent development, makes sure that the ministry is active and always pursuing improvements in providing services. The final aspect was designed to discover the qualities of the staff by supplying not only a psychical environment but also a spiritual one.

Taken together it is difficult to argue against these four aspects as far as the NPM is concerned, but the practice may not match this view. The difficulty to spot customer wishes, for instance, is a real problem, because it is phenomenally irrefutable to know if all customers or a small but organised group want a particular service. Therefore, customer choice changes from time to time; the necessity to monitor their demands is vital. Moreover, the number of people who demand a new service does not mean that it is important and deserves priority. If a small group of people lacks basic facilities but a large group demand a secondary facility, what should a ministry do?: to provide a secondarily important service to a large group or a basic service to a small group[72]. These issues are discussed comprehensively by economists, but they never reach one final verdict. So, fashionable claims should be tested by implementation, because in practice, they may take different forms and cause bizarre problems. Other intentions of the initiative can also be criticised. The full participation, for example, looks like an empty promise and may create further concerns. If the seniors in the ministry always seek full participation of their staff even when decisions need speed, it might not deliver the proposed benefits. In addition, if staff is always asked but their views are not put into practice, it would give the impression that they are not cared at all. One may argue that

this situation would cause far-reaching consequences than without asking the views of the staff[73].

The organisation to safeguard the implementation of the initiative was launched on 20 July 1998. According to the Quality Handbook of the MTI, a secret document[74] which spells out the implementation of the initiative, a quality centre headed by a senior bureaucrat would be launched[75]. The centre was established and one of the deputy permanent secretaries was appointed as a project manager in the ministry. Additionally, one person in every division (about 10) was appointed to carry out the project thoroughly in divisions. The centre also employs some staff (experts) to assure that the communication is maintained and the initiative is co-ordinated (like the Next Steps).

For general reasons, the appointment of a deputy permanent secretary as a project manager seems to be inappropriate for three reasons. Firstly, it comes to the question that 'can a civil service reform itself'. All the actors in the project are the civil servants of the ministry: the project manager, the divisional representatives, and the experts. They are used to the system and relations, so it is really difficult for them to change the attitudes of the implementers (the above three categories of people) in the ministry. If their attitudes are unaltered the behaviours of the rest of the personnel would not change. Secondly, the project manager should be aware of his/her responsibilities. Without even having the basic knowledge of TQM he is most likely to fail in producing success and introducing positive attitudes in the ministry. As an academic[76] pointed out this caused some tensions between in the ministry. One can argue that bringing someone from the outside and donating him/her with power and responsibilities would lessen the morale of ministerial bureaucrats. If all divisional representatives are from the outside it might be the case; but only one outsider, the manager, would not cause any problem. The bureaucrats would understand that the project manager, as a professional, should have skills and knowledge, so he/she may be appointed from outside. Final problem with the appointment is the heavy workload of the deputy permanent secretary. The nature of the job he performs is an extremely difficult and tiring one. The deputies run the entire ministry, but Permanent Secretary and minister are on the spot. The post of manager is a full-time work. It is likely that he will neglect his duties either towards the project or the deputy permanent secretariat[77].

The implementation and participation in the project within divisions are at the heart of the issue. First of all, specific quality standards (how and when) were set for every division and sub-division. Customers, maybe the first time in a ministry in Turkey, were informed that they are eligible to demand an explanation when bureaucrats did not

fulfil their duties on time and in prescribed manner[78]. To deal with customer complaints, the chairmen of the chambers of commerce (CC) were appointed as the ombudsmen of the ministry[79]. The CCs are the prime customers of the ministry, but two concern points highlighted by certain interviewees are important. First,

> the chairmen are busy people both to conduct their responsibilities towards chambers and take care of their own company businesses. So, in reality, they cannot spare their time to inquire a small problem of a customer. If ombudsmen were appointed among professional people, say, retired bureaucrats or politicians, it could have been more practical. Unfortunately, since the minister, Erez, loved publicity and popularity he chose the most sensational candidates[80].

The agreement was signed between the ministry and the Chairman of the Union of the CC in a huge media presence[81]. Second problem is associated with the legal system of Turkey, because it requires a special act to allow the establishment of the ombudsman. Ombudsman system cannot be established by an administrative decision, because the related clause of the Constitution is very clear: "nobody can practise a power and responsibility unless he/she is given by the Constitution and the law". Neither the Constitution nor the act[82] have given any discretion to the minister to delegate the power of the inspection to 'quangos'. In conclusion then, as one senior civil servant makes it clear, if someone challenges this practice in the State Council, it will be abolished for sure[83]. Leaving aside the legality and capability problems, the idea of having independent inspectors is expected to be welcomed by the general public and the clients of the ministry[84].

One NPM-type move is the classification/differentiation of the ministerial customers as 'outside' and 'inside'. This shows the desire to establish market methods to the public sector, and therefore change of civil service culture from old-style administration to new public management. This also highlights the emergence of a customer culture and competition between divisions of the ministry and private service providers. A logical extension of the differentiation comes to the conclusion that if a division fails to satisfy an 'inside' customer, the customer could go 'outside' and purchase the service. The initiative does not adduce what happens when the divisions disappoint 'inside' customers. The negligence (or forgetfulness) of mentioning about monitoring arrangements and possibly privatisation or contracting-out options for certain ministerial services is not consistent with the logic of customer separation. The prevailing privatisation discussions in the country and the trend in the world towards a smaller public sector have been ignored. In an interview, a civil servant involved the initiative alleges that although initially they had agreed this possibility, "the minister wanted to be

nice to everybody and did not reveal the idea". The Next Steps notion of privatising the agencies when they are ready, for example, could have been implemented[85].

The JTE envisaged diminishing the number of the bureaucrats in the HQ, but this has been postponed due to the resistance from the staff[86]. The proposition was that the HQ was submerged by the crowded staff, so 50 % of them should be transferred to branches. The reason for the postponement was the staff's lack of willingness. However an interviewee, academic, asserts that "the stepping back at the initial stage while a decision was already made spoiled the success of the initiative". Bureaucrats were not convinced about determination and courage of politicians in carrying out the initiative.

As a part of the 'customer caring approach', the ministry introduced the policy of keeping experienced staff in the buildings of the CC "to assist their problems locally, issue ministerial permissions, and conduct their duties and responsibilities towards customers"[87]. This has eased some 'red tape' and bureaucracy related problems. One explanation needs here that all commercial companies have to get permission from the MTI before they are formally established, and register themselves in the CC. By keeping a representative in every CC, the ministry has made it more convenient for customers[88]. However it is a costly attempt to employ a representative in every single CC, because there are thousands of CCs throughout the country. Chambers in small towns and provinces or metropolitan cities are not as equals in terms of business volume. For instance, in metropolitan cities, everyday hundreds of companies are formed, while the number drops to one or two in a month in small towns. In this respect, keeping a representative in every CC is not efficient, but 'customer friendly'[89].

To encourage the participation of staff, the ministry has organised regular, 'brain storm', meetings in each sub-division to find out the views of the civil servants (especially middle and junior). They are invited to contribute to the decision making process of divisions by suggesting effective and efficient ways of doing things. As the name, 'brain storm', implies bureaucrats are free from the worries of being blamed for their views and can make any suggestion which he/she thinks is helpful. As a civil servant states in an interview[90] "by and large all bureaucrats seem to be happy with this practice, because they think that their ideas are considered, and they can make difference in the overall policy of the ministry". Seniors are happy, because they would not get all blame if things went wrong especially in crisis times and 'tricky issues'[91]. Juniors are happy, because they feel their views are asked as to producing improvement suggestions related to the services of the ministry. Mindful of the caution that, as an academic states, "participants should be assured that they would not get the blame if things go wrong,

their views are important"[92]. As mentioned, if they are pushed into inertia the practice might backfire. Certainly the intention of the attempt does not match the outcomes so far.

E- Evaluation of the Initiatives

This section examines the three initiatives both to clarify the reform process in Turkey and its consistency with modern types of administrative reform, namely the NPM and the Next Steps. In other words, the study examines the initiatives in local perspective (the Turkish bureaucracy) and in global context (the NPM and the Next Steps). By following the order set in the introduction the attempts are discussed one by one.

1- The Reform in the Law

Does the project take into account the societal demands? The evaluation before setting up posts does not seem to care about the 'customer' needs. The developments in Internet, for instance, can be a brilliant topic for political scientists to research in this respect. As chapter VI mentions the developments in Turkey especially since the earthquake, August 1999, an active society is being created in and around Internet. Day by day, so many people are connecting to Internet and they are very keen on reading news and commenting simultaneously by complaining not only about the quality of the news but also political, social and economic developments[93]. Everyday, different opinion polls are placed in every corner of web pages so that viewers let politicians know about their views[94]. Contrary to this democratic awakening, the Norm Post initiative recommends the evaluation of posts for the sake of posts, rather than the intention of meeting the demands of the users. The entire project does not even mention about the needs or demands of the citizens. Having said that, we can safely assume that the project does not fulfil a New understanding of administrative reform.

As regards to political support to the initiatives, it suffers from the lack of interest of politicians and the public. At the moment it is open to discussion in the cabinet, but it is more likely that "it will be either totally rejected or fundamentally changed"[95]. The need for a clarification here is that the bill has not been sent to the parliament so it is not a public property yet[96].

The bill's proposals do not seem to require a major cultural change by the civil service towards market and business values, and therefore it does not reject old fashioned Weberian bureaucracy. It seems to encourage 'New' managerial approaches, but it does

not provide essential elements and still relies on Weberian means such as performance measurement which lacks objective criteria and left to the discretion of hierarchical superiors. Therefore it is really difficult to label this bill and the norm posts as the sorts of reform Turkish administration needs.

2- The Public-Net Project

Despite the official rhetoric[97], it is too much to call the project as a reform but only a project to modernise the civil service in terms of IT equipment and information storage/supply. The evidence gathered from those involved and the outside observers suggests that it is no more than a technical structure modernisation project. Therefore it should be treated as a routine construction work[98]. Nevertheless, one should not forget the fact that, as explained in chapter II, NPM and managerial developments in public administration have been accelerated (if not initiated) by the developments in IT. Therefore technical infrastructure does not make any organisation inefficient and ineffective; the worst scenario may regard IT as a neutral element. It is, therefore, welcomed the argument that due to the effects on inefficiency and other problems it deserves a positive response.

As mentioned, this project has a great degree of potential to facilitate establishment of a 'New' type of administrative system. One may or may not call it as an administrative reform, but it is certainly a pre-condition to a modern type of administration. What is the position of the project in terms of the three segments of the groups? Regarding the societal setting, it contains valuable possibilities: through using the channels formed by the initiative citizens can easily access to information stored by administration and exchange views and information via computer. This helps create an active society which has a fresh interest in government affairs. The recent developments in Turkey are consistent with these assumptions. This may make sure to a certain extent that accountability of public administration to the public can be achieved.

With regard to administration, the Public-net may be beneficial as well. Implementation of market techniques can benefit from a computer network which distributes information in one tenth of a second to thousands of recipients and in return, collects information in the same time period. Contracting-out, for instance, may become easier to implement through facilitation of not only tender process but also monitoring of performance[99]. Business values can be adopted fairly easily to public administration.

Another fundamental aspect is the political support which may make sure that politicians become eager to change the administration by changing their attitudes and incentive structures. Does the project enjoy the commitment by politicians? At the moment the answer is 'Yes'. The interviews show that the political support is available. However, due to the political and economic instability the support may melt away. MAIS project's postponement proves this argument. Besides, there is still some doubt among bureaucrats, politicians and academics whether to call the project as an administrative reform or only 'a technical update'[100]. In addition, the project does not guarantee the change of attitudes of human beings: 'physical change may not prompt attitude change'.

3- The Journey Towards Excellency Project

Apart from the discussion about its qualities, this project does not seem to be effective in eliminating the questions raised from the examination of the civil service. Firstly, a civil service reform initiative could not be so identical to a political actor, and therefore its destiny does not depend on one person only. That is to say that reforms need a reasonable degree of support. Apparently, the JTE was not bothered to obtain support neither from the PM nor the cabinet[101]. Instead it sought the media and public approvals[102]. Undoubtedly the public and media supports are two important elements in any given reform, but they are not enough to accomplish it. Therefore, the initiative has lacked political support. However, on behalf of citizens, politicians are the people who implement reform initiatives.

As a managerial reform attempt the initiative has brought entirely new ideas to the civil service and public agenda. Setting standards and targets, and differentiating internal and external customers are two of the elements which show resemblance to that of the NPM and the Next Steps. This signifies a desire to meet the change in the societal settings towards a more demanding and sophisticated public which claims not only quantitative increases but also qualitative developments in the delivery of public goods and services. It is no longer possible to deceive the society, by claiming that standards of the public services are quite high: they see private sector, they see other countries and they see other regions in Turkey. This can only be achieved with a more responsive public administration that cares and adjusts its behaviour according to the change in the public. Maybe the first time in its history, the ministry intended to take such vital and comprehensive measures to change the way it is managed; it has not advanced though as much as could have been. What is more, beside with the political frustration of the

minister, certain actions have not been appropriate at all. The postponement of the downsizing in the HQ, for instance, was a step down, affecting the feasibility of the project. Thus, one compromise followed another and the staff has not perceived the determination of the minister in precise implementation of the initiative[103].

Regarding the performance of the project, as was confirmed by a number of interviews[104] the JTE has eradicated a vast amount of 'red tape' in the ministerial bureaucracy. After the first report in August 1997, the minister ordered 'the clearance of the unnecessary practices and forms'[105]. One positive contribution of the project was that as long as political will exists, preventing 'red tape' is not a difficult task (the Rayner scrutinies in Britain also proved this). Modern management methods such as creating a competitive environment and making everybody responsible for his/her actions by performance-related payment and other means have the prospect of resolving the problems stemmed either from 'red tape' or political interference.

Another positive aspect of the initiative was the willingness to create a positive environment in which the personnel enjoy themselves, and a ministerial culture is established[106]. A common culture and the participation of the staff would certainly increase the morale of the personnel. This, therefore, promotes these inter-related factors to bring efficiency and effectiveness. Regarding the attempt to create a common culture, certain ministerial awards were set up to encourage the staff to work hard and show solidarity among their fellow friends. As happens in many cases in Turkey, if awards (the employee of the month, and the quality) are given to certain people ('friends' for instance), personnel fell disappointed and betrayed. So a good intention might turn out to be a fatal and disastrous practice[107]. Unfortunately we do not have enough information to judge the full effects of the initiative in these areas.

One of the weak points of the initiative is that it did not intend to alter the organisational structure of the ministry[108]. Apart from the appointments of the manager, divisional quality representatives, and quality experts, it did not modify the structure of the MTI. The traditional structure and relations remained unchanged and the initiative has sought a success. One can argue quite rightly that if the relations are the same how would it be possible to increase efficiency and become quality-conscious. It is clear that the physical environment is a crucial factor in persuading the staff to change their attitudes. Because the intention here is to examine the genuineness of the initiative, the TQM is not questioned in detail. As the implementation book[109] published by the ministry admits, the initiative requires a flexible organisational model in which hierarchy is softened and responsibilities and power are delegated to lower levels. So, the

empowered bureaucrats would become the advocates of the initiative, working hard to make it prosperous. From this angle, there is no obvious evidence that the JTE has been successful.

Another concern is related to the determination of the service standards which were displayed by the ministry. Although specific dates and qualities are listed, their justifications have not been done at all[110]. Why is it, for example, 45 days 'to investigate complaints against companies,' and not 44? Apparently, functions were listed only by consulting with appropriate divisions of the ministry, not with customer organisations (the CCs for instance). So they specified dates and standards which suit their efforts. Perhaps worse than this is the negligence/forgetfulness of the ministry to mention the frequency of revision of these standards. This may imply that they are not going to improve these standards. One civil servant involved the initiative answered the question of whether a small mistake or a deliberate action prompted it? He[111] stated that "the existence of specific standards is a success itself. No other ministry or organisation dared to bind themselves by specifying the quality and time of the services, and face complaints if they failed to deliver them in the specified manner". His statement is certainly unacceptable, as the revision was a pre-request and promise (permanent development) of the initiative and TQM.

In conclusion, remembering the problems of the ministry (as part of the civil service): 'red tape' was tackled, over-employment was untouched, political interference was maintained, the rigid personnel law was relatively unaffected, and attempts were made to address inefficiency. However, the intention of the minister has always been questioned not only by the public but also his bureaucrats[112]. The following section identifies the lessons which could be learned from the three initiatives, and evaluates whether they can make the problems of the civil service disappear.

F- Conclusion

This chapter reveals that there is a reasonable amount of contemporary pressure to reform Turkish public administration. Three major sources are evident in this context: the EU pressure, the pressure from international finance institutions, and political, economic and societal pressures from within the country. These sources possess not only a strong desire to implement policies but also the means to carry out a reform program. The position of Mr. Dervis as being *de facto* Prime Minister with a brief to initiate reform owes much to these people and organisations.

NPM type reforms are also acceptable to these sources as well as. Although a comprehensive analysis of NPM and Next Steps features will be undertaken in chapter VIII, this chapter found that NPM elements have a certain amount of promise to address the needs of Turkish administration. Turkey's desire to have a democratic, responsive, efficient, and effective government and civil service necessitate an NPM type reform as it has more consideration for these values than old fashioned administrative reforms. Objective criteria need to be set up in launching and in evaluating administrative reforms. As the quality standards (of the JTE) and the performance measurements (of the Law reform) are not clearly defined by the draft proposals and legislation, they did not have real prospect of success.

Unfortunately, the three projects, the reform in the law, the Public-net and the JTE, have failed to display a reasonable amount of success, and therefore there is a strong case for a new administrative reform to tackle the problems of the Turkish civil service. These reforms are inadequate. They either involved small parts of the civil service or propose superficial and cosmetic solutions which are quite often incompatible with the societal demands and changing characteristics of the public administration, which stress market and business values. Regardless of the fact that they are superficial or small-scale these initiatives bring a ray of hope that Turkey could and would apply modern type of public management reforms which are prevalent in many developed countries in general and the EU members in particular. In addition, the altered societal setting in Turkey and the realisation of a need to change the cultural elements of the public administration can be mobilised by the constant pressure from the EU on the politicians to establish a well-working market mechanism and an efficient public administration. These three elements (society, public administration, and politicians with the pressure of the above three sources) are likely to create a realistic prospect of shift from traditional bureaucracy to a modern managerially driven civil service.

Mindful of these aspects, the examination of the recent reform attempts in Turkey reveals valuable lessons that despite their unsatisfactory performances the initiatives show us not only how to reform but also how not to reform the civil service. In other words, the initiatives function as 'pilot' projects to test the waters, so comprehensive bureaucracy reforms in the future can learn from these attempts. The reformers' neglect of NPM and the Next Steps type reforms in applying these initiatives signifies an important aspect of the projects.

One of the important conclusions drawn from the initiatives is that reforms should comprehend the entire civil service and all aspects of the management and organisation.

An initiative co-ordinated by a central authority can have the prospects of over-seeing the problems and producing genuine solutions to them. The three projects deal with either a part of the bureaucracy or only a problem across the service. In theory, there should be no problem, for instance, to try to sort out one problem across the service, but in practice, it is really difficult due to the intricacy of the issues. Some problems are connected to each other, while some others should be dealt individually. For instance, the relations between 'red tape' and over-employment are quite obvious: employing more people than your need requires more work to carry out, while having 'red tape' in bureaucracy requires more civil servants than the real need. It is an issue of 'chicken and egg'.

The necessity to look for a consensus and support for a possible initiative is another lesson to learn. Sympathy from the politicians, the bureaucrats, academics, the media and the general public must be sought to increase the chance of implementation and success. The problems in the bureaucracy influence an ordinary person partly due to the severe economic conditions and partly to the demand from the EU for an efficient and competent civil service as a precondition for the country's accession to the Union. Besides, the last economic crisis[113] has made everybody keep an eye on the government and its agencies to observe how the tax money is spent. This can be explained with the notion of 'demanding and sophisticated public'. A second facet of the demanding public comes from the EU dimension of the issue; as a recent public survey[114] shows, a vast majority of people (over 80 %) supports the accession process and the conditions put forward by the EU. So that any failure to fulfil its responsibilities from the Turkish part is criticised by the public[115]. Due to the intensity of the problems, a possible reform initiative for Turkey requires the establishment of a radical organisational structure, and comprehend all the rules and regulations. Therefore, a reform with the quality of establishing a civil service out of nothing (*tabula rasa*) ensures a comprehensive society. For example, as the fundamentals of the Norm Posts state bureaucratic works should be analysed and necessary posts should be launched. However, the posts must be defined in accordance with new managerial techniques. This study found that Turkey needs to reconsider the policy of re-polishing the old concepts which were fashionable at the beginning of the last century, and applying inflexible structures and posts. Since the old relations and structure remained the same the bureaucrats in the MTI, for instance, have not observed any change and neither being motivated by the physical atmosphere.

One related element to the preceding paragraph is the appointment of professional people to carry out reform initiatives. Since bureaucrats in the same organisation are used to the relations and structure, it is likely that they cannot take and implement fundamental

decisions. Politicians, on the other hand, always have the worry of the next election, so they are vulnerable to the change in the political climate. Because the public opinion is not strong enough to defend what is good for the public in Turkey, professional people who are free from the promotion concerns can pursue the initiatives even the proposals are not favoured by bureaucrats, politicians and interest groups.

In conclusion then, the above implications of the chapter can help understand the possibility and feasibility of the transfer of the Next Steps to Turkey. It is worthwhile reiterating these implications: there is pressure to reform public administration; certain NPM elements are acceptable; current reforms are inadequate; and reforms have failed.

---

[1] The other bill related to the local governments which is in parliament at the moment was designed to delegate power from the centre to the periphery, will not be examined for the reason that the thesis deals only with central government activities and bureaucracy, not local governments.

[2] Recently, the Chief of Staff of the Army and the General Secretary of the Armed Forces expressed the army's support for the accession process to the EU. See for the news http://milliyet.com.tr 16-11-2000 and http://www.hurriyet.com.tr 10-11-2000 respectively.

[3] A pro-islamist newspaper reflects the opinion of Islamists and advocates the Copenhagen criteria. See the comments about the EU - Turkey Partnership Report mentioned in the previous chapter (2000 Regular Report From the Commission on Turkey's Progress Towards Accession): http://www.yenisafak.com (05-12-2000).

[4] This point was made by some colleagues of the researcher. They said they had experienced similar problems.

[5] State Personnel Directorate, 1998, **The Norm Posts Handbook** (in Turkish), Ankara, p.3

[6] Can, H. *et al.* 1995, **Personnel Regime in the Public and Private Sectors** (in Turkish), Ankara: Siyasal, pp.68-71

[7] Confidential Interview with a civil servant Halim Canturk (Ankara, March 1999)

[8] State Personnel Directorate, The Norm Posts Handbook

[9] Interview with a politician as well as an academic (Ankara, April 1999)

[10] See http://www.ntvmsnbc.com (29 November 2000)

[11] A confidential interview with a senior civil servant in Ankara, April 1999.

[12] Academics (Konya, March 1999), (Ankara, April 1999); Civil servants: (Ankara, March 1999), (Ankara, March 1999), and (Ankara, April 1999)

[13] This situation may also support the argument that the British civil service in the 80s and the current Turkish bureaucracy have similar kind of problems. In this case, the similarity is in the bureaucrats' attitudes against politicians, 'acceptable advice'.

[14] **The Civil Servants Bill**, 1998, Ankara, Article: 4.D

[15] Academics: (Konya, March 1999), (Ankara, March 1999); politicians: (Ankara, March 1999), (Ankara, April 1999); and civil servant: (Ankara, March 1999).

[16] Remember the discussion in the previous chapter that the civil service is a bureau-shaping type, bureaucrats have a common culture. So they support each other. This view was expressed by an interviewee (Ankara, March 1999)

[17] Crozier, M. 1964, **The Bureaucratic Phenomenon**, London: Tavistok, p.187-90

[18] The Civil Servants Bill, Article: 4.A

[19] This aspect has been highlighted by many interviewees, civil servants: (Ankara, March 1999), (Izmir, April 1999), (Ankara, March 1999), an academic and civil servant (Ankara, March 1999) and trade unionist (Ankara, February 1999).

[20] This information was provided by a senior civil servant in PM in an interview (Ankara, March 1999).

[21] The Civil Servants Bill, Article: 60 (the author's translation)

[22] Interviews with a number of people for instance: a judge (Ankara, March 1999), trade unionist (Ankara, February 1999), civil servant (Ankara, March 1999), academic (Konya, April 1999), civil servant (Ankara, March 1999), academics: (Ankara, March 1999), (Ankara, April 1999).

[23] Remember the previous chapter (the issue of the over-recruitment practices in the 70s and 80s, and the politicisation of the civil service).

[24] As phrased by an interviewee (Ankara, March 1999).

[25] Kutlu, O. 1999, **The Bureaucrat-Politician Relations in Turkey**, Paper Presented to the Third Triennial EURAMES Conference, Ghent, September

[26] See: http://www.sabah.com.tr 24-01-2001

[27] NTV: http://www/ntvmsnbc.com –16-01-2001

[28] This point was made by an academic (Ankara, March 1999). He pointed out that military rule periods were more efficient times for the bureaucracy. However lack of democratic rights and freedoms over-shadowed the periods. The following interviewees also support this view: trade unionist (Ankara, February 1999), academics: (Ankara, February 1999), (Ankara, March 1999), and civil servant (Ankara, April 1999).

[29] Interviews with an academic (Ankara, February 1999), and trade unionist (Ankara, February 1999). The latter strongly criticised this proposal alleging that it would not be possible to implement.

[30] The Civil Servants Bill, the Statements of the Reasons Section, p.15

[31] The previous chapter deals with the issue in detail. See chapter 6 for further information and examples.

[32] See the related part of chapter 6, and Wilks' explanation of 'adversary' politics (Wilks, S. 1986, "Has the State Abandoned British Industry", **Parliamentary Affairs**, Vol.39/1, pp-39-41).

[33] The Civil Servants Bill, Appex.1

[34] Confidential Interviews with an academic (Ankara, February 1999), and a politician (Konya, March 1999)

[35] Confidential interview with an academic (Konya, March 1999)

[36] Confidential interview with an academic (February 1999)

[37] This argument is valid for the current civil service. However, if the civil service is applied a Next Steps type reform this view may not be valid, as it has a system to safeguard corruption and political interference.

[38] Confidential interview with a Judge (Ankara, March 1999). See also chapter 8 for the proposal of an independent project board.

[39] Confidential interview with a trade unionist (Ankara, February 1999)

[40] One of the coalition partners, MHP, publicly criticised even the written exam arguing that the proposed examination institute which was at the centre of a controversy over its misconduct (cheating allegations) in the University Entrance Exam is not trustworthy at all. Therefore the case should be handled carefully, because the possibility of the misconduct is highly serious when the scale is huge. (See newspapers: http://www.sabah.com.tr and http://www.hurriyet.com.tr (18-19 June 1999)

[41] Confidential interview with a reporter judge of the State Council (Ankara, March 1999)

[42] Confidential interview with a Senior Judge (Ankara, March 1999)

[43] Guran S. 1990, **The Pesonnel Law in the 80s**, Paper presented to the Public Administration Symposium, Ankara: the State Council

[44] Two of these personnel told that they couldn't see any possibility to abolish the status: interviews (Istanbul, February 1999) and (Ankara, March 1999)

[45] Confidential interview with a civil servant (Ankara, April 1999)

[46] In a confidential interview (Konya, March 1999) complained about the rigidity of the law and centralised character of the responsibilities and resources.

[47] Some bureaucrats complained about the over-rigid law arguing that they could not work efficiently due to the law e.g. Civil servants: (Konya, April 1999) and (Konya, April 1999).

[48] Confidential interview with a civil servant

[49] Banger, G. 1998, **Restructuring the Public Administration Project**, Ankara: Prime Ministry Press, p.2

[50] **Public-Net'98 Conference**, Ankara, 23-25 February 1998, Prime Ministry
[51] The Prime Minister, the Cabinet Members, the Permanent Secretaries, Influential Businessmen, and many top-level bureaucrats, and MPs attended the conference. This was perceived as that either the initiative or the Manager was important.
[52] Confidential interview with a senior civil servant (Ankara, March 1999).
[53] Confidential interview with a senior civil servant (Ankara, March 1999)
[54] Confidential interview with a senior civil servant of PM (Ankara, March 1999)
[55] http://www.cnn.com (1 August 1999)
[56] Heeks, R. 1998, "Public Sector Management Information Systems", **Information Systems for Public Sector Management Working Papers,** No: 5, IDPM, Manchester University
[57] May be because of his engineering background Prof. Banger insisted that having established the network, the Turkish bureaucracy will sort out its all problems (Ankara, March 1999).
[58] This view was expressed by many bureaucrats: (Ankara, March 1999), (Ankara, April 1999), and (Ankara, February 1999).
[59] A confidential interview with a senior civil servant (Ankara, March 1999).
[60] The bureaucrats of the PM admit this reality in interviews (Ankara, March 1999) and (Ankara, March 1999).
[61] Confidential interview with an Official from Prime Ministry
[62] Confidential interview (Ankara, March 1999)
[63] **Hurriyet**, "Interview with Yalim Erez", 06-08-1999 http://www.hurriyet.com.tr
[64] Remember the negative view of the chairman of CC in Konya quoted in chapter 6 on the civil service and civil servants.
[65] Confidential interview with an academic and civil servant (Ankara, February 1999)
[66] Confidential interview with a civil servant of the MTI (Ankara, February 1999).
[67] Confidential interview with a civil servant of the MRI, who was also the member of the Committee to evaluate the ministerial services (in July 1997) is a senior civil servant (Ankara, February 1999) and see the web site of the MTI: http://www.sanayi.gov.tr
[68] MTI, **The Story of the Quality System in the MTI**, 1998, Ankara, pp.1-9
[69] A telephone interview with a civil servant (November 2000) reveals that there is no official report or document by the ministry announcing the results of the initiative, and also see the annual report of the ministry for the period June 1999 – June 2000, one year of the minister. The report does not even mention about the name of the JTE (http://www.sanayi.gov.tr (08-12-2000).
[70] A phenomenal argument by politicians: (Konya, March 1999), (Konya, March 1999), Turan Bilge (Ankara, April 1999), (Ankara, April 1999), and (Ankara, March 1999).
[71] MTI, **The Quality Handbook of the MTI**, July 1998, A secret document for implementation
[72] Confidential interview with an academic (Ankara, April, 1999)
[73] Confidential interview with an academic (Ankara, March 1999)
[74] A copy of the document was provided with the researcher by an anonymous senior civil servant for strictly academic purpose. However, it was/is a breach of the law to pass the document to outside the authorised civil servants even within the ministry.
[75] MTI, **The Quality Handbook of the MTI**, part 11, p.3
[76] Confidential interview with an academic and an academic (Ankara, February 1999)
[77] Confidential interview with a civil servant of the MTI (Ankara, February 1999)
[78] MTI, the Quality Handbook, App.1
[79] **The Administrative Ombudsman**, 1998, the Agreement between the MTI and the Union of the Chambers of Commerce, Ankara
[80] Confidential interview with a civil servant (Izmir, April 1999)
[81] Another example to illustrate his 'love affair' with publicity and show off appears on the ministerial bulletin (**The JTE in the MTI**, December 1998, p.7). It reports that an assessment was onducted between 29 September 1998 and 2 November 1998 by the State Standards Institute which is a branch of the MTI to evaluate the quality of the service the ministry produces. The problem is that the ministry was given a quality award by the Institute on 14 October 1998 with a huge media presence. One can wonder how was it possible to award the ministry while the assessment was being carried out.
[82] **The MTI Establishment Act**, 1985, No: 3143
[83] This point was highlighted by one of the senior civil servants in the ministry in a confidential interview (Ankara, February 1999).
[84] Confidential interview with an academic (Konya, March 1999)
[85] Confidential interview with an academic (Ankara, February 1999).
[86] http://www.sanayi.gov.tr
[87] http://www.sanayi.gov.tr
[88] The Chairman of a CC expressed his delight about the practice (March 1999).

[89] This point was highlighted by an ex-senior bureaucrat of the Ministry of Finance, and owner of a consultation firm, in a confidential interview (Ankara, April 1999).
[90] Confidential interview with a civil servant of the MTI (Ankara, March 1999).
[91] Confidential interview with an academic (Ankara, March 1999).
[92] Confidential interview with an academic (Ankara, March 1999)
[93] In July 2000 when a dispute emerged between the President (a former Chief Judge of the Court of Constitution) and the government over a decree aimed at dispelling civil servants from the civil service if they think civil servants are supporting fundamentalist religious or ethnic views, the President declined to sign it by arguing that it was against the Constitution and basic principles of the law. The polls of newspapers and Web sites were submerged with the popular support to the President and eventually the government had to withdraw the decree. This could be mentioned as the turning point for the upholding of Internet and the public power. For further information see: httP://www.trt.net.tr, and http://www.cumhuriyet.com.tr (15-07-2000)
[94] For instance see: http://www.kanal7.com, http:www.hurriyet.com.tr, http://www.milliyet.com.tr
[95] The view of a senior civil servant of PM, who is in close contact to the cabinet members (Ankara, March 1999).
[96] The Bill was provided by a confidential source strictly for this academic work (in February 1999).
[97] Prof.Dr. Gurol Banger claimed in an interview (Ankara, March 1999)
[98] Certain civil servants (Ankara, March 1999), politicians (Konya, March 1999), (Ankara, April 1999), and academics support the project.
[99] The Next Steps and NPM elements e.g. performance measurement, targets, monitoring of agency, competition, contracting, co-operation and co-ordination require this project.
[100] Confidential interview with a civil servant of PM (Ankara, March 1999)
[101] Interviews with politicians (Ankara, April 1999), and (Ankara, March 1999) (coalition partners)
[102] As one interviewee phrases "he was playing for 'the audience' not for the merit of the play".
[103] Academics (Ankara, February 1999), and (Ankara, February 1999) and civil servant (Ankara, March 1999).
[104] Confidential interviews with civil servant of MTI (Eskisehir, March 1999) and (Izmir, April 1999)
[105] According to the publication ("The JTE in the MTI", p.3) '57 forms were eliminated. This meant 40 % reduction in the paperwork of the ministry'. The reduction of the workload was also confirmed with confidential interviewees in the ministry (Ankara, March 1999), (Ankara, February 1999) (Ankara, February 1999).
[106] Some academics and bureaucrats pointed out the situation that although it may exist in small groups, a common ministerial culture is not available.
[107] Confidential interviews with civil servants (Ankara, March 1999), (Ankara, February 1999), and an academic (Ankara, March 1999)
[108] MTI, **The Quality Handbook of the MTI**
[109] Akgul A. **Total Quality Management System**, 1998, Ankara, Aydogdu, pp.5-9
[110] MTI, **The Quality Handbook of the MTI**, App.1, Service Standards
[111] Confidential interview with a civil servant (Ankara, March 1999).
[112] Confidential interviews with civil servants (Ankara, March 1999), and (Izmir, April 1999)
[113] In November an economic crisis exploded, and an IMF 'rescue packet' was asked in return of $10 billions credit. See: newspapers **Sabah**, **Radikal** and **Kanal7** (tv channel) http://www.sabah.com.tr - http:www.hurriyet.com.tr - http://www.kanal7.com (3, 4, ... 9 December 2000)
[114] http://www.anararastirma.com.tr (October 2000)
[115] A number of public survey organisations and newspapers conduct monthly surveys to find out the views of the public in different issue such as http://www.anararastirma.com.tr – http:www.milliyet.com.tr - http://www.hurriyet.com.tr

CHAPTER VIII

APPLICABILITY OF THE NEXT STEPS TO TURKEY

A- Introduction

This chapter aims to assess the value of the Next Steps agencies reform in helping to solve the problems facing the Turkish civil service. Chapter VIII, therefore, appraises two transfer conditions set up in chapter I that 'the theory must also be valid in the context in which it is transferred' and 'innovation must be implemented in the receiving country in full'. This evaluation will lead neither to a reform project nor to a concrete reform application. Instead it discusses basic elements of the Next Steps to understand the possibility of transferring the agencies reform from Britain to Turkey. Britain has achieved a reasonable amount of success with the Next Steps initiative, and the idea here is to make use of the experience by taking lessons to Turkey.

As chapter VII indicates, the Turkish civil service needs a comprehensive administrative reform, covering both the needs for managerial improvements (the EU pressure) and the identified problems (the national dimension). Otherwise, partial solutions, like the Public-Net and the JTE projects in Turkey, do not seem to overcome the issues raised in the previous chapters. The Next Steps, as a comprehensive reform, appears to suggest solutions for such problems as 'red tape', over-employment, inefficiency, political interference, lack of morale, and rigid personnel laws. Its prescriptions may affect some problems directly and others indirectly, but overall they offer the possibility of increasing the efficiency and the standards of the service.

The evaluation starts by rehearsing the conditions, as set up in chapter I, for a successful policy transfer. These conditions and their application to the case have a special importance in the sense that they can settle the theoretical aspects of the potential for reform. Even though the study does not intend to produce a concrete reform project for Turkey, features of the Turkish and British administrative systems need clarification and comparison. Administrative law, for instance, is an important part of the system in Turkey, while Britain enjoys a more relaxed public law system with significant checks and balances.

Having established the theoretical conditions for successful transfer, the examination can begin to explore the context of the Next Steps reform, and its ability to solve the problems of the civil service in Turkey. This part employs the six problems of the Turkish bureaucracy identified in chapter VI, and the six features of the Next Steps

examined in chapter V. The problems, as mentioned above, are 'red tape', political interference, over-employment, inefficiency, lack of morale, and rigid personnel law, whereas the solutions produced by the initiative are separation of policy making and implementing functions, empowering the chief executive and agency, minimising the political involvement of politicians, focusing on targets and performance-related pay, promoting openness (open-competition for chief executive posts, contracting-out, annual reports, and yearly plans), and creating a common (agency) culture and solidarity among staff. Therefore components of NPM will be considered in evaluating the Next Steps features. Many of the Next Steps elements are no different from NPM precepts. Hood's seven doctrinal elements, for instance, are a good guide for the research to follow[1]. As explained in chapter II, his elements include all aspects of management and offer a reasonable ground to focus on.

Two methodological explanations should be made. First, the evaluation plan will follow the method applied in the previous chapter, namely the Next Steps solutions are to be taken one by one and their ability to offer solutions to the six problems will be tested. The reason for using this way is to reflect the method deployed with the interviews in Turkey. In other words, the method used in the interviews was exactly the same as that used here. In addition, nothing would change if the method was reversed. Taking the problems as a base and testing the Next Steps accordingly would not alter the outcome. On the contrary, because the transfer would be from the Next Steps toward Turkey, it might be wiser to follow this approach and take the Next Steps as the base and examine the problems accordingly. The second explanation that needs to be made is that, once again, interviews are the prime source of the chapter. The pattern and reasoning regarding this source are the same as set out in the previous chapters.

The chapter consists of five main parts. First is this introductory part, which sets up the arguments and methodological aspects. Second is the review of the transfer conditions. This part not only reminds us of the conditions set up in chapter I but also applies them to both countries and identifies the surrounding conditions of the administrative systems in the two countries.

The third part discusses the fundamentals of the Next Steps reform and searches for an answer to the question of whether they can provide precise solutions for Turkey. The six aspects of the Next Steps are taken and their abilities to respond to the six problems of Turkish bureaucracy will be tested one by one. One clarification necessary here is that these aspects are closely linked to each other. One might not identify some features as distinct aspects, but the initiative can best be examined by taking them

separately. So, to be on the safe side, every facet is taken as a separate aspect in order to see it clearly. Minimising political involvement and separating policy making and implementation functions, for example, could be examined as one aspect in that the separation paves the way for minimisation of political interference. However, separate examination of these two aspects might give a better opportunity to discover the Next Steps' ability to offer solutions for Turkey. Provided that the number of the aspects is reasonable (six, in this case) it is better to review each one separately, and see both negative and positive points clearly. The same is true of the two aspects, empowering the Chief Executive and promoting openness.

Section four elucidates the position of the initiative to suit the needs of the bureaucracy in Turkey. Naturally, this part of the chapter forms one of the most important components of the thesis, with the result the conclusions of the section and the formulation of the lessons are carried out with great care. Having done this, the thesis completes a crucial step toward finding an answer to the basic question of the study: understanding whether the initiative is suitable for transfer, not suitable, or suitable with some adjustments.

The final part, conclusions, systematises the findings of the chapter and offers them in a form of 'lessons' to be learnt. Because of its importance, the concluding remarks of the chapter will be used extensively in the final chapter of the thesis. So, the conclusions of this penultimate chapter leads on to the concluding chapter.

B- Examination of Transfer Conditions

Difficulty in predicting the possibility of a policy transfer between such diverse countries as Turkey and Britain is obvious, for the reason that the systems of government in the two countries are highly different from one another. In addition, this difficulty is worsened by the differences of 'theory' and 'practice'. In other words, a slight difference becomes more significant as a result of the attitudes of the human factor in Turkey, where such theories as ministerial responsibility, merit for recruitment, and neutrality of bureaucrats are misapplied, either intentionally or unintentionally. However, one thing is certain: the bureaucracy in Turkey is not working well and needs attention, whereas its British counterpart has achieved a certain amount of success since the Next Steps agencies reform. The intention here is to discuss the possibility of transfer without too much consideration of the theoretical aspects. If we take Hogwood's view[2], for instance, we should never attempt to transfer the Next Steps to other European countries. Turkey

may not be regarded as a European country most of whom are relatively well developed and free from most of the problems which affect the Turkish bureaucracy today. Nevertheless the transfer conditions[3], as mentioned in chapter I, are general and not country or region specific, and are worthy of examination. The 7 conditions are that:

1) the situation in the original country prior to the introduction of the initiative must be understood,
2) the innovation must be based on a valid theory of cause and effect,
3) the innovation must be clearly definable and operationalisable,
4) the objectives set for the innovation in the two countries must be similar,
5) the innovation must actually have been successfully implemented in the originating country in full,
6) the theory must also be valid in the context in which it is transferred, and
7) the innovation must be implemented in the receiving country in full.

Condition one, the situation in the original country prior to the introduction of the initiative, is an essential element of the transfer. Having established this, what the innovation was actually moving from can be identified. The incremental character of the Next Steps initiative facilitates the examination of the situation in Britain. In other words, because the reform initiative employs a step-by-step approach, Turkey should have enough time to examine the structural and operational aspects of the agencies prior to introducing a civil service reform. In the 80s, the civil service cuts, Rayner Scrutinies, and FMI paved the way for an efficiency-oriented civil service. Although the original Next Steps report criticised these attempts for not being bold enough, they had played a key role in familiarising both the civil service and the public with the idea of emphasising efficiency. The Next Steps report[4], Improving Management in Government, was born out of an efficiency investigation. So those involved were more or less prepared to accept the Next Steps reform. In Turkey, the Structural Adjustment attempts and →zal's idea of minimising the role of the state in the economy and society in the 80s played similar roles which were obvious in Britain in the 1979-1988 period. To support this argument the Vice-president of the World Bank, Johannes Linn, says[5] that "Turkey has completed the first half of the reform process in the 80s, and now it is time to establish the second lap of the attempt". This was exactly the same journey that Britain completed before and after 1988.

Regarding the second condition, as chapter IV indicates, we have a strong impression that agency and public choice theories have been used by the initiative. They might have been used implicitly or unknowingly, but examination of these two theories and the initiative support the idea that they were used. Chapter IV therefore concludes that "the initiative did not follow a particular theory from beginning to end, instead it

decided what was required to achieve its objectives and then picked up the necessary theoretical elements from both agency and public choice theories"[6].

One might critically ask, on the other hand, do we really need to look for a 'valid theory' for an innovation? For example, Rose[7] does not require a certain theory; rather he is satisfied with clear causes and effects. Imagine, however, a situation where the issue is not the transfer of an administrative reform, but the transfer of the structural and operational characteristics of the British Post Office to Japan[8]. Would we still be looking for a valid theory of the post office or its operations and structure? What would happen if we made the issue less complicated and became more practical? This is not to say that theory is unimportant, but to shift the emphasis from purely theoretical considerations to a more reasonable ground. Again, Rose[9] provides an appropriate answer for the problem: "Students of public policy usually learn lessons by reading books; policy makers usually learn lessons from experience. Learning from books is usually considered theoretical, and learning from experience, practical". Certainly a valid theory facilitates the work of policy makers in transferring any initiative across time and space by providing a source of 'reference'. Nevertheless we should not forget the fact that contingency of a theory might be as harmful as a lack of theory. In other words, a theory might hamper the work of the practitioners by providing too much theory and too little practicality. Hennessy[10] offers evidence that the need to reform an organisation is usually diagnosed after times of crisis and significant problems. An examining of the history of many administrative reforms shows that reformers are more concerned with practical issues than theoretical ones, such as what kind of concrete measures can be taken, and what their impacts on the outstanding problems of the organisation (or whole system) will be.

The third condition, 'a clearly definable and operationalizable innovation', is a sound request of any transfer attempt. Hogwood's argument about the variations in size and characteristics is clearly true[11]. Firstly, however, one thing is also true: that the original Next Steps report by the Efficiency Unit indicated the structural and operational characteristics of the initiative. If we remember those requirements which were detailed in chapter IV: an empowered chief executive, a framework document to state relations, responsibilities and financial resources, a project manager to give impetus and safeguard the initiative, devolution of power to agencies etc., we can, with a degree of confidence, regard these elements as the 'definable and operationalizable' characteristics of the initiative. Therefore these requirements show that the prescription is ready. Secondly, we are not going to attempt to transfer the structural features of a particular agency, say, the Prison Service Agency or the Vehicle Inspectorate Executive Agency, but the changes

introduced by the Next Steps reform are transplanted to Turkey. So the above mentioned features, i.e. an empowered chief executive, and framework documents, are simple enough to label it as a 'clearly definable and operationalizable' innovation. One might argue that such a comprehensive reform, "a quiet revolution" in John Major's words, could not be more simple and leave a clearer blue print. Finally, although Hogwood's statement[12] that "there is no such thing as a typical Next Steps agency", denies the existence of similarities (or classification) for agencies, he seems to accept the classification made by the Fraser Report on the nature of the activities. This may show that some kind of classification can be made. Thus this is an indication of 'definability'. In conclusion then, we may assume that the elements introduced by the Next Steps, an empowered chief executive, framework documents, and so on, can satisfy the condition of 'definable and operationalizable' innovations.

The fourth condition, the similarity of the objectives in the two countries, is satisfied by the Turkish side as the receiving end of the reform initiative. First, Turkish politics is well aware of the objectives set by the Next Steps ideology. The New Right and neo-liberal ideologies have been well known by the public in Turkey since the time of Ozal. In addition, all governments in the last two decades have been formed either by right wing parties or right wing majority coalitions. Traditionally, the percentage of the vote cast for the left is about 30 % in Turkey. This percentage is not likely to change, because elections and public opinion surveys show that a transition by voters between the left and the right is very rare. The only transition is from a right wing party to another right wing and from a left wing to another left. Second, as happened in Britain, no party seems to oppose the establishment of the Next Steps type of agencies[13]. A senior politician of the DSP[14] stated in a confidential interview that

> As our party program[15] spells out the details, we want the civil service to become efficient and effective. Therefore when we come to the power we will reform it by making clear the responsibilities of every organisation and every bureaucrat. In addition, we will shop around the European countries to learn from.

In Britain, Labour did not regard the agency reform as a threat; rather it saw it as a substitute for privatisation. That is why they did not want to reverse the initiative once they got into power. Surprisingly, left wing parties in Turkey are one step ahead of their counterparts in the rest of the world, and they do not seem to oppose even privatisation of SOEs. The proof for this claim lies in the reality that a left wing minister was responsible for the Privatisation Administration in the previous coalition government. They were in charge of the implementation of the privatisations, and eventually they assented and implemented many privatisation decisions. It is reasonably sound to assume that they

would not object to the idea of an agency reform in Turkey. Additionally, it is taken for granted that in Turkey right wing parties support the idea open-heartedly. Their party leaders and programs not only mention explicitly 'marketisation' of the public sector but also advocate its implementation[16]. As chapter VII highlighted, the recent enthusiasm of politicians, the media and the public for the accession of the country to the EU and the positive developments since the prospective candidacy status was officially granted to Turkey in Helsinki on 10 December 1999 facilitate the application of any reform proposal to the Turkish civil service[17]. In this vein, Mr Dervis has already started to implement reforms in Turkish government. This suitable environment and the mood for reform need an effective utilisation by politicians.

The fifth condition, 'requirement for success and full implementation of innovation in the originating country', seems to be satisfied by the Next Steps. Nearly all the critics admit that the initiative has been successful in introducing agency status to civil service departments and divisions in Britain. More than three quarters of the entire civil service are now structured along the Next Steps lines (see Appendix 1 and 2). The research has proved that, even though some controversies occurred in the agency system, they are mostly regarded as successful. An editorial of the Financial Times[18] illustrates the contribution made by the Next Steps to the British civil service:

> But it would be wrong to rush on to a rejection of the agency system in general. It has already proved its worth by bringing greater efficiency and transparency to the operations of government...the only difference is that such problems are now more visible, instead of being hidden behind Whitehall's chronic lack of accountability.

All party support made the initiative more 'acceptable' and successful. The three main parties usually have not criticised the agency system but they have expressed their concerns about the way it is run[19].

The sixth condition requires the receiving country to have a wider context similar to that of the originator country. This condition is partly satisfied by the Turkish system of government. First, Turkey has a 'legally based' approach to the organisation and scope of the state. Thus, unlike Britain, every organisation and their decisions have to be permitted by the law and regulations. A written constitution and the laws which are derived from it reflect the hierarchy of the law. Clause 6 of the Constitution[20] is very clear "...No person or agency shall exercise any State authority which does not emanate from the Constitution". Establishing a reform like the Next Steps attempt requires the government to pass a law in the parliament. Fortunately, passing a law is not a difficult task for the government, because the system is a parliamentarian one and has a strong party discipline. In this respect, the Turkish and British systems of governments are very

much alike. One problem in the Turkish bureaucracy, that of unduly strict personnel laws, is a result of this approach to the law. By introducing the Next Steps reform to Turkey (after the necessary evaluation) the rigidity of this approach can be eased. So NPM and the Next Steps phenomena of flexible management and empowerment of people can be employed to combat the problems of the bureaucracy in Turkey. Consequently it is essential to compare and eventually, if appropriate, to transfer or to learn from the developments in Britain in the last decades. The last point is the second facet of the issue, namely that the positions of the Prime Ministers in the two countries show more similarities than differences. In Turkey, the Prime Minister has a significant degree of superiority over other cabinet members. He/shé does not have the direct power to sack a minister, but he/she can always ask the president to sack cabinet members if needed. The president, on the other hand, does not have the power to refuse.

One point relates to the last condition which is that sometimes a legalistic approach can cause some disruption. In other words, the existence of the Constitutional Court might cause problems in a sense that, if opposition parties apply to the court, they may invalidate a reform law. Passing another law in the parliament might take time and cause public embarrassment for the government. Alternatively, the government may produce Decrees As Legislative Acts. However, because of the arguments in chapter VI against this practice, this is not recommended.

The existence of the administrative law system is another difference between Turkey and Britain. Naturally it has the effect of slowing down the speed of the government departments, because they always need to consider the possibility of being taken to court by people and organisations which are affected by their decisions. Since a possible breach of the law can be prevented by the guarantee of the courts, the practice might bring benefits as well. The government and civil service are very careful not to make wrong decisions concerning civil servants in particular and the public in general. This provides people with the safeguard that, if they are abused, they have the means to defend their rights[21]. The head of the division (assigned to deal with the complaints from civil servants) in the State Council, states that

> As a high court, the Council and the administrative courts function as safeguards for the civil servants. When we take our decisions we think that civil servants, as individuals, need protection from the mischief and abuse of the authority, the state. So, we fell sympathy for the bureaucrats who were badly treated. Therefore we interpret the law in favour of the abused [22].

Since the Turkish administrative system makes more 'mistakes' (read misbehaviour) than its British counterpart, the administrative courts can rectify these mistakes and bring the system closer to the British one. In other words, the existence of the courts should not be

interpreted as a difference between the two countries; on the contrary, it should be seen as a tool which wipes out the differences between the working performances of the two systems by urging the Turkish system to function correctly. One important benefit of the administrative courts is that they can help identify policy making and implementation functions with their verdicts. Therefore, as other appeal courts, for particular situations they set precedents.

The last condition, innovation must be implemented in the receiving country in full, makes sure that the innovation is taken as a 'packet' and the distortion of the components of the innovation is prevented. This condition does not seem to be appropriate for the Turkish civil service due to the differences highlighted in this chapter. As Dolowitz and Marsh[23] illustrate this condition is only valid for 'copying', and therefore other forms of transfer such as 'emulation', 'mixtures' and 'inspiration' should also be taken into consideration (see Table 1.2). What is more, every country has its own system of administration and government; in a lesson-drawing case, one can find certain aspects of an innovation useful for its bureaucracy and some others not useful. As the concluding chapter illustrates, Turkey has had a bad experience of 'copying' a number of laws from certain European states, such as the Penal Law from Italy, the Civil Law from Switzerland, and the Trade Law from Germany. Because of the incompatibility of these laws with the Turkish state tradition and the societal culture, they caused great amount of problems in the society. Minogue and Pollitt & Bouckaert[24] argue that national administrative cultures should also be taken into account in transferring administrative reforms from abroad, as these cultures prevent and resist to the application of reforms. This brings again the question of adaptation to the civil service culture. So, even today, after seventy years of 'transplantation' and highly extensive amendments, a number of criticisms were made about the laws. In this vein, the Head of the Supreme Appeal Court[25], the most powerful judicial review authority, suggested scrapping the Penal Law and making a new one which is 'our own'. This condition, therefore, is not applicable to the Turkish case.

Regarding the difficulty of the initiative transfer to Turkey, there are two additional points to consider. First, as the last two chapters revealed, the Turkish bureaucracy is working not only inefficiently, but also ineffectively. This is mainly due to the extensive political interference of the political actors in the daily business of the civil service. The involvement has ranged from ordinary day-to-day issues to the appointments of senior, middle, and junior level bureaucrats. So the system needs a radical reform to re-establish roles and relations between the actors of the political arena.

Second, in one interviewee's[26] words "the system has to be changed radically, the roles of all actors have to be redefined. Certainly, cosmetic (*superficial*) solutions do not work in Turkey". The need for reform is a necessity in Turkey, not a luxury. 'Sacred' and 'Papa' state[27] understanding can only be defeated by devolving power and responsibilities away from the centre. Devolution of power from the centre (of the ministries) to the periphery (agencies and local governments) lessens the problems raised by too 'strong' a centre. The NPM phenomenon of 'disaggregation' can also help fight against the 'sacred' state ideology[28]. Hogwood's caution clearly would not affect the position of Turkey in pursuit of the transfer possibilities. Developed European countries may not benefit, from the Next Steps, but his results do not seem to include Turkey when evaluating the transferability of the initiative.

This study reveals that there are no overwhelming 'theoretical' obstacles to the transfer of this sort of reform. Overall, the case satisfies the conditions set up in chapter I: the majority of the conditions are gratified to great extent, while certain other conditions are barely met. The significant point is that the conditions met successfully are of pivotal importance to understanding the possibility of policy transfer from the UK to Turkey. The successful and the full implementation of the innovation in the original country, for example, have crucial importance in deciding whether the initiative could also be successful in the receiving country. If the innovation was not successful in the originating country, there would be limited chance of prosperity in the receiving one. The controversy over the existence of a valid theory of cause and effect, on the other hand, represents the 'less' significant condition of the transfer.

C- The Problems and Solutions

This section takes six essential aspects of the Next Steps reform and examines their ability to offer solutions to the six problems of Turkish bureaucracy. The criterion in deciding whether the initiative could be a solution to the problems of the Turkish bureaucracy is the ability of the Next Steps to solve a reasonable number of the problems. It is suggested that a reasonable number as being three out of six problems, namely political interference, lack of morale (to create a liveable working culture and environment), and inefficiency. A solution to these problems will enable the civil service to compete with its European counterparts after the country's accession to the EU[29]. Other problems, however, can be overcome by other means such as administrative decisions (red tape), parliamentary acts (rigid personnel law), and public pressure on

governments (over-employment). The following evaluations and the next section identify favourable and unfavourable aspects of the Next Steps phenomena. Problems could be tackled by each Next Steps feature are determined by interviews conducted in Turkey.

1- Separation of Policy Making and Implementing Functions

Although separation of functions has been discussed for the last hundred years, since the time of Woodrow Wilson, the issue stands unresolved. A widespread verdict of many students of public policy is that the possibility of a successful separation is non-existent. In fact, decision making and implementing are two sides of a coin: it is not possible to remove one side from the other. These points have been extensively discussed in chapter IV; what was not discussed, however, is the benefit of the separation for the problems of the bureaucracy in Turkey. Theoretically, the separation is a very difficult task with a number of undesirable effects. Nevertheless Britain has tried to separate decision making and implementation and to a certain extent it has succeeded.

Nearly all of the interviewees[30] contacted in Turkey identified this feature as the most promising one for sorting out the problems of the bureaucracy. Apart from the theoretical discussions which will not be repeated here, i.e. the possibility of separation, respondents were all sympathetic with the idea of separation of functions. An academic[31] states in a confidential interview that "in a democratic society, we do not have an alternative like a completely independent bureaucracy, so at least we should limit politicians' interference by identifying the steps they can and cannot take". This logical answer is symbolised by the separation.

From the outset, separation seems to be involved directly with three problems of the Turkish bureaucracy, namely political interference, inefficiency, and 'red tape'. In addition, it affects three other issues indirectly. The idea behind the establishment of the agency structure was to have semiautonomous units with simple tasks and a resources framework. The Next Steps reformers thought that agencies would work efficiently and effectively once they were granted autonomy, and provided with frameworks, and simple tasks[32]. So the aim was to reduce political involvement (by autonomy) and unnecessary practices (by simple tasks), and increase efficiency (by separation). Autonomy and simple task are two natural results of the separation.

The first issue associated with the separation depends on the answers to two questions: Could the separation reduce political interference? and How should we deal with the notion of 'if politicians are responsible for the bureaucratic outcome (ministerial

responsibility), they should have the right to be involved in the entire work of bureaucracy'? A possible reply to this latter question was given by an interviewee[33], an academic as well as a senior civil servant "as long as they act purely for the sake of the bureaucratic work, they must have an ultimate say in the decisions". However, one needs not to forget the public choice argument that politicians are self-interested individuals and always seek their own benefits. As in the interviews[34] and the literature[35], experience shows that this argument is at least partially true, if not completely true. So we can safely assume that in Turkey, politicians should not interfere with the daily businesses of bureaucracy in order to promote their personal interests. On the other hand, as public choice theory argues, one needs to be mindful of the potential danger that the bureaucrats could promote their interests by using their positions. This problem may be alleviated with the countermeasures suggested in this chapter and in chapter IX such as semi-independent project board and extra responsibilities and safeguards if the chief executives failed to provide satisfactory performance due to their personal negligence or ignorance. Therefore this section is concentrated on the part of the politicians rather than bureaucrats.

The second issue concerns the ability of the separation to heal the inefficiency problem, i.e. whether or not it helps increase the efficiency of the civil service. According to the interviews and other data a possible answer to this question is 'Yes'. Firstly, by creating a convenient medium of instruction, and secondly, by focusing on the work to be done, the Turkish civil service can be transformed into a more efficient one. This factor is also related to the Next Steps feature of reducing political interference. As a result of the separation, bureaucrats can be physically and mentally free from the 'troubles' of the political actors, and fulfil their duties in "peace of mind"[36].

As regards to the involvement of politicians in bureaucratic responsibilities, a delicate balance needs to be struck. Because politicians with different views come and go, the state needs to have a stable bureaucratic policy. When governments alter the routine business of the civil service on a frequent basis, there may not be any consistency and continuity in governance. The Turkish governmental system places special importance on the issue of continuity and stability. The main issue, as reiterated in chapters VI and VII, is the nature of the bureaucratic system; in the Turkish case it is supposed to be neutral with professional people. So politicians are expected not to interfere in the daily business of the bureaucracy; instead they are to make overall policy decisions and leave the non-elected officials free to carry out their work. The separation affords the bureaucrats this security. Provided that the project board which will be

proposed later safeguards the "interests of the bureaucrats", a system of separation is not likely to present any serious obstacles to the stability of government.

One might argue that because the bureaucracy was too infected with the disease of political interference and corruption, it cannot possibly detect the problems and act accordingly. To this end the separation will also have a symbolic meaning in that every actor has to play the role which is allocated to them. So no actor interferes in another's business. It is a good opportunity for reformers to declare that "OK, from now on everybody should mind his/her own business"[37]. A senior civil servant of the Prime Ministry, asserted that "Without a radical reform (*like the Next Steps*) it would be very difficult to reconstruct the roles and relations of each actor in the political arena of Turkey" [38] (italics are added).

The third main relevant point is the possibility of erasing the 'red tape' which affects overall performance in general, and efficiency and effectiveness in particular. By giving a relatively simple task, an implementation function, it is intended to facilitate success of an organisation. It is common sense to accept that the simpler the task, the easier the implementation is. Generally, implementation functions are easier to conduct than decision making in the sense that they require more manual and less intellectual work. However this does not mean that implementation is always as simple as mathematical operations. In other words, implementation is relatively easier than decision making but also needs attention and hard work. A senior civil servant[39] argues, therefore, that "sometimes, solutions are crystal clear, but implementation is difficult to carry out". Scarcity of skilled personnel or physical resources, for instance, might hamper implementation of solutions.

This kind of separation might discredit certain traditional notions which might have been maintained only because they were there for long time[40]. In other words, separation might produce a golden opportunity to review agency functions to find out whether or not there is any need for that particular service or good. Consequently, not only 'red tape' but also a number of other unnecessary services and practices can be relinquished. So such fundamental questions as 'Do we have to carry out that function in this particular way?' or 'Do we need this service at all?' can be asked. According to the answers, Turkey might 'kill two birds with one stone': firstly, by satisfying a precondition for transfer, the similarity of administrative structures before starting to transfer an initiative, and erase 'red tape' and unnecessary services and practices, just as the Rayner Scrutinies functioned in Britain; secondly, it can fulfil the Next Steps notion of 'simple task' and 'simple organisation'. The above possibilities also show that, by and

large, all problems are inter-related: an improvement in one problem affects other issues. This is also valid for the other three problems of Turkey.

Over-employment, for instance, is reduced not only by the separation but also by the reduction of 'red tape' and an increase in efficiency. First, simple tasks may require a reduction in personnel numbers, directly or indirectly. In addition, it could block new appointments which are driven by political concerns simply by curtailing the power of politicians in appointments. Quite clearly, it will be very difficult for politicians to recruit more people than are needed, because the new agency order would make over-employment more visible and significant. Therefore the project board can be armed with the power of resistance to the idea of over-employment. Eventually a gradual reduction can be made through retirement schemes, and the problem is solved 'peacefully'[41]. Second, any reduction in 'red tape' leaves some staff without anything to do. They can be transferred to other organisations where there is a need for personnel. This is another possibility for providing solutions for short, middle and long term problems of the bureaucracy. Third, any increase in efficiency prompted by the separation will help overcome over-employment by making an argument for efficiency, and *vice versa.*

The separation is expected to help solve the problem of low morale in that it may give entire organisations a sense that they operate on a semiautonomous basis and have their own tasks. Bureaucrats' concerns about being treated equally by the department may be fostered through the agency system. So these developments can create a better opportunity for staff to display their talents and show solidarity among themselves. Rigid personnel law, the final problem, may be eased by the separation factor. The separation affects the abilities of the agency in softening the rigidities of the personnel law by allowing it to follow its own personnel policies (recruitment, salary, promotions etc.).

2- Empowering Chief Executive and Agency

Both NPM and Next Steps phenomena seem to provide solutions for three important problems of the Turkish civil service, such as political interference, lack of morale, and 'red tape'. Basically this is empowerment of the 'non-elected' officers against the 'elected'. Therefore this self-explanatory feature offers to rebalance the relations between the two actors of Turkish politics. The empirical study in Turkey indicates that Turkey can benefit from this feature in all ways, because political hegemony over the civil service has characterised the problems of the bureaucracy significantly for the last two decades. Unfortunately a middle ground has not been established between two actors yet.

An empowered chief executive will have an ultimate say in the final outcome of the agency business. Meanwhile the Next Step implementation of the notion of empowerment does not claim to grant independence to the chief executives rather empowers them sufficiently to take care of the daily business of the agencies. Although *de facto*, it is a controversial issue, *de jure* the principle of ministerial responsibility is unaltered. Having a framework document with resources and responsibilities means giving the chief executive a defined area to play within. As pointed out by an interviewee[42], who actively involved in the JTE project as senior civil servant, "one should not forget the fact, however, that the character of the chief executive together with his/her background (private sector experience, and other qualifications) shape his/her keenness to defend the interests of the agency against politicians and other actors".

Another factor, open competition for chief executive posts, provides complementary elements to this feature. For instance, chief executives, seconded from the private sector might have more courage in defending agency interests than bureaucrats who do not have 'outside' experience, because, first, they come from a more competitive environment, and, second, they have another job to go to if they fail to satisfy their political masters. Minogue[43] reports that in Britain, for instance, in 1998, 90 out of 138 agency chief executives were selected by open competition and 25 % of them were external candidates. Some interviewees who occupy senior positions in bureaucracy seemed to be sceptical about this aspect, open competition[44]. As a 'conventional' civil servant, for instance, says, "the public sector has its own principles and recruitment system. Open competition could produce deadly effects for the civil service by attracting the enmity of the civil servants". In his account, he forgets a simple fact that open competition is a product of the NPM and the Next Steps and therefore is not compatible with the traditional Weberian bureaucracy. Competition is a term used commonly by modern type of managerial ideas to replace with the old-fashioned word, hierarchy. Others, such as academics, business unions, and politicians, support the idea[45]. The bureaucrats' scepticism may be explained by self-interest, namely the jealousy of chief executive posts. By the same token, the support from politicians may have a similar origin. The justification put forward by one politician[46] was very dramatic: "it is a good opportunity to employ talented, and skilled chief executives from 'outside'. I know people who have these qualities are working for the private sector, but I cannot employ them due to the restrictions in the law". His intention might be a genuine one, but it sounds like the familiar story that we examined in chapter VI, exploiting the situation and employing one's 'friends'.

The second problem, lack of morale, can be overcome by the support derived from the empowerment of the agency. Agency bureaucrats will have a sense of independence from the rest of the civil service and public sector which might well lead to a feeling of shame in the case of under-performance. Provided that chief executives do not have political affiliations (concerns), agency staff would expect that an empowered agency and chief executive can protect them from misconduct on the part of the politicians such as dismissal, promotion postponement, and transfer to unimportant positions. "Safeguarded by an empowered agency and being a member of a distinct organisation"[47] certainly will improve their morale. It is observed during the interviews with the civil servants that the fundamental thing is their interpretation of the situation. If they are convinced by the developments that they will improve their situations, they regard them as positive (emotional factor), and *vice versa.*

'Red tape' is a problem which is caused by both too much involvement of the centre (bureaucrats and politicians) and too many staff either in the centre or in the agency. The latter will be discussed later. The former, however, is very significant in the lower levels of the government. An empowered agency and chief executive will have the power, at least, to decide the daily business of the organisation. Devolved power can be exercised by the agency staff who execute the work and are lower down in the hierarchy. Consequently, bureaucrats in an agency will have no excuse to delay any work by claiming that he/she should get consent from 'Ankara', because 'Ankara' will no longer interfere[48]. Thus it has the prospect of leading to an increase in efficiency and effectiveness.

Regarding the rigid personnel law, the Next Steps brings flexibility to a certain extent to employment by making alterations to the law. However, the Turkish legal system does not allow much flexibility, so this problem can only be sorted out through enacting a law in parliament to ease restrictions and rigidities. Inefficiency and over-employment are indirectly affected by the empowerment. Improvements in morale and the reduction of 'red tape' may lead to increases in efficiency and flexible employment practices as well.

3- Minimising Political Involvement of Politicians

This factor seems to stand at the heart of the entire issue, to a large extent in the Turkish bureaucracy and to a lesser extent in the Next Steps. Therefore relations between politicians and civil servants have been one of the major issues occupying the agendas of

both practitioners and theorists. It appears to have connections with other problems i.e. inefficiency, over-employment and 'red tape'. Too much political involvement, namely politically driven decisions regarding the civil service, spoils the administrative system of any country. This is an outcome of the explanation given by principal-agent theory, professionalism. If we accept the postulate given by public choice theory, politicians are self-interested individuals, so they strive for their own benefits. In addition, experience shows that politicians, as with anybody else, want to secure their political futures by taking 'pre-cautionary actions'. It is not fair, therefore, to label all politicians as self-interested utility maximisers; to a certain extent they have to think about their political prospects. The agency problem that they are not sufficiently controlled by politicians does not pose any serious problem for the transfer of the Turkish bureaucracy, as the agencies (civil servants) are balanced with the Project board and certain additional personal responsibilities and countermeasures imposed on the chief executives in cases of failure and misconduct. These safeguards provide the means for the principal to monitor the agent and are examined in this chapter in detail. In the vital issues which affect, for example, national security and the future of a country we do not expect to see politicians who do not care about the country but pay attention to their political outlook. It may be more appropriate to regard politicians as aliens to the bureaucratic procedure, so they may make mistakes when they are involved in the business. The issue needs somehow settling, because systems of governments in the world today necessitate both actors: bureaucrats and politicians. One final point to make about the notion is that, as stated in chapter VI, public choice theory is more appropriate for Turkey than Britain. Thus Turkish politicians tend to enjoy more patronage and nepotism. A reason for this widespread display of the practice lies in the reality that there do not exist enough civil society institutions, and effectively a strong public opinion[49]. A second reason might be caused by the huge diversity of political parties. As chapter VI demonstrates, a fragmented parliament and lots of political parties swinging from far right to left force politicians to emphasise the differences of their views rather than the similarities. So, once in government, every party tries to award its supporters with positions in the bureaucracy. Clearly, the British political system either lacks this kind of feature or keeps it to a minimum.

Inefficiency is a direct result of political involvement both in Turkey and Britain. 'Provision of testing stations within every 35 miles radius' in Britain requires the VIA to provide the service. As this example illustrates, a sensitive balance between efficiency and service provision can best be set by bureaucrats, because they know the job better

than 'others'. If every MP from all government parties pressures the civil service to provide service to his/her constituencies, it will prove very difficult for efficiency. This is certainly the situation in Turkey. The following words belong to a civil servant[50]:

> We are not left alone with making decisions as to our responsibilities. Pressure comes usually not from the minister to whom I am accountable but from MPs from government parties. Therefore, whenever a minister faces criticism from his fellow MPs, he pretends to accuse me for not obeying him. When I am criticised, I do the same thing. In fact we are happy with each other. Unfortunately, quite often, I cannot resist when too much pressure is put upon me by the MPs, and I implement whatever I was asked to do. If I can find excuses from the law and clear-cut evidence among the State Council verdicts, I manage not to implement. Otherwise I am a civil servant who can easily be replaced. Because of 'power balance' within the government party, my minister would not hesitate to sacrifice me for the sake of his post.

The Next Steps provides the right kind of tools to eliminate political interference and 'leave the bureaucrats alone' to do their job. Also, a powerful project board[51] will guard the service against politicians. One of the means the board would have is to announce to the public the names of those politicians who want to gain personal political advantages or party-political bias through urging bureaucrats to make destined decisions. This may discourage politicians who intend to gain personal advantages from bureaucracy.

Over-employment and 'red tape' can be prevented by the reduction of political involvement. Chapter VI proved that in Turkey, politicians are the people who appoint too many bureaucrats to the posts in the civil service especially before election times. As the 1994 parliament election showed[52], for instance, despite the negative growth in the Turkish economy, many people were recruited to the civil service. With the decrease in political interference, provided that, as a Chairman of CC[53] puts into words, "the project board and chief executives should have a clear agenda of not recruiting 'family and friends' to the service", bureaucracy may become more professional in applying decisions based on principles of merit and neutrality.

4- Promoting Openness

The promotion of openness is another vital feature of the Next Steps which will be helpful for the Turkish civil service. An examination of the initiative reveals the appropriateness of this factor. Open competition for chief executive posts, and plenty of publications such as annual reports, business programs, and performance measures can make sure that a transparent organisation is created. The transparency helps identify the problems and the causes of inefficiency and ineffectiveness. In fact, openness is needed

more in Turkey than Britain, because everyday a number of corruption allegations are made either in the media, in the parliament or elsewhere[54]. A glance at an ordinary newspaper is enough to see them all[55].

The approach of the Next Steps in the appointment of chief executives, for instance, may supply a double-security for the Turkish system: first, it may make sure that a person with the right qualities is appointed; and second, the chief executive has no political alliance with a government party. Transparency implicitly obliges both political and bureaucratic actors to be mindful of public opinion and the essentials of civil service work. Because it is an open competition for everyone from private or public sectors, the result might be the appointment of unqualified people to the jobs. The solution may lie again with the project board which would have the power either appoint or veto the government's nominee. This kind of check is needed, because governments in Turkey sometimes become reckless and take absurd decisions in appointments, ignoring public opinion. In October 1999, the Justice Minister appointed his sister-in-law to a very important position in his ministry. Despite public criticism he refuses to sack her arguing that "she is the most suitable person for the job" [56]. The minister does not explain the speed of the promotion she had from an ordinary position to an exceptional post, climbing 3-4 levels, in the course of a few months[57]. In connection with this incident, the media published a picture of German Chancellor Schroder's unemployed brother and made the satirical comment that "poor Germany, which cannot find a job for its own Chancellor's brother". (They suggested Mr. Schroder came to Turkey!)[58].

Publishing annual reports and business plans can be another step forward to openness and transparency. The availability of information to the public, especially academics, journalists and opposition politicians, creates a medium for discussion. In Turkey, this may eliminate undemocratic practices in the civil service in particular and in the society in general. The revelation of performance measures, efficiency and effectiveness figures of the civil service might lead eventually to an open democratic and political system. Traditionally, as chapter VI states, organisations and people who hold public power do not regard themselves as accountable to the public, but only to certain institutions and boards. Once they satisfy those institutions and boards, they have no regard at all for the rest. For instance, despite a great deal of proven corruption and misconduct in an inspection report, the President of the Turkish Red Crescent, Kemal Demir, was unwilling to resign. A bidder alleged that he had to pay 25 billion TL to the administrators of the Red Crescent to get a contract worth 85 billion TL[59]. This was with the backing of the former Turkish president, Suleyman Demirel. President Demirel[60]

openly backed Mr. Demir, asserting that "he is a trustworthy person and no doubt in his mind that Mr. Demir wouldn't deserve the treatment he receives now". All the media and nearly all politicians wanted him to resign but he ignored them. If an attempt at transparency materialises with the agency system, then it could have the prospect of setting a good example for the rest of the country's institutions.

A final relevant point related to openness is the degree of information announced to the public by agencies. It is common sense that an unsuccessful agency would not want to reveal information which will backfire; instead it discloses manipulated 'facts' and 'figures'. So they either make public too little or too much information. When too little information is revealed the consequences are very clear to predict. When too much information is disclosed the public is deliberately misled to concentrate on details and results rather than reasons and simple reality, so they may not be able to spot 'what the Emperor is wearing'. Unprocessed numbers usually do not make sense: they only give some idea about the progress of an organisation. Therefore 'unprocessed' data can only be meaningful after treatment by experts who are familiar with that information and the work of agency. According to a well-known phrase, "numbers do not lie, but they are manipulated (twisted) to lie". By playing with numbers, agency staff may deceive politicians, the board and the public, and deflect attention from performance to numbers and figures. Again, this point should be kept in mind when evaluating the system in general and an agency in particular. So, the project board may play a certain role in making sure that the information is meaningful.

The prospect of 'performance indicators', as an important feature of the NPM, has an important connection with openness. Openness would also extend to detailed reporting of performance. Therefore, one core element of the Next Steps, performance indicators is consolidated by another element. Leaving aside the measurability and the extent of the performance, it seems that these aspects can facilitate the creation of a transparent environment in agency business in particular and government in general.

The promotion of openness may heal the problems of political interference, inefficiency and over-employment. The interaction between this Next Steps phenomenon and the above problems is very clear. Openness can urge politicians to take careful steps as to appointments (over-employment) and policy decisions (political interference), and, at the same time, it can be forcing bureaucrats to be more cost-conscious, efficiency-minded, and accountable to the public.

The creation of a common culture is the morale element of the Next Steps relevant to the transformation of the Turkish bureaucracy to its pattern. The agency reform in Britain has achieved this goal by introducing a series of measures such as delegating personnel and financial powers to agencies, establishing separate administrative units, and setting quality standards and yearly targets. The idea was that relatively small and unified organisations (agencies) with distinctive features have a better chance to focus on meeting quality standards and targets. This orients members of any agency towards having a sense of solidarity and separate identity.

On a micro level, the Turkish bureaucracy possesses a similar type of solidarity among its members. As the empirical research shows[61], in the case of trouble, bureau and branch staff tend to protect their fellow colleagues, and have their own culture and values (this relates to the Bureau-shaping argument, see chapter IV). The limitation of the issue is that it is only on the bureau level and small scale. If the agency reform can extend this nucleus, it may help transform the potentiality to actuality. In other words solidarity on a micro level can be extended to macro level. Bureau-scale solidarity, however, has a number of negative aspects which deserve attention, such as it is used only to protect 'colleagues' against 'outside' attacks. Unfortunately this protectionism does not cover the physical structure of the organisation but only its human actors. The following is a statement from a bureaucrat[62]: "if I fall into trouble it is not the organisation which protects me, it is my colleagues and friends. The organisation which is a part of the clumsy state needs protection itself". So the issue is like a double-edged sword. It will be the personality of the chief executive which may turn this partial solidarity into one that deals with the agency as a whole that is to cover not only human factors but also the physical well-being of the organisation. One hazard is that a negative, 'family-friend' type of solidarity might be extended to the agency range, this could be much more fatal than on the small scale.

It is based on the observations of civil servants that as mentioned by an interviewee[63], "Every problem of the Turkish bureaucracy is related to the cultural (traditional) background (consciousness) of those involved. A stable bureaucratic culture has not been consolidated; public opinion, and democratic practices have not settled in the society as well". If there is a strong organisational culture (tradition), politicians would not dare to interfere with the routine business of organisations, and bureaucrats would have to follow prescribed principles and obey restrictions (self-control). To a

certain extent, there is a need for a unifying culture, so that, by using common elements, staff can be mobilised to increase efficiency and effectiveness. This does not contradict the idea that in seeking efficiency and effectiveness, hierarchic and strict control over bureaucracy is no longer valid. The NPM understanding and recent developments in management theory support this argument, demanding that there is more than one way of doing things, targets can best be achieved by leaving people alone to do their job. If the Turkish bureaucracy adopts this kind of initiation and precision, existing problems may be eased. Thus bureaucrats will move automatically to protect their interests. Regardless of whoever is causing the problems, bureaucrats would have enough courage to comment on what is right or wrong. An interviewee, an academic and advisor to a minister, says that the common culture assures that "Employees feel that they are a part of an organisation rather than a very small ring in a long hierarchy chain"[64]. This process can be referred to as empowerment of individuals. Therefore, overall, organisations will consist of empowered personnel. The Next Steps notion of creating a common culture has the potential to achieve this goal. Consequently loss of confidence in the state in general and politicians and the bureaucratic system in particular can be restored gradually starting from the individuals and agencies of the civil service.

A properly oriented bureaucratic culture and solidarity has the capacity to negate the problems of political interference, inefficiency, and lack of morale. A strong sense of being a member of a distinct organisation, which is designed to achieve certain objectives (even though other organisations underachieve), gives courage and enthusiasm to agency bureaucrats. As a result, personnel may not be tempted to spoil their reputation or slow down their achievement. Through replacing a traditional type of hierarchical bureaucracy, i.e. the Turkish one, with a more relaxed, and teamwork oriented agency, staff can be easily convinced to focus on meeting targets and raising standards. The lack of individualism in the Turkish society facilitates the establishment of a common culture. As an academic[65] points out "you can easily motivate personnel by saying 'come on my friends we have to achieve this. I know we can do it'". I am assuming that this explanation is relevant to the situation in the Turkish bureaucracy in particular and society in general.

6- Focusing on Targets, and Performance-Related Pay

This feature has both symbolic and practical meanings in setting-up an efficiency-oriented civil service. Bureaucrats are invited to foster the idea that they have to achieve

targets and meet standards set by the department. The availability of an objective criterion, targets and measures, is a significant improvement for the civil service in Turkey, because in its relatively long bureaucratic history it has not been instructed by a comprehensive system of targets and standards[66]. The JTE project could have achieved some success to this end, but, due to the reasons explained in chapter VII, it has failed to do so.

Setting up targets and measuring performance are two controversial issues which suffer from lack of clearly defined criteria. As a result, one can always criticise any target or measure, arguing that it is too low or high. These subjective scales and ambiguities are questionable but the habit of striving to achieve more and more objectives is a desired target to meet by the Turkish bureaucracy[67]. This is a part of the common culture which involves the persuasion of staff to increase their efforts constantly. Having done so, efficiency can be raised and staff can be rewarded with financial incentives. Thus personnel may commence to care for both their achievements and the notion of being rewarded by their superiors. As a senior civil servant in SPD points out[68] "this feature is significant in combining two sides of the issue, namely it directs bureaucrats to focus on the work and rewards the outcome". Therefore the second part of the feature, rewards, can ensure that staff are spurred on. Moreover, the agency and its bureaucrats appreciate consequences.

Having been influenced by the developments of private sector, the Next Steps and the NPM pay special attention to concrete measures of performance and target-oriented civil service culture. The achievement of targets or the increased performance can best be provided by certain rewards and incentives. Principal-agent theory also supports this view. As the case of the Vehicle Inspectorate indicates, the performance indicators and targets have been improved not only quantitatively but also qualitatively since the creation of the agency. The Group Bonus Scheme has played a crucial role in the evolution process and in the satisfactory performance of the Inspectorate.

The issue is related to other factors such as a common culture, and the empowerment of the chief executive and agency. Detailed performance figures, publication of targets and, in cases of failure, agency explanation for failure are all the elements of revealing the secrets of the service to the public. Majority of the agency business operates in public. As a negative case, when the agency tries to disguise its poor performance, this requires a collective action of the staff. So, even this might increase the awareness about the common values and interests among the staff. However, the

following part deals with not only this aspect but also other features of the Next Steps in the quest for a reform transfer attempt.

As mentioned in Chapter II and III, one of the reasoning behind the introduction of the Next Steps idea, looking at the private sector and learning from it, has a considerable amount of influence in increasing the performance of the civil service. Performance measurement and consciousness about outcome in the public sector have similar concepts and equivalent elements in the private sectors. If the postulate that the private sector is more successful than the public (the Next Steps and the NPM believe this) is correct, the public sector functioning in line with the private sector ethics and methods should provide the benefits promised by the notion. A number of other factors related to the NPM are also effective in adopting 'performance and target culture', such as 'competition', 'hands-on management', and 'outcome rather than process'. These elements signify a focus on achievements and a continuous improvement of government practices which are two of the conditions of the EU accession process (the Copenhagen criteria) and repeated by a recent Partnership Report revealed in November 2000 by the EU Commission[69].

By and large, Turkey lacks these NPM elements to an important extent. However, certain ministries and organisations have delegated a part of their powers to semi-independent, 'associated institutions'. As an academic[70] points out these "institutions operate with a degree of autonomy and the best example is the Ministry of Energy and Natural Sources which has a small 'core' ministry and 'associated energy and natural sources organisations'". He adds that "this structure matches the structural and to a certain degree functional aspects of the agency structure". Besides, contracting-out method is being practised in public administration, though for only manual works such as hospital cleaning services and catering in schools and ministries. One may rightly claim that these precedents can facilitate the reception of an agency reform in Turkey.

D- Relevancy of the Solutions to Turkey

This section evaluates in depth the transfer possibility of the solutions to the Turkish civil service. In contrast with the preceding part, which was somewhat more abstract and general, it puts flesh on the bones of the discussion and suggests more specific and concrete actions. This section first examines the actors of reform process and explores their positions whether to support the process or not, and then produces a proper discussion through examining the solutions and problems one by one. However, due to

the complexity of the solutions and problems, when appropriate some are explored together. The separation of functions, for instance, has close ties at least with minimising political interference. Obviously, in the Turkish context, one cannot achieve the examination of separation without considering the political interference factor.

A vital question crystallises the situation as to the requirements of the bureaucracy in Turkey, and the value of the Next Steps for the Turkish bureaucracy: Why are private sector organisations more successful than public? Cliché phrases such as 'they do not have public responsibilities' or 'they have financial priorities' do not seem to explain their superior performance, because a number of new approaches to public administration, e.g. the NPM and Reinventing Government, have already proven that this is not the case. We have a unique chance here, as crisis times are good opportunities to uncover problems in any country. Ironically the earthquake[71] in Turkey reconfirmed this verdict and highlighted the problems in the bureaucracy in particular and in the public sector in general. After the disaster it was quite commonplace to see that even charities associated with the state were failing, while other charities were not. In the aftermath of the quake voluntary organisations were not only quick to respond but also effective and efficient. 'State' charities were, however, subject to a great deal of criticism from the public, opposition parties, and cabinet members. This reflects the public discontent towards the state and anything which is related to the 'official'. What Candar[72] said became the common view of the people in Turkey: "nothing will be the same after the earthquake. It also shook the entire state machine". Why do ordinary people support not the 'state' charities but 'private' ones? The answer to this question and the requirements of the EU for the membership identify the kind of reform which is needed by the Turkish bureaucracy. In the private sector patronage and unnecessary 'interference' are rarely found, if at all. Directors are empowered, and their future depends on their performance and so on. Trust and initiation are two essentials of the relations between managers and their shareholders. Unfortunately for the public sector weak public opinion institutions do not take over the same role that shareholders play in the private[73]. Consequently they do not feel obliged to satisfy their principal bosses, namely the public.

As mentioned in chapter VII, the recent economic crisis triggered by a political crisis (a political row took place between the Prime Minister and the President in the National Security Council Meeting on 19th February 2001) has given Turkey a golden opportunity to reform the public sector in general and administration in particular. Mr Dervis with the support of, IMF, the World Bank and the USA Treasury[74], has already

started to implement economic and political reforms in an incredible speed. A number of bills have been waiting to be enacted in the parliament for many years are passed in the course of days and weeks. For instance, the Privatisation of Turkish Telecom and the Banking Sector Reform Laws were enacted by the parliament in only two weeks. Civil servants and politicians who do not advocate these reforms and policies are being eliminated by the strong lobby for change. Two examples are significant. First, after his public criticism of Mr Dervis and his reform program on 31 May 2001, the resignation of a senior State Minister, Mr. Yuksel Yalova, is a clear-cut evidence that Dervis has an enormous amount of support[75]. Second, the resignation of the President of the Banking Higher Inspection Board, the most powerful regulatory body supervising private and public banks, was again an indicator of the power behind the State Minister, Kemal Dervis[76]. After giving examples of his talent and power, Kivanc[77] states that "he is untouchable". He also argues that "the entire cabinet is ruled by only one man and the rest of the members are 'pretending ministers'".

One can be concerned about the lack of a medium of discussion in the country: 'one man's game'. All coalition parties, parliament and entire civil service are 'under his command now', and even the Opposition is hesitant to criticise him. So far there are not any concrete suggestions that he undermines democratic practices and the rule of law, but this does not guarantee that this will not happen in the future. In his speeches, he always praises democratic rights and freedoms and suggests improvement possibilities in the laws in this respect.

As the previous chapter mentions, the widespread riots and demonstrations in March 2001 organised by public workers and small and middle level entrepreneurs, and the calls for resignation of the government have been an ultimatum to the coalition parties. When Mr Fisher, the Vice-president of IMF, suggested the government parties to 'invite' Mr Dervis to deal with the 'problems', the coalition partners happily welcomed him as a "life jacket"[78]. Virtually all commentators argue that the coalition parties having a clear majority in parliament have to comply with the reform proposals of Mr Dervis. IMF and the World Bank have offered the sum of $20 billion loan on the condition that the reform process introduced by Dervis has to be supported. On the one hand, there is a strong dislike against the government within the country[79]; on the other hand, due to the severe economic crisis the government needs financial support from international finance organisations.

The riots have united societal forces and demands. After the recent events we can say with a degree of confidence that societal demands as mentioned in chapter VII are

being realised to the real politic. The public is discovering its power in determining the agenda of politicians and public servants. The use of Internet and the Tv channels mushroomed in the 90s have played an important role in this. A rapidly developing private sector is also worthwhile mentioning in this account: as the private sector has been developing there appears to be a sense of comparison between the performances of the public and private. So taxpayers and the strong lobby for the EU membership urge the government to do their part in achieving a successful, market oriented public administration.

Regarding the civil service reaction to the reform process, interviews and other primary data show that their support can be enlisted. In general, responses of certain civil servants are in favour of sorting out the problems of the civil service, thereby improving the image of public administration. Besides, an agency type reform would allow civil servants to concentrate on work and escape from Treasury control. This is another incentive given to administration with the initiative.

Turning on to the examination of the problems, interviews have shown that nearly all respondents identified separation as the most promising issue to heal the problems of the Turkish bureaucracy. They also made it clear that their main concern is the potential of this aspect in sorting out "the political tyranny" over bureaucrats[80]. Leaving aside the theoretical discussions over the possibility and feasibility of separation, this examination, and indeed interviews, is inspired by the idea that separation can best serve to hinder political interference. One advantage of this factor is that, if implemented, it will be introduced as a part of a theoretical "package", so politicians may not oppose it as strongly as a straightforward suggestion. Reformers can defend the initiative in that it has nothing to do with diminishing politicians' power but the working principles of the bureaucratic machine. Otherwise a direct statement, i.e. the attempt aims to reduce the political interference of the politicians, attracts too much hostility for an administrative reform to bear. Because politicians are the masters of public power, they can prevent, spoil, and resist any kind of reform attempts. It would be wiser, therefore, to introduce restrictions on the power of politicians in the form of a 'wrapped package'.

It may not be possible, however, to completely separate decision making and implementing functions, and 'core' departments might continue to keep some implementing duties whilst agencies are obtaining 'decision-making' functions[81]. However, as a senior civil servant of the Prime Ministry[82] stresses "the controversial issue of accountability in the Next Steps cannot be left to the discretion of people". In line with the findings of chapter IV, politicians try to avoid criticism in situations of

failure by arguing that the failure was caused by operational mistakes rather than policy reasons. Perhaps it would be a good idea to identify the responsibilities of the agency and the department in detail providing that this does not restrict the 'movement' of the agencies. Secondly, as mentioned before, in cases of disagreements between the agency and the ministry, administrative courts can function as 'arbitrators' identifying the functions whether they are policy or implementation types. The intention of this evaluation is concerned with the maintenance of a neutral civil service. On the other hand, the study does not intend to create the impression that a full separation should or could be made. So arguments against separation on the grounds that it is not possible or should not be ventured are not valid for a transfer attempt of a Next Steps type reform to Turkey. Nevertheless it might not be implied and pronounced publicly, because it may affect the attitudes of all actors involved. It may erode the image of the reform initiative as 'powerful' with the result that everybody starts disregarding its elements and questioning its requirements.

One important point concerns the chances of survival of the initiative in Turkey. A safeguard is needed to make sure it is oriented and functions properly. In order to increase the chance of success, certain adjustments are needed by the Turkish civil service. It has been agreed by some interviewees[83] that there is a need for a powerful semi-independent project board ("guardian of the attempt"). Having established one, we can be assured that the negative conditions prevalent in Turkey would not spoil the system. In other words, there is a need to provide a safeguard to make sure that the attempt is not ruined by pretentious actors, basically politicians, who will be losing patronage and power. So the autonomy of the agencies is protected, and the momentum for the reform is continued. Politicians often tend to take advantage of a reform attempt by making announcements, courting publicity, and showing off, on the one hand, and putting responsibility/blame for the costs onto someone else, on the other.

A reasonable proposal is the establishment of a semi-independent project board. A possible argument for a semi-independent one is to overcome the possible aftermath of the following two aspects. First, if it is an independent organisation, it will lack the advantages of being a part of the civil service. Therefore, neither politicians nor civil servants would trust its judgements and proposals. On the other hand, if it is made up of only civil servants, firstly, politicians will be suspicious about them and, secondly, the board will be more vulnerable to their attacks. Being a civil servant in Turkey is to admit weakness due to the *de facto* lack of anonymity and solidarity. It might be better if it is a board rather than a person, because it is common sense that individuals are more

vulnerable to the pressure of the politicians. This idea of 'depoliticising policy' is also seen in independent regulatory boards and independent central banks, such as Bank of England and Central Bank of Turkey. By the same token, it is easier to influence or persuade individuals to behave in a certain way than groups and boards[84]. Therefore, because of the solidarity among its members, the board can find a better way to 'ignore' politicians. With his academic, bureaucratic and political backgrounds an interviewee says that "if he/she experiences pressure the chairperson of the board can easily overcome the criticism by pretending that he/she is also in favour of the politicians' argument but the board members are difficult people to be convinced" [85]. Regarding the members of the board, it may consist of retired bureaucrats, academics, ex-politicians and so on. The appointment of retired people, bureaucrats or others, would not cause any concern regarding age, as bureaucrats can retire when they are 50 years old or less. One important point to make is that the board would not be a hierarchical superior of the agencies but an advisory and overseeing institution to facilitate their work and prosperity.

Another way to secure neutrality and tenure of the board members could be to entrust the appointments to the president who has neither political affiliation nor possibility of a second term in office. Successful functioning of presidential appointments can be indicated by reference to the members of the High Court, the Constitutional Court, the Turkish Broadcasting Authority, and the High Education Council[86]. The president selects members of the above institutions from among candidates of each group of people. 11 members of the Constitutional Court, for instance, come from different groups of people and organisations; some professions have quotas. If there is a vacant post which must be filled, say, by senior bureaucrats, the president selects a member from among senior bureaucrats. This method of appointment is expected to diminish the power struggle of politicians for supremacy over the business of the board and eventually over the bureaucracy.

A regulatory body established in April 2000 resembles the majority of the suggestions made about the project board[87]. The Telecommunications Authority (equivalent of OFTEL) is a board and the establishing act wanted to make sure that the board members are neither involved in politics nor involve politicians in the board's business. Its members are appointed by a decree with the assent of the Cabinet and the President. A civil servant[88] points out the possibility that "as a regulatory body concerned with economic and political issues, the performance of the board may reveal important clues about the success of the Agency project board".

Having identified the reasons for the problems of the Turkish civil service, any shift of power from politicians and bureaucrats in 'core' departments to bureaucrats in agencies can be labelled as positive. However one needs to be careful not to jump to the conclusion that agency bureaucrats act as pure neutral mechanical objects. They have emotions and political preferences which guide them through their work. So they might act the same as politicians and repeat their mistakes. The consequences may cause more concern than the politicians do, because the latter at least have the prospect of standing in elections[89]. Therefore they are expected or pretend to be accountable to the public. To make sure they work appropriately the project board will observe bureaucrats' performance. This public choice idea about the suspicion can be overcome with the introduction of certain adjustments to the responsibilities and accountabilities of the agency civil servants. The adjustment is a preventive measure which introduced safeguards to make sure that the chief executive does not indulge him/herself in mismanagement, nepotism and corruption. This forces the chief executive to take certain cautious actions when conducting agency functions by making him/her personally accountable for the mistakes and poor performance of the agency, first to the management board, second to the Project board, and third to politicians and eventually parliament. In the case of mismanagement and corruption, chief executives would have to face 'punishment' by paying back the loss they caused in terms of money, and losing his/her position and the right to become a public servant or to take any job on the management boards of public or private sector institutions. Because similar regulations are successfully implemented in the Turkish banking sector, both private and public, this proposal would prevent the contingency of the freedom to manage idea. Besides, for a certain period important decisions regarding the agency business can be taken by the management board of the agency which may be formed in a similar design with that of the project board.

The gradual establishment of the agency system could be a good opportunity to employ and familiarise chief executives with agencies. Since there will be a great need to recruit impartial talented chief executives to the service, its incremental character will allow plenty of time to find them. For tactical reasons the characteristics of the pioneering agencies are very important. As Britain[90] has already gone through the same process, the very first agencies to be transferred should not find the process difficult. Hence, they will have the vision of setting up a blueprint and pattern for other agency candidates. Therefore it should not be difficult to predict that political and bureaucratic actors will be observing the performance of the agencies and executives once the

alterations are made on the system. Everybody would define his/her position when they see the initial steps taken by the agencies. Consequently these agencies can work like schools, both to educate future agency chief executives who will learn by following the developments in these organisations, and to facilitate the acceptance of the agency system by the wider public. If they become successful, any opposition to the reform can be easily defeated, and *vice versa*.

Would the country have the patience for a gradual reform? The indicators (economic and political crisis and the EU accession process) show that there seems not much time is available for Turkish administration. However, as Mr Dervis listed the country's priorities a massive cost-cutting exercise is being implemented not only in the policy expenses but also running costs of ministries. The gesture made by the military by both postponing its modernisation project worth $35 billion and reducing the daily expenses of its over a million personnel has been an important signal for the ministries to reduce their expenses as well[91]. These attempts are going to generate a reasonable amount of savings for the country. One appreciates the argument that in a democratic country comprehensive reforms cannot be implemented overnight. As Table 4.1 shows, in the first two years the Next Steps reform created only 5 agencies representing 0.68 % of the agency staff. However, the third year achieved 19 new agencies and 14.2 % of the agency staff, while the fourth year was creating 17 agencies and 29 % of the entire agency staff. If Turkey could materialise the British experience it might achieve 20-25 % agency creation in two years, which is a reasonable amount.

One less discussed but important feature is the establishment of openness in agency business and eventually in the civil service. In any case, openness is a means of bringing accountability to the civil service. Openness is defined by an academic[92] as follows: "it is based on the idea of representative bureaucracy (*in the meaning of representing the public interests, a kind of clientism*) and politics that bureaucrats and politicians must let the public know the performance and work of the bureaucracy and government". So as taxpayers (principal), the public has the right to be informed by their agents (bureaucrats and politicians). Prevailing NPM and Reinventing government approaches require a customer-driven civil service which needs transparency and a caring organisation. So both sides, the civil service and the public, are able to observe each other's needs and requests. Beside with these theoretical discussions, the practical implications are of great importance in the sense that they can provide pivotal tools to ensure success for the new reform attempt.

Having been appointed, chief executives are assumed to take care not to let anyone ruin the reputation of their agencies, because they will be conscious about success which removes worries of being removed from their posts. However this degree of self-confidence might drive bureaucrats to disregard some essentials of public policy. So there is a need to be cautious not to replace the political 'tyranny' with a bureaucratic one. As the success of the agency will mean the success of the chief executive, we have a substantial amount of confidence that chief executives will work hard to achieve their targets.

Given the reality that open competition does not necessarily mean that all chief executives will come from the private sector, there might be a shortage of impartial and competent managers. Private companies may not want to let successful individuals go into the bureaucracy; instead they may encourage unsuccessful ones. By the same token, successful managers would not want to work for a government organisation where wages are too low to attract, and working conditions are, physically and emotionally, less acceptable compared to those in the private sector. A flexible payment scheme for chief executives, like British executive agencies, could be introduced to overcome this problem. Nevertheless, due to the existence of the Constitutional Court, it would be a difficult task to avoid invalidation of a law which would have to be passed to increase the salaries of agency chief executives[93]. A possible way out of this dilemma is to amend the constitution and add a clause specifying the possibility of offering varying financial benefits to different professions. Another possibility is to employ chief executives as 'contracted personnel'. However, as said before, this has not proven attractive, for a variety of reasons, for example that they do not enjoy privileges given to bureaucrats e.g. if they break a law they have to be prosecuted as an 'ordinary' person, and not benefit from the protections and immunities which cover civil servants[94]. Perhaps these historical privileges should be abolished, as the German 'Beamte' privileges have largely been removed[95]. Higher financial benefits, on the whole, seem more attractive for most people than immunity and protection. Besides, the privileges are the assets of the classic Weberian bureaucracy more than an NPM type civil service.

A bureaucrat[96] highlighted a problem which relates to the previous one is "the potential for chief executives to leak commercially sensitive information to their former (and future) bosses in the private sector, and, more ruthlessly, to show favouritism towards the same people". A newspaper article[97] criticised outgoing under-secretaries of Treasury for accepting job offers in private companies which depend solely on Treasury decisions. Despite being prohibited on leaving their posts, four previous under-secretaries

moved to private companies. In Turkey this kind of situations might be avoided for chief executives in a possible agency system. At least, there could be a certain time period in which chief executives cannot take jobs from the private sector after their departure from the agency. By and large it is a tough task for a project board to spot and prevent corruption of this type. The irony is that the atmosphere created by the claim of openness may work instead to foster corruption possibilities. With so much publicity and propaganda the public may succumb to the belief that everything is completely transparent in the agencies, but in fact some misbehaviour might be operating in disguise. This is another concern for not only the board but also the public, especially the media and academics.

Reformers could actively support the restoration of confidence in the civil service and bureaucrats' feeling of being a part of it. To this end they may introduce schemes like 'employee of the month', organise weekend and holiday activities, promote organisational emblems, symbols and web sites. Promoting physical emblems, for instance, may spur staff to give positive importance to the organisation. A group performance scheme might provide tools needed to mingle staff, and increase awareness of solidarity and group consciousness. So employees learn the virtues and essences of working together to achieve a common objective. This helps create a common identity and eventually each individual's success becomes related to that of others.

As chapter II mentions, the Next Steps agencies would put on civil servants both to take responsibility, and to operate in a more 'quasi-market' setting. It seems that for civil servants used to 'hiding' behind the organisation and behind legal requirements it can be difficult to make this cultural change. In other words, the cultural transformation involves the adoption of 'quasi-market' work environment which charges everyone in the agency with the responsibility to increase efficiency and effectiveness of the organisation. In a given reform attempt, one of the most difficult parts is to change the attitudes of the human factor, as they used to the rules and relations which may be inefficient and ineffective. The accession process of Turkey to the EU and the harsh criticism on the government and civil service from the public due to the severe economic crises in the country have created a suitable environment to persuade the civil servants to accept the remedies proposed for them. As mentioned, almost all the interviewees (civil servant and non-civil servant) believe that civil servants are enthusiastic to co-operate in increasing efficiency and effectiveness. As one senior civil servant[98] of the MTI phrases it "I don't think the politicians would face any difficulty from the civil servants in introducing and in implementing reforms. Believe me, the civil servants don't enjoy

being 'scapegoats' during crisis times. So they would do their part to get rid of the mess". Gradual implementation and the guidance of the project board could alleviate the problems mentioned above.

Many respondents[99] point out that a common culture may play a crucial role in overcoming the lack of morale in the Turkish bureaucracy. Although there are signs of certain positivism among bureaucrats that at bureau level solidarity and the notion of belonging to a group are existent; certainly there is room to widen this feeling to cover the level of the entire bureaucracy. As an ex-civil servant, points out in an interview

> In Turkey, nearly every organisation has places for social and cultural gatherings such as common rooms, holiday resorts and clubs. Unfortunately these places are not utilised to bring higher and lower echelons of the civil service together but rather to offer a place for meeting and relaxation chiefly for senior bureaucrats. Lower level civil servants, however, come together during lunch hours and in journeys back to their homes from work, notably in Ankara[100].

He added that, "in many cases, middle and junior level civil servants live in the same apartment blocks which are provided by government" [101]. Apparently bureaucrats at the same level in the hierarchy are in close contact with their colleagues. A Next Steps type of reform may encourage low and high level bureaucrats to get to know one another more and to show a better understanding of each other's position by introducing such aspects as group performance schemes, "brain storm" types of discussion and informal gatherings outside working place and hours[102]. This has been tried by the JTE, and became successful to a certain extent. Provided that these steps are taken, NPM promises to deal with problems associated with lack of morale. The Next Steps reform seems to have the potential to eradicate this aspect in the weaknesses of the Turkish bureaucracy.

One relevant point, however, needs clarification: the amount and extent of solidarity and common culture. In extreme cases, these positive dimensions of common culture and solidarity might prompt a number of problems. However, there is always the danger that agency bureaucrats may start behaving and thinking in the same manner, so they can be manipulated easily by the people who do not want a reform project to be successful. As was mentioned in chapter VI, it is assumed that the bureaucrats removed from senior positions because of their political party preferences (employed under the titles of advisors, or consultants) will try to manipulate junior bureaucrats against the reform attempts. Nevertheless it is assumed that the benefits offered by the initiative, and the environment created by the positive mood might be appreciated by these civil servants as the reform brings certain amount of security for their positions too. In addition, as was the case in Britain, such a radical reform would be able to attract the support of all parties. Characteristics of the reformers are defined in this chapter.

Therefore, it is worthwhile reminding ourselves of a number of Next Steps counter-measures in this context i.e. performance related pay, the possibility of privatising and contracting out agency functions, and an empowered chief executive. These three factors may work against aggressive action on the part of bureaucrats but protect the running of services. The introduction of countermeasures against failed civil servants was already mentioned. Thus NPM allows agencies to shop around and promote competition within public service. Consequently, any under-performing divisions of agencies can be opened up to the market, and agency bureaucrats may have to compete for their own livelihood. If we accept the argument of Greenway[103] that "...there is a major price paid in morale. Civil Servants find themselves competing for their own jobs". Turkey might introduce the 'market' after a reasonable time period.

The sixth and final feature, focusing on targets and performance-related pay, seems to provide essential tools not only to improve the quality and quantity of services but also to create a pattern in agency business. As an NPM criterion it aims to direct organisations to perform their duties properly. Having done so, financial bonuses are offered to reward success and punish failure. Provided that it will be implemented thoroughly, this feature can be beneficial to such problems of the Turkish civil service as inefficiency, 'red tape', and lack of morale. The tangibility of performance and definition of measures continue to be an outstanding problem; the intention here is to discuss the idea of having targets and encouraging increased performance. A best way to prevent confusion, initially, tangible targets can be set, as time goes by, sophisticated targets are determined.

The lack of objective criteria suggests that the work of the Turkish bureaucracy is not carried out according to a plan (middle or short term, at least) but is instead fulfilled randomly but underpinned by law. As an academic and a senior civil servant states that "one thing is quite clear: that, regardless of target results and performance measurements, the availability itself of these factors is a starting point for seeking efficiency and observing outputs" [104]. It may therefore be more appropriate to establish these targets and measures as the first step of a long path towards having a civil service which is free from the problems identified throughout the thesis. After establishing these tools, the bureaucracy can proceed to implement targets and measures in the same way in which Britain has. Thus this factor involves a change of the bureaucratic culture from an authoritarian (Weberian) type to a NPM one.

As mentioned, the need for a radical reform not only in the bureaucracy but also in the entire state machine has been signalled by many people and organisations. As

mentioned, the earthquake in Turkey can be seen as a turning point for the public and its actors in realising how clumsy and helpless the state was in reacting to the disaster. Having seen the performance of public institutions in the incident, the President, the leader of the Motherland Party, the president of the Court of Appeal, the president of the Court of Constitution, and opposition party leaders severely criticised the driving ideology and practice of the state[105]. This included the bureaucracy and its components as well. The most striking criticism together with some optimism came from the EU which set up a number of conditions, commonly known as the Copenhagen criteria of 1993, for the Organisation for Security and Co-operation in Europe to meet before coming together to discuss the accession of Turkey[106]. The criticisms, most notably the EU have created a great opportunity to reform the state apparatus in general and the bureaucracy in particular. Because joining the EU is a national goal which is supported by all parties ranging from the pro-islamist Virtue Party to the nationalist National Action Party, the government and opposition parties have already started to look for reform projects[107]. Having examined the efforts of Mr Dervis and other developments, we can say with a great degree of confidence that a consensus on the need for a reform has been achieved.

E- Conclusion

The Next Steps agencies reform seems to provide solutions for the outstanding problems of the bureaucracy in Turkey. Though the two bureaucracies display some structural and operational differences, the solutions produced for Britain also seem appropriate for Turkey. Therefore the conditions for a successful policy transfer are reasonably satisfied by the two places as originating and receiving countries. Whilst a number of theoretical concerns related to a valid theory of an innovation might not be deemed as sufficient by some academics, the study shows that it fulfils the 'valid' theory requirement, on the one hand, and creates doubt concerning the need for the requirement itself, on the other.

The examination underlines the reality that, despite certain differences, the government systems in the two countries are quite similar to one another. The role of the prime ministers among their cabinet colleagues, the principle of ministerial responsibility, and the notion of an impartial civil service are common features shared by the two parliamentary democracies. Therefore an effective and efficient public administration can make sure that the availability of administrative law and a written constitution i.e. a legally based approach, may prevent the misconduct of the bureaucracy itself. After establishing an efficient and effective bureaucracy (public sector), these

elements (administrative law and so on) which may have hindered the success of the bureaucracy can become a safeguard to make sure that it works well.

The chapter shows that a reform process has already started in Turkey with the support of internal (politicians, civil servants and the public at large) and external (IMF, the World Bank, the EU, and the USA Administration) factors since the arrival of Mr Dervis from the World Bank to be appointed as the State Minister. The disappointing performance of the government as to economy and politics has been the major factor for the emergence of the crisis. The political support behind him and the trust of the public embodied in his mission indicate that any resistance against reform process is likely to fail. What is more, a number of ministries are appropriate for the implementation of an agency reform and though primitive certain NPM techniques are applied in some services such as contracting-out in office cleaning. This gives a ray of hope for the application and success of agency reform.

Regarding the two transfer conditions, the validity and the full implementation of the innovation in Turkey, mentioned in the introduction, the Next Steps case is also satisfactory to a reasonable extent. Given the reality that it has the possibility of obtaining all party support and it is a comprehensive type of reform involving the entire civil service and its units, the main reasons for possible failure of the project, as the JTE proves, are automatically detected. However, a number of adjustments are needed to increase the chance of implementation and success. Beside with the Next Steps, a reform transfer initiative can benefit from the elements of the NPM as it provides a wide-range of alternatives to the managerial reforms of different countries, both developed and developing. For instance, increasing efficiency and introducing competition to the public sector are the two of these elements which benefit public bureaucracies of different countries with various systems. This chapter suggests six basic adjustments and concern points. First, a powerful, semiautonomous Project Board can make sure that the obstacles to a possible agency reform are overcome during the launch and the implementation in Turkey. Its autonomy gives the board the prospect of undermining the politically motivated demands of the politicians and of eradicating the resistance of the civil servants. Second, a strong managerial board in every agency may support the chief executive in his/her work. Until the agency system is properly established, this board may play an active role regarding 'the freedom to manage' and the responsibilities of the agency. Eventually the chief executive must be given the freedom and responsibilities to the extent of the Next Steps chief executives.

Third, to increase efficiency and effectiveness, and prevent corruption, the chief executives could be personally responsible for the failures caused by his/her own actions and decisions. Therefore they would 'compensate' their mistakes by paying back the damage they caused and by not being able to work again in the boards of public and private companies. Related to this, the fourth adjustment requires the clear definitions of the roles and responsibilities of the involved actors, especially the chief executives. In other words, the weak point of the Next Steps in terms of accountability and responsibility can be eradicated by defining the responsibilities of the agencies and the departments in detail. Perhaps these definitions can specify the situations when the chief executive is to be held responsible for failure. However, this should not go to the extent of creating more 'red tape' and destroying the freedom to manage.

Fifth, administrative courts can be involved both in the process of launching and implementing. Therefore, they can sort out the problems caused by the separation of functions whether policy or implementation, namely identifying the responsibilities of the agency and the department. In doing so, the courts can facilitate the implementation of the fourth condition, and therefore it prevents the problems related to accountability. As governments ask the view of the State Council before issuing certain decrees to find out whether they are consistent with the laws, the Project board, chief executive or department can always ask the Council or administrative courts to clarify if a particular decision is consistent with the laws or a certain responsibility belongs to whom. Sixth and final, for a certain period of time autonomy and effectiveness may be given priority over the concerns of efficiency. This ensures that agencies and departments obtain the habit of living with autonomy and achieving certain results.

The chapter, based on interviews and empirical data, found that beside with the above adjustments, a possible reform transfer should be mindful of a number of factors in its operations. Firstly, a comprehensive radical reform in the scale of the Next Steps requires the consensus of the bureaucrats, the politicians, academics and the public in general. This increases the chance of implementation by providing the support required of the initiative. Secondly, a reform attempt should seek the help of the civil servants as well as the experts of the subject, both academics and politicians from outside and inside the country. If the civil servants are left alone in reforming the bureaucracy they may either 'throw the baby with bath water' or cannot spot the problems with which they have become too familiar to recognise. Experts and 'neutral' actors, on the other hand, may be in advantageous positions in the overview of the administrative structure and its problems.

Thirdly, the very first agencies need to be carefully selected as they set up examples for the rest of the agencies. As Britain achieved it by choosing, say, Vehicle Inspectorate and HMSO, selecting the pioneering agencies, in which policy and implementation functions are easily separable, from among autonomous and 'easy to operate' candidates is an appropriate way of securing the success of the agency reform. This has two dimensions: first, with the lack of experience, it becomes easy to establish and to operate the agencies; second, the success achieved with the agencies motivates all the people involved to endeavour to make the initiative prosperous. Fourthly, the gradual implementation method increases the chance of success, following the incremental pattern of the Next Steps. This gives the reform an ample time period in deciding and in putting into action the decisions to be implemented. Fifthly, the reform might contain some incentives both during and after its establishment. Therefore these financial and morale benefits for the employees and the parts involved would ensure the support of the human factors. Employees feel that their achievements are appreciated and they make difference in the performance of their organisations.

Overall, the Next Steps agencies reform in Britain sets a good example for transfer to the Turkish bureaucracy. In Turkey pressure emanating from two sources, the EU and Turkish people in various positions, indicates that a possible reform should be 'acceptable' to the EU standards as well. This potential can be exploited to catch up with the managerial improvements in the world especially in Britain and the United States[108]. As the evaluation and preceding chapters show, in Turkey the basic elements necessary to welcome the initiative are existent, and the problems and their solutions are known. So either a powerful and determined government or a reformist person with extraordinary power was required to put them into practice. Fortunately, pressure from inside and outside the country is accelerating the process and making the mission of reform minded people and organisations fashionable. All indicators show, however, that in line with Mr Dervis' program the agendas of the politicians are starting to change in their search for radical solutions to the problems of the country in general, and the civil service in particular.

The following chapter, conclusion, reviews the findings of this chapter together with the whole thesis, and therefore re-examines all the transfer conditions and their existence in the Next Steps and agency transfer case.

[1] Hood C. 1991, "A Public Management for All Seasons?", **Public Administration**, 69/1, pp.4-5
[2] Hogwood B. 1994, "A Reform Beyond Compare? The Next Steps Restructuring of British Central Government", **Journal of European Public Policy**, Vol. 1/1, pp. 71-94
[3] Hogwood, A Reform Beyond Compare? pp.72-3
[4] **Efficiency Unit**, 1988, "Improving Management in Government", London: HMSO
[5] His speech which was made in a conference in Istanbul on 22 November 1999 was cited by O. Ulagay, **Milliyet**, Daily, 23 November 1999.
[6] See the related parts of the chapter for more discussions.
[7] Rose R. 1993, **Lesson Drawing in Public Policy**, Chatham: Chatham House, pp. 118-42
[8] Rose, Lesson Drawing in Public Policy, p.43
[9] Rose, Lesson Drawing in Public Policy, p. ix
[10] Hennessy P. 1990, **Whitehall**, London: Fontana, Chapters IV and V
[11] Hogwood B. 1993, **Uneven Staircase: Measuring up to Next Steps**, Strathclyde Papers on Government and Politics, Glasgow, pp. 5-10
[12] Hogwood, A Reform Beyond Compare? p.81
[13] Interviews with the politicians: (Ankara, March 1999), (Ankara, April 1999), (Ankara, April 1999), and (Konya, March 1999).
[14] Confidential interview (Ankara, April 1999).
[15] See DSP: http:www.dsp.org.tr
[16] See Web Pages of right wing parties: http://www.fp.org.tr/partiprogram.htm_Toc424225199 http://www.mhp.org.tr/f-Ink.9html - http://www.dyp.org.tr/TansuCiller/Muhtelif/25-6-98.htm http://www.anap.org.tr/genelbaskanlar/YILMAZ/butcekon/96-12-18.htm
[17] The support of the Army to the accession process and the attempts to adopt human rights standards by the government, for instance, are two positive developments occurred after the declaration of the candidacy status. See for the reactions and the developments after the announcement: http://www.radikal.com.tr – http://hurriyet.com.tr and http://www.sabah.com.tr
[18] **Financial Times**, "Responsibility for Prisons", 28-08-1996
[19] More discussion on the issue can be found in previous chapters especially in the fourth and fifth ones.
[20] **The Constitution of the Republic of Turkey**, 1982, Ankara: PMDGPI
[21] Interviews with academics: (Konya, March 1999), (Ankara, February 1999), Senior Judge: (Ankara, March 1999), and bureaucrat (Ankara, February 1999).
[22] Interview with a Senior Judge (Ankara, March 1999).
[23] Dolowitz, D. & Marsh, M. 1998, Policy Transfer: A Framework for Comparative Analysis', in Minogue M. *et al.* (eds) **Beyond the New Public Management**, Cheltenham: Edward Elgar
[24] Minogue, M. 2000, Should Flawed Models of Public Management be Exported? Issues and Practices, **Public Policy Management Working Papers**, No: 15, IDPM, Manchester University and Pollitt, C. & Bouckaert, G. 2000, **Public Management Reform**, Oxford: Oxford UP, pp.54-6
[25] See: http://www.hurriyet.com.tr (07-11-1999), 'The Opening Speech of the Judicial Year 1999 by Sami Selcuk'
[26] Confidential interview (Ankara, February 1999).
[27] See related part of chapter VI about the concepts.
[28] Hood, A Public Management for All Seasons? p.5
[29] The EU requires the country to fulfil some such conditions as democracy, human rights, harmonisation of the law, and improvement of the public sector performance before joining the union. See: **Sabah**, **Radikal,** daily papers, 23-09-1999
[30] Confidential interviews with civil servants: (Ankara, March 1999), (Ankara, April 1999), (Ankara, March 1999), (Ankara, March 1999), academic (Ankara, April 1999) and Administrative Judge (Ankara, April 1999).
[31] Confidential interview with an academic (Konya, March 1999).
[32] Efficiency Unit, Improving Management in Government, pp. 9-10
[33] Confidential interview with a civil servant and academic (Ankara, March 1999)
[34] Confidential interviews with Civil Servants: (Ankara, March 1999), (Ankara, February 1999), (Ankara, April 1999), Academic and civil servant: (Konya, April 1999), Judge: (Ankara, March 1999), Academic and politician: (Konya, February 1999).
[35] Few examples: G. Capoglu, **Politics-Bureaucracy Symposium**, Ankara, March 1996, C.Tutum, "The Question of Public Personnel", **Public Administration Conference Paper**, Ankara, April 1990, and O.Citci, "Political Rights of Public Personnel in the World and Turkey", **Political Rights Conference Paper**, Ankara, March 1995, Ankara, TMMOB
[36] As an interviewee (Eskisehir, March 1999) named it.
[37] Confidential interview with an academic (Konya, April 1999).

[38] Confidential interview with a senior civil servant of PM (Ankara, April 1999).
[39] Confidential interview with a senior civil servant (Izmir, April 1999).
[40] Two interviewees with civil service background (Ankara, March 1999) and (Ankara, March 1999) admit that it can be a good opportunity to detect inefficient practices. At the beginning they seemed to be sceptical whether separation can achieve the objectives which are pledged, but at the end they were convinced that it can be "useful" and "effectual".
[41] This was suggested by some bureaucrats and politicians during interviews. Bureaucrats seem to protect their fellow bureaucrats by offering this 'peaceful' solution. Politicians appear not to face any conflict. The suggestion looks reasonable due to the concern to obtain consensus, so it is conveyed. Confidential interviews with civil servants: (Ankara, March 1999). (Ankara, March 1999), and politicians: (Konya, March 1999), and (Konya, March 1999).
[42] Confidential interview with a civil servant (Ankara, February 1999).
[43] Minogue, Should Flawed Models
[44] Interviews identified that those who occupy high positions in hierarchy: (Ankara, March 1999) and (Ankara, February 1999) are sharing this view. However some others, i.e. (Ankara, February 1999), (Ankara, March 1999) and (Ankara, March 1999), who are in passive posts and waiting their turn to be 'discovered' are in favour of the attempt.
[45] For instance, Secretary General of CC: (March 1999), Politicians: (Konya, March 1999), (Ankara, March 1999), (Ankara, April 1999), academic and politician:(Ankara, April 1999), and academic: (Konya, April 1999).
[46] Confidential interview with a politician (Konya, February 1999).
[47] Confidential interview with a senior civil servant (Ankara, February 1999).
[48] As an academic, ex-civil servant and politician, interviewee highlighted this aspect of the issue in a confidential interview (Ankara, April 1999).
[49] Recep Yazicioglu who was an outspoken governor was sacked due to his criticism of the Interior Minister. Despite his popularity among the people, weak public opinion was unable to protect him from being sacked (**Yeni Safak**, 29-09-1999).
[50] Confidential interview with a senior civil servant (Ankara, March 1999).
[51] Explanation will be given about it in the next section
[52] See Table 6.1 and explanation about the issue.
[53] Not surprisingly, this warning came from a businessman in a confidentil interview (Konya, March 1999).
[54] Price Waterhouse revealed a report in that Turkish government was categorised as 'the fourth most corrupted one' among 36 countries. They also say that due to the corruption the tax payers in Turkey pay 36 % more tax than should have been. See: http://www.ntvmsnbc.com – http://www.hurriyet.com.tr (28/29-01-2001)
[55] For example, on 5 November 1999 a number of national daily papers (**Radikal**, **Hurriyet** and **Sabah** on the day) allocated their front pages to two incidents: first, after proven corruption allegations, the government's decree to remove administrators of the Turkish Aerospace Authority which is a NGO to promote civil air defence; and second, the arrest of a well-known businessman in connection with illegal co-operations among bureaucrats, businessmen, gangs, and politicians involving corruption, threat, murder, and bribery. The scale of each incident would be strong enough to convince a Western government to resign. Both cases display 'serious' negligence and misconduct of politicians, bureaucrats and police force and the amount of government money involved runs into billions of dollars.
[56] **Kanal D**, http://www.kanalD.com.tr ; **Milliyet**, http://www.milliyet.com ; and **Yeni Safak**, http://www.yenisafak.com
[57] Coskun, B. "High-flying Sister-in-law", **Hurriyet**, 18-10-1999
[58] **Sabah**, 17-10-1999
[59] **Hurriyet**, http://www.hurriyet.com.tr and **NTV**- http://ntv.com.tr – 17-11-1999
[60] "Politikanin Nabzi", **TRT** (The State Channel): http://www.trt.net.tr (01-09-1999)
[61] Emre C. 1993, **An Examination of the Turkish Public Administration over Social and Cultural Issues**, Unpublished PhD Thesis, Ankara, p. 138
[62] He, does not want to be named, is working in the Finance Ministry as a middle level bureaucrat.
[63] A statement by a senior civil servant in a confidential interview (Ankara, February 1999). In addition, some other respondents give similar explanations such as academics and civil servants: (Ankara, March 1999), (Ankara, March 1999), (Ankara, March 1999), (Ankara, April 1999), and (Ankara, April 1999).
[64] Confidential interview with an academic and advisor to a minister (Ankara, February 1999).
[65] Confidential interview with an academic (Ankara, March 1999).
[66] Necati Dogru also complaints about this, **Sabah**, 11-11-1999.

[67] It was pointed out in interviews with academics (Konya, March 1999), (Konya, April 1999), and (Ankara, March 1999).

[68] Confidential interview with a senior civil servant (Ankara, March 1999).

[69] European Commission, **2000 Regular Report From the Commission on Turkey's Progress Towards Accession**, http://www.europa.eu.int/comm/enlargement/dwn/report_11_00/tu.pdf

[70] Confidential interview with an academic (Ankara, April 1999)

[71] On 17 August 1999, a 7.4 Richter-scale quake hit north-western part of Turkey claiming about 50,000 lives.

[72] Candar, C. **Sabah**: http://www.sabah.com.tr – 12-10-1999

[73] Suggested by an interviewee (Konya, April 1999).

[74] The USA Ambassador to Ankara, Mr. Mark Parris, meets the Prime Ministers and Coalition party leaders on a regular basis and asks their continuous support to Mr Dervis. See: http://www.ntvmsnbc.com and http://www.hurriyet.com.tr (28-03-2001). In a letter to the Prime Minister Ecevit, the President George W. Bush reiterated his administration's support to Turkey "as a strategic partner" and asked the Prime Minister "to implement the Structural Adjustment Program and reforms introduced by Mr Dervis". He also said that Turkey should implement these reforms and become a member of the EU.

[75] See: http://www.milliyet.com.tr, and http://www.haberturk.com (01-06-2001)

[76] See: http://www.milliyet.com.tr (06-03-2001), see for the crisis: **The Financial Times**, "Turkey on the Brink of Devaluation, (06-03-2001).

[77] Kivanc, T. http://www.yenisafak.com (03-06-2001)

[78] As Candar named it, see: http://www.haberturk.com (07-04-2001)

[79] The popular support to the three governing parties dropped from 53% to 19%. The support to Mr Dervis is, however, three times more than that of the government (about 60%). (Source: http://www.anararastirmak.com.tr - February, March and April 2001 polls).

[80] The views of senior civil servants, academics and secretary general of CC (Ankara, March 1999), (Ankara, April 1999), (Ankara, February 1999), (Ankara, March 1999), (Konya, March 1999), and (Konya, March 1999). A trade unionist, however, criticised both bureaucrats and politicians (Ankara, February 1999).

[81] See chapter IV for more discussions about the issue.

[82] Confidential interview with a senior civil servant of PM (Ankara, March 1999).

[83] The idea of board was welcomed by a number of academics and civil servants (Ankara, March 1999), (Konya, March 1999), (Ankara, March 1999), and some others. The inspiration to have a board rather than an individual was given during the researcher's undergraduate study by the lectures of Prof. Mumtaz Soysal who told that the developing countries which have the presidential system of government cannot strongly resist the 'wishes' of developed states basically the USA today. The more the power is delegated, the less the pressure the governments of the developing countries feel. The government may tell that 'we agree what you say, but we cannot control the parliament, just like what the US President tells today regarding the decisions of the Congress.

[84] For the same reason the utility regulation in the UK is criticised by many academics as 'a one man's game'.

[85] Confidential interview with an academic (Ankara, April 1999).

[86] Neither selection nor selected people have been criticised by many. Interviewees unanimously approve this way of selection. A few of them were conducted: (Konya, April 1999), (Ankara, March 1999), (Konya, April 1999), (Konya, March 1999), (Ankara, April 1999), (Ankara, March 1999), (Ankara, April 1999), (Ankara, March 1999), and (Konya, February 1999).

[87] For instance, see: Demir, N. 2000, **Regulatory Institutions in Telecommunications in the UK and in Turkey: OFTEL and TA**, Unpublished MA Dissertation, Exeter: Exeter University

[88] A telephone interview with a senior civil servant of PM (November 2000).

[89] This point was highlighted in a confidential interview (Ankara, April 1999).

[90] Vehicle Inspectorate and HMSO, for example, had been already using some Next Steps tools, so it was relatively easy to convert them into agencies.

[91] See: http://www.ntvmsnbc.com (12-03-2001)

[92] Confidential interview with an academic and civil servant (Ankara, February 1999).

[93] Guran S. "The Turkish Personnel Administration in the 80s", **Public Administration Symposium Paper**, Ankara, April 1990, State Council

[94] A bureaucrat cannot be arrested and trailed unless permission is given by an appropriate discipline board which depends on the position of the bureaucrat.

[95] See: Parkes, S. 1997, **Understanding Contemporary Germany**, London: Routledge, p.85, 143 and Sturm, R. 1996, "Continuity and Change", in Smith, G. *et al.* (eds), **Developments in German Politics 2**, London: Macmillan, pp.130-2

[96] Confidential interview with a senior civil servant of SPD (Ankara, March 1999).

[97] **Radikal**, 4 November 1999. Taha Kivanc (**Yeni Safak**, 22 November 1999) also reveals the same sorts of relations between the Turkish Telecom managers and companies which have huge investments in the industry are to bid for an enormous mobile phone channel tender.

[98] A confidential interview with a senior civil servant of the Prime Ministry (Ankara, April 1999).

[99] Confidential interviews with academics and civil servants: (Ankara, March 1999), (Ankara, February 1999), (Ankara, March 1999), (Ankara, April 1999), and (Ankara, April 1999)

[100] Confidential interview with an ex-bureaucrat and businessman (Ankara, April 1999)

[101] Confidential interview with an ex-bureaucrat and businessman (Ankara, April 1999)

[102] Confidential interview with a technocrat (Eskisehir, March 1999).

[103] Greenaway J. "Having the Bun and the HalfPenny: Can Old Public Ethics Survive in the New Whitehall", **Public Administration**, 73/3, p.366

[104] Confidential interview with an academic and civil servant (Ankara, March 1999).

[105] In the same order, when he was making his opening speech in the parliament, in his party group meeting, when he was making his new judicial year opening speech, and in the anniversary of the foundation of the court.

[106] Nazli Ilicak, **Yeni Safak**, 15-11-1999

[107] The Virtue Party has revealed a draft constitution (published in **Milli Gazete**, the semi-official newspaper of the party on 11-11-1999) before the Istanbul Summit of the Organisation for Security and Co-operation in Europe (18-19 November 1999). The timing was quite good, because 19 presidents and 34 prime ministers attended the summit. Therefore foreign politicians and diplomats, especially EU members could find opportunity to discuss Turkey's records on different issues, and the Virtue's draft constitution. (Fehmi Koru, for instance, praises the timing in his article: Koru F. 'Agenda', **Turkish Daily News**, 13-11-1999.)

[108] Due to Ozal's New Right ideology and close contacts with Reagan and Thatcher, these two countries are intentionally pinpointed.

CHAPTER IX
CONCLUSION

This thesis has examined the British and Turkish civil services in order to compare them with the intention of drawing lessons and exploring the possibility for transferring the Next Steps agencies reform from the former to the latter. The research has been conducted in a comparative manner by employing the 'policy transfer' concepts of Rose and Hogwood. As chapter I makes clear, transfer conditions suggested by others were also taken into account within the thesis and certain references were made to the appropriate conditions and their theoretical justification (see chapter I, for the evaluation of conditions). Seven conditions for successful policy transfer were tested throughout the thesis; the structure of the study was suitable for measuring the relevancy and feasibility of the conditions. The examination of the issue indicated that a possible reform transfer attempt is most likely to be successful in Turkey, but certain adjustments are needed to make the reform suit the civil service in particular and the society in general.

This thesis found that policy transfer theory formulated by Hogwood displays certain weaknesses in accommodating the need to consider cultural differences between administrative systems of countries and to show flexibility in terms of wholesome or partial reforms. In this respect his conditions seemed to be valid only for 'copying' method rather than others, such as "emulation, mixtures and inspiration". In addition, his strict advocacy of 'a valid theory of cause and effect' was not fully satisfying, so he seemed to restrict policy transfer issue only to academic purposes, ignoring practical intentions. However, a policy transfer issue does not seem to bear fruit unless it is implemented and its practical consequences are discussed for another country. Apart from these criticisms the theory has provided a suitable basis upon which to build.

The Next Steps agencies reform, as a form of the NPM, has affected the entire civil service of Britain since 1988, and was generally regarded as a successful initiative, involving a number of fundamental issues of bureaucracy, such as accountability, delegation of power, efficiency, and the role and philosophy of the civil service. Its comprehensiveness and success were the two basic elements which motivated the researcher to look in great depth into the six aspects which were identified in Chapter IV, e.g. separation of policy and operational functions, minimising political interference, and creation of a common culture. The transformation of the 'Whitehall Village' from a traditional Weberian type of bureaucracy to NPM, and its greater concern with the 'market' and 'customer culture' characterised the components of the initiative. A number of academics criticised certain

aspects of the Next Steps, for instance side effects of competition and lack of co-ordination among agencies. These criticisms, however, do not seem to involve the basic mechanism of the Next Steps as identified by this research such as separation of functions, openness, minimising political involvement of politicians and target oriented agency culture. Instead, they intend to improve the working mechanism of the existing Next Steps agencies reform. These concerns are shared by the author so that his suggestions for Turkish administration take into account these issues, such as effectiveness rather than efficiency and a powerful semi-independent project board to achieve co-ordination and safeguarding.

This research has found few comparative studies exploring the possibility of agency transfer to other countries. Therefore, with lack of information it will be inappropriate to comment on other studies on agency reform transfer. As mentioned in chapter I, the literature about Turkish administration in Turkish and English languages does not discuss Next Steps and NPM type of reforms. Basically, a vast majority of the literature concentrates on Weberian type of reform elements and legal issues regarding administrative law.

With regard to the second side of the comparative examination, the Turkish bureaucracy, there is a number of structural and functional problems stemming from its historical background as well as the general conditions of the government which affect other facets of the administrative mechanism. In addition to this, there is a considerable amount of pressure from inside and outside the country to reform its bureaucracy, economy, and government both to meet the Copenhagen criteria set by the EU for the candidate states, and to increase efficiency and effectiveness in order to ensure a competent civil service. It was found during the research that public opinion is ready to welcome a fundamental reform initiative, dealing with its problems and meeting the criteria set by the EU for the country's accession. The environmental conditions necessary for implementing a possible reform seem to be in place.

The purpose of the study was to investigate the main features and key principles of the Next Steps Agencies reform in the UK and to explore the possibility of a policy transfer from the UK reforms to the Turkish civil service. The comparative method applied in the thesis took into account the seven conditions outlined above and this is reflected in the chapter structure. Therefore the research questions were based on these conditions (see Chapter I, Introduction). Almost every condition is met to a satisfactory extent by the originator and receiving countries.

A- Summary of Research

The possibility and feasibility of the implementation of the Next Steps initiative from the UK to Turkey have been examined throughout the thesis. Although the research is not conducted with the intention of producing an applied project or a concrete reform suggestion, it still evaluated a great number of theoretical and practical issues surrounding the administrative structure of the country. Since the main concern was to provide solutions for Turkey, this factor was always in mind during the study of the British side, and therefore the review of the British context was constrained by this purpose. This was also the reason for the examination of the civil service of Turkey both in general terms and in consideration of those features of the Turkish arrangement which would be important for a successful transplantation of policy.

1- British Administrative Structure Prior to the Next Steps

The British civil service was characterised by the classic type of bureaucracy, making it one of the best examples of Max Weber's theory. It embodied hierarchy, merit, secrecy, permanency, impartiality, and career principles, which were gradually embraced following the Northcote-Trevelyan Report of 1854. With the change in the climate, e.g. the economic crisis of the 70s, the failure of the Keynesian economic approach, and a number of other social, economic and political factors such as public discontent and response to new ideas, these Weberian features were thought to be contributory reasons for the poor performance of the country and its civil service. At the end of the 70s and 80s, Conservative Party politicians, influenced by certain powerful think tanks and advisors, blamed the civil service. Besides politicians, certain other people e.g. academics, civil servants and business persons, were also critical of the idea and structure of the civil service. Thus this issue was become part of the break-up of the post-war consensus in politics. There appeared to be three basic foundations for the reforms of the 80s: the lack of direction and faith in government; the relative industrial decline of Britain; and, the New Right and neo-liberal ideology of Mrs Thatcher.

These reasons also contained the apparent means for eradicating the problems: the questioning of the role of the state in the economy, politics and social life; promoting a 'liberal' enabling state and giving up the welfare functions of the government; and encouraging the use of market techniques in the public sector as widely and firmly as possible. Although Mrs Thatcher was a revolutionary person herself, the process she

pursued appeared to be an evolutionary one, from Rayner Scrutinies, to FMI, and from the incremental way of establishing the Next Steps to Citizen's Charter and Market Testing initiatives. The pace and success of the Conservative government were dependent upon three crucial factors: congeniality of the reforms, especially the Next Steps, to the service; the longevity of the Prime Minister and the governing party (Conservatives for 18 years); and the prevailing neo-liberal ideas and values across Europe and the USA. These factors facilitated the success of the initiatives and were of great help in obtaining the support of the opposition party, Labour.

2- The Next Steps Agencies Reform and Agency Performance

The initiative was influenced by two economy-oriented theories: Principal/Agent theory and Public Choice theory. The idea of separating policy making and implementing functions and the use of contracts were two results brought by these theories. More than that, there are two aspects to characterise the theoretical underpinnings of the Next Steps: first, the degree to which the Next Steps agencies are based on free market models of how the private sector works; and second, the fact that the idea of agencies is not just about modern theoretical advances. Regarding the first factor, the British government looked to the private sector when shaping the civil service reforms of the 80s. The notion that 'the private sector is good, and the public sector is bad' might have directed Mrs. Thatcher to adopt market models in increasing efficiency and responding to the challenges of public administration. The market models examined in chapter III highlight the scope and scale of the techniques in the UK. The options in reviewing the candidacy status for agencies are indicator of the idea of using market techniques in review or order: abolition of the function(s), privatisation, contracting-out and setting up as an agency. Unlike Britain, however, Turkey is looking to the foreign reform attempts either applied or to be applied in Western countries. The foreign refers in particular to the EU rules and regulations and partly to the prescriptions suggested by international finance organisations such as the World Bank and IMF.

The second aspect is a familiar story that agencies were something discussed at the time of the Fulton report and they are another response to the classic administrative problem of the dialectic between control and autonomy – the extent of discretion should be allowed. So, agencies are partly new, but partly a standard prescription. Maybe the peculiarity lies with the initiative that due to the reasons explained in chapter III the government thought that it was a bright idea to activate the introduction of agencies regardless of their

theoretical basis. This does not, I assume, imply that agencies lacked theoretical foundations.

The case study argued that the Next Steps is based on the assumption of 'freedom to manage', and therefore empowered agency chief executives. Empowered chief executives given a resources and responsibilities framework were thought to provide successful results in seeking efficiency and effectiveness of the public administration. There is an apparent contradiction in that Public Choice supports the view of the individuals as self-interested (e.g. bureaucrats and politicians), and that 'freedom to manage' allows greater freedom for bureaucrats. This apparent contradiction is not valid for the reason that Chief executives are empowered to prevent inefficiency and the interference of the politicians. Because they are bound by Framework documents and annual targets set by relevant ministers, and they have to run their agencies in a competitive manner by utilising 'market' techniques, chief executives will not find enough room to develop dysfunctional interests. In reality, they will benefit from their agencies' success due partly to the existence of performance-related pay (financial incentives), and partly to the satisfaction of being a successful agency manager (psychological factors). This gives them incentives to comply with the preferences of the principals. Since they may be seconded from the private sector, they can also exploit their success by attracting the attention of, and moving on to, successful private companies and thereby get a high salary together with a package of financial and fringe benefits.

The initiative reintroduced the discussions about the dichotomy between policy making and implementing functions, and the tension between autonomy and accountability. In addition, the extent of the Next Steps agencies creation (employing about 80 % of the civil service) has shown that the attempt has been neither a superficial nor a short-term innovation. However, variations in the types of agencies displayed a great variety in terms of size, the status of civil servants, the task of agencies, the monopoly status, the administration of agencies, and the nature of the activities. These variations could hamper any attempt to examine and eventually transfer the initiative to other countries. The gradual implementation of the agency reform made it easier in following the developments and seeing the pattern set by implementation. Furthermore, the selection of the case of the Vehicle Inspectorate Executive agency allowed this research to examine the three functions of a government: service provision, regulation, and commercial concerns. What is more, the agency fulfilled its three basic functions with a number of satisfactory results.

Regarding performance, the agency displayed a reasonable amount of success in terms of the quality and quantity of the functions it carried out. Its success, as mentioned in chapter IV and V, was facilitated by the freedom given to the chief executive and the

agency by the Secretary of State through not only the framework document but also informal relations and interactions. The linking of the success with the personal character and endeavour of the chief executive, Mr Ron Oliver, did not explain the whole story; the environment created by the Next Steps and the political desire to make them successful also played crucial roles in the final outcome. But, the importance of the role of the chief executive and his longevity in the service were cardinal factors to signify the importance of the agency environment in which a suitable medium has been created to achieve positive results. The case also showed that the agency should be actively involved in demanding freedom and therefore negotiate with the 'core' department in order to obtain more authority and discretionary power.

Although in a number of agencies the accountability-autonomy balance was a delicate issue, such as in the Prison Service and the Child Support Agency, this concern appeared to be groundless in the Vehicle Inspectorate case. Even within the restricted situations, the Inspectorate managed to find room for initiating their own policies and furthering their burden of authority, e.g. Customer Service Initiatives helped consolidate their power and extend the reach of discretionary practices. These services were effective in providing convenience to the public in particular, and changing the culture towards a customer-oriented one in general.

Target-setting exercises reinforced the principal-agent relation in the case, proving, however, that it was a two-way process, rather than one-way only. In other words, apart from its day-to-day activities, the agency was able to influence to a certain extent the policies made by the department. This mutual understanding and interaction between the parties eradicated those problems which occasionally occurred. As a result, although in principle the Secretary of State admitted the transferability of the agency to private hands, he overturned the privatisation decision in 1994. Determination of the targets for the agency showed also that they have evolved as time went by, from simple numeric ones towards strategic value-based targets. Performance indicators experienced a great deal of change after the establishment of the Inspectorate as well. The modifications in the indicators and targets confirmed the claim that the Thatcher government introduced the initiative in 1988 but did not have a clear-cut plan to implement it, so, in a way, allowed the attempt to create its own destiny.

The figures relating to the efficiency, quality and quantity of agency services showed an increase during the term examined, from 1988 to 1996-97. According to ACE, an efficiency index established by the Vehicle Inspectorate, and measurement proven by independent institutions such as NAO, the agency achieved an enormous amount of success

as far as efficiency was concerned. Regarding the quantity, depending upon the priority the agency gave every year, the figures showed a rise and fall over the period, but there was no particular cause for concern either within the public or the department. By and large, the qualitative elements of the VI displayed an increase in the figures, and the public paid no special attention to the issue. Having examined the figures we can conclude that the Inspectorate paid special attention to increasing efficiency, but was not greatly bothered either with quantity nor to any extent with quality. The positive outcome of the Inspectorate and the deployment of the theories, public choice and principal-agent, were indicative of the satisfactory performance of the Next Steps to the extent that two of the conditions are met by the initiative that the initiative is successful and has a theoretical base.

The Next Steps agencies reform contains a number of positive aspects for a possible policy transfer attempt. Firstly, it brings a simple model both to understand the initiative and to draw lessons. This reform being based on private sector models introduced simple economic and political components such as freedom to manage and focus on efficiency. Secondly, the all-party support helped to improve the performance of the agencies, and to overcome the difficulties and resistance from civil servants. The study found that Labour and Liberal Democrats supported the initiative whole-heartedly. So, this was an important relief for the Prime Minister, Mrs Thatcher, and the Efficiency Unit.

Thirdly, the introduction of the Next Steps was a challenging task to perform as it involved restructuring the entire civil service and changing the philosophy of government. In this vein, it can be characterised as a bold experiment never dared to be carried out before. Fourthly, beside with many observers both academics and practitioners, the thesis found that the initiative has been successful. So this factor facilitates a possible lesson-drawing exercise by Turkey. Fifthly, the Next Steps seems to be available to be copied: great amount of publicity and close attention of outside actors in the running of the agencies provided a good deal of literature and practical experiences. So, if she wants to learn from the British experience and apply to her public administration Turkey can find it relatively easy to do so compared to the problems Britain has faced since 1988. Sixth and final, the British reform experience resembles a 'laboratory' in which a lot of 'learning' and 'applying' activities have been taking place. Due to the lack of direction and guidance at the beginning of the 'agencification' process, the British governments have managed to find their ways by simply trying and taking lessons from them and retrying. So, this facilitates the work of transferring to other countries as they also learn from the failures and basically from the process of application. The above aspects are also discussed in the following section in detail.

3- The Turkish Civil Service

The ideological element of the Turkish civil service, based on a strong state tradition, contained a number of crucial problems and conflicts caused by its narrowly-defined features as to the working mechanism of bureaucracy. Therefore, this historical factor, being a source of dispute itself, affected the entire government machine, and tended not to permit any kinds of liberal ideas to flourish. Accordingly, the state, through its elite, resisted the decentralisation of functions and the empowerment of middle and low level bureaucrats. This centralist tendency, though considerably eased since 1980, worked to accumulate as much effective power as possible at the centre. As a result, six problems stemmed from the system as analysed in chapter VI: red tape, over-employment, lack of morale, rigid law, centralisation, and inefficiency.

The attempts by Mr Özal throughout the 80s were significant in diminishing the role of the state and eradicating the problems the country faced. During this era, certain values and properties which reflected prevailing neo-liberal and New Right constituents were introduced into the country's classical Weberian type of bureaucracy which was based on familiar principles of merit, hierarchy, career, permanency, legality, etc. Although it is still primitive, the managerial background and transformation experienced suggest that the civil service has conditions similar to those of the British civil service 12 years ago, prior to the introduction of the Next Steps. So this background provides a promising setting in which to transfer the Next Steps from the UK to Turkey.

Despite the apparent problems, successive governments since Mr Özal have not been concerned with reforming the service, or introducing new elements. Even the Weberian principles were not applied thoroughly to the civil service; patronage, nepotism, and politically-motivated appointments and decisions dominated the operation of the service. For this reason, the civil service was not only inefficient but also ineffective. Ineffectiveness implied that certain fundamental problems existed within the bureaucracy, and the system did not function at all. The case of inefficiency seemed to be less severe compared to ineffectiveness, in the sense that the service worked but not very well, while with regard to ineffectiveness, it did not provide what it should have provided. The situation in Turkey, therefore, requires an urgent and radical civil service reform in particular and a government reform in general.

Chapter VII examined three recent, so-called reform attempts in Turkey: The Reform in the Law, the Public-Net Project, and the JTE Project. Evaluation of the projects clearly indicated that they were not the solution the country should be seeking. As a matter

of fact, the intention to examine three attempts was to find out both what a civil service reform should and should not be. In this respect, they shed light on the study in that there are lessons we can draw from these initiatives. The chapter provided five conclusions: first, due to the complexity and co-ordination problems there needs to be a comprehensive reform rather than partial solutions; second, a comprehensive reform should be supported by as many influential individuals and organisations as possible, a consensus; third, a reform should bring structural changes, not only superficial and functional ones; fourth, a project should be implemented and managed by persons from outside the civil service as well as insiders; fifth and final, solutions, means, and process should be in a clear, effective and transparent fashion.

The role and effects of the distinctive Turkish history of public administration are two other points to review: whether they make reform easier or harder, and whether the reforms proposed in this thesis are adapting the Turkish model, or whether they would explode it? The idea of state and the social factors mentioned in chapter VI pose certain difficulties to the reform of public administration. The power struggles both between bureaucrats and politicians and among politicians themselves hinder the application and success of a civil service reform which has the prospect of alleviating the conflicts. Politicians and bureaucrats who would be affected by the reform might not want it to be successful. However, the empirical data, mainly interviews conducted to find out the views of the political parties and civil servants, and the general atmosphere of the country seemed to be in favour of reforms and the accession to the EU. This even included the Islamic politicians in the Virtue Party. In fact, joining the EU and reforming the civil service have been perceived as almost synonymous concepts. In addition, as reiterated, the attempts to liberalise the civil service and economy since the multi-party regime especially during the Ozal era (see, Figure 6.1) have altered to a certain extent the societal setting regarding the changes and the acceptance of them by the public, by politicians and by bureaucrats. The wide-spread consensus regarding the need for privatisation, for instance, can assure that the distinctive history would not make the reform harder.

The reform proposed in this thesis, namely the transfer of a Next Steps type reform requires adapting the Turkish model, as did it in the British model. One should not forget the fact, on the other hand, that the change of the role of state from traditional elements, e.g. provision of defense and law & order, to facilitating privatisation and applying market techniques are already taking place. This change of the role is likely to bring structural alterations and new dimensions to the model. Chapter II found that the classical Weberian types of public administrations all over the world are under great pressure to consider

reforming their components to match the developments in public administration and public management taken place for the last two decades or so. Therefore, the adaptations which were suggested by this study would not cause extra concern in the sense that without changing structures and amending the laws it would not provide the benefits envisaged by any reform. The JTE project proved this argument. To sum up, the pattern followed by the Next Steps could be repeated, causing similar problems to occur. However, at this point the adjustments detailed in the later parts of the thesis help overcome the problems.

B- The Transfer of the 'Next Steps'?

As regards to the possibility of transfer from the British reform experience namely the Next Steps to Turkey, it was examined through taking into account the seven policy transfer conditions. Upon the examination of the British civil service, this study indicates that Turkey can transfer this model with some expectations of success, in order to do that it must first understand how the UK model operates, and the Turkish system and its problems; second, it must reproduce certain critical aspects of the system; third, it must adapt some aspects of the system to suit the altered circumstances of Turkey; fourth, there are some aspects which are not necessary and need not be reproduced; and fifth, in the peculiar circumstances of the Turkish case reform must go beyond the UK model.

This thesis helps with the first aspect by understanding the principles of the civil service, reviewing the historical background and highlighting the elements of the Next Steps. Therefore, it is worthwhile to review the seven transfer conditions. The outcome was produced in line with the structure of Table 1.1, with interviews conducted with people in various senior positions (such as bureaucrats, politicians, businesspeople, trade unionists, and academics) in Turkey, and with various people in the UK with the theoretical evaluation of the civil service with the intention of finding out the feasibility of the agencies reform.

Six out of the seven conditions are concerned with the transferability of the initiative, regardless of whether the reform produces the solution the Turkish civil service needs, whereas one of them, the final one, examines if the Next Steps provides exactly the same elements Turkey needs. This condition deals with the specific question 'Can the Next Steps be implemented in Turkey in full?'.

The first research question, 'What was the situation in Britain prior to the Next Steps initiative?' was answered with the examination of the era from 1979 to 1988, even including the Citizen's Charter and Market Testing initiatives. It was found that the situation prior to the initiative was quite appropriate for the accommodation of a managerial type of reform;

not only the public opinion (including think tanks and certain institutions) but also the politicians (both Conservative and Labour) believed the idea that a radical and comprehensive reform was needed. As reiterated, Conservatives deployed private sector techniques in the public with the intention of increasing efficiency and having the same result as the private companies achieved with the same methods. The changes within the administration, between 1979 and 1988, were certainly of great importance in setting up the basis for a managerial reform.

The second question regarding 'the elements of the Next Steps and the availability of a valid theory of cause and effect' was also examined in the thesis, and it was discovered that the agency has six elements, and a valid theory of cause and effect. These elements resembling certain NPM techniques, albeit unconsciously, created a unique environment in which a great deal of freedom was given to agency Chief Executives, and made the agencies responsible for achieving the set targets. As regards to the relations between the Next Steps and the NPM, the study found that the former was one successful form of the latter in the UK. Table 2.3. showed the apparent similarity between the Next Steps and the NPM, and the extent of the relations. Yet, the NPM manifests general meanings, while the Next Steps is referring to particular meanings of the elements. The elements identified were as follows: separation of policy making and implementing functions; empowerment of the Chief Executive and agency; minimising the political involvement of politicians; promoting openness; creating a common culture; and focusing on targets and performance-related pay.

Regarding the features of the Next Steps and their 'sister' elements, of NPM for instance, the Turkish civil service could benefit from their adoption, especially the minimising of politicians' involvement in the business of agencies, promoting openness, efficiency increases, and performance-related pay and focus on targets. The interviews with people in various key positions generated this conclusion; the respondents highlighted the fact that the special conditions of the country as well as the pressures from the EU and international finance organisations leave no option for the government but to review and reform its civil service. What is more, there existed a good structure built mainly during the Özal era in the 1980s to welcome and accommodate a managerial type of reform like the Next Steps.

Despite a close link among them, the elements did not seem to be inseparable. In this respect, the Next Steps and the NPM are similar in that they provided a number of elements and objectives, from which one organisation on micro level and a civil service on macro level can choose a set of elements to form its own administrative system. This is quite like the genetic code of human beings who all have A, T, G, and S genes, yet, according to the

order of these genes, every person represents a unique being. If we draw the same analogy, civil services can apply these genes (elements) and become unique entities. Notwithstanding the above points, although the genetic codes of human beings are different, organs of human beings to a certain extent look like each other both functionally and physically. In a possible transfer attempt this point falsifies the arguments that two countries have different structures and therefore are unsuitable for transfer. The counter claim could be: although they seem to be different, because of their genes (NPM elements) they are identical, the difference is only the order. So it would be worthwhile trying to transfer one form of reform which has NPM characteristics to an alien country which can and wants to implement NPM.

Another related condition, 'definable and operationalisable innovation', was also reviewed in the thesis. Although the typologies of agencies are different and every agency varies in terms of a number of aspects such as size, being a monopoly, and administrative structures, they all have four basic common characteristics: a discrete organisation; a defined task; a formal agreement setting out targets; and an identifiable chief executive accountable for the work of the agency. These elements, to a certain extent, are obvious and therefore definable and operationalisable. Their implementation, however, requires attention, and although difficult, would not be impossible, especially in countries where the 'legality' approach is evident e.g. in Turkey, where every decision has to be based on a written law either enacted in parliament or on government decrees produced with the permission of the law. In addition to these aspects, the incremental way of establishing the Next Steps initiative also mitigates the problem, by leaving governments plenty of time to make decisions, and by establishing new functions and amending the existing ones when problems occur. The examination found that, given the peculiarity of implementation, this third condition is satisfied by the Next Steps reform.

The similarity of objectives set for Turkey and Britain was the fourth condition evaluated in the case of the Next Steps. Both countries displayed a reasonable amount of resemblance, but there are also certain differences in objectives. For example, efficiency, effectiveness and radicalism in the civil service are three of the objectives identified by the research. The main emphasis was on efficiency in the British civil service, while it is on effectiveness in the Turkish. As explained, effectiveness is the ability to achieve result rather than the process or input/output ratio. However, a number of elements e.g. the prospective candidacy status of the country to the EU, and the severe economic crisis now being faced, direct Turkey to concern itself with efficiency as well as effectiveness. The EU influence is another source of difference between Britain and Turkey, as the EU and other international institutions urge Turkey to take essential steps in re-organising its physical and

functional structures. For the EU membership, effectiveness is not enough; efficiency also has to be increased to the level required by the Union. Both factors go hand-in-hand. Turkey has to satisfy the conditions laid down by the Copenhagen criteria for candidate countries, comprising political, economic, social, and cultural elements.

Being a major influence for the country and its public policy actors, the EU dimension requires two kinds of alterations: first, the harmonisation of the laws of the country with those of the EU and the implementation of the conditions set up for candidate countries; second, the establishment of additional bureaux in every ministry to manage the co-ordination between the EU and national government. The full membership, therefore, affects government departments in a way that if they want to benefit from EU funding they have to meet specific rules and regulations of the EU. This point is not relevant for the country until the full membership is granted or the funds of the EU are opened to Turkey. Once these are achieved, Turkey and the UK will have to observe the same rules and objectives when they want to apply for funds. So, although the objectives may be different, the desire of Turkey to join the EU and have the same calibre of civil service should necessarily be identical with European countries. European countries have different sorts of administrative systems, but they all have a certain level of efficiency and effectiveness in their civil services. Therefore, one can safely assert that the condition is fulfilled by the cases involved.

The fifth condition, whether the Next Steps has been implemented in the UK in full, seemed to be the clearest one. The answer is again positive. Successive governments since 1988 (including the existing Labour one though it is being adapted in the light of experience and the changed priorities of the Labour Government), have consistently worked to establish reform in the civil service in full. Over 80 percent of the entire civil service is on the lines of the agencies dealing with implementation functions, while 'core' departments are carrying out policy making functions in the HQs. The Ibbs report recommendations were accepted by the Thatcher government and nearly all the recommendations were then put into effect. The discussion whether they were implemented successfully or not is a matter of question, but certainly they were introduced in full. The case study also proved the full implementation of the elements proposed by the Next Steps. So, this condition was also met by the initiative.

The validity of the Next Steps for the problems of the Turkish bureaucracy was another condition set up in Chapter I of the thesis. As a comprehensive, radical and up-to-date reform initiative, there are a number of reasons why agency reform in Britain could be applied to the Turkish government and to its bureaucracy. An examination of the attempt in

the UK reveals a similarity with the conditions of the Turkish civil service. Therefore a majority of the interviewees in Turkey expressed the view that the Next Steps agencies reform would meet the needs of the civil service in terms of efficiency, effectiveness, 'red tape', political interference, and performance measurement. Its success and the prospect of uniting those involved e.g. politicians, civil servants, and the public at large in the country, and reaching a consensus were only two of the reasons for adopting the initiative in Turkey.

The structural conditions of the civil service and government are also important elements in transferring the Next Steps to Turkey. The administrative structures and political systems of both countries presented similarities in quite a number of areas, such as the parliamentary system, the position and responsibilities of the Prime Minister, as well as civil service principles and Weberian type of bureaucracy. Despite any differences, these features make a solid case against a call to reject the transfer attempt. Surprisingly, even the differences seem to work in eradicating the problems of Turkey as regards obstacles to the smooth working of a possible transfer.

The second aspect, reproduction of certain critical aspects of the system, involves the establishment of two 'adjustments' to the Next Steps agencies reform of the UK: first, introduction of a powerful Agency Project Board; and second, introduction of preventative measures by making chief executives personally responsible for the damage caused by their deliberate actions and by not paying enough attention to managing the agency. As Chapter VIII detailed, all these alterations and reproductions can be achieved by a new reformist government; a Next Steps type of reform should be 'adjusted' to serve the special conditions of the country. This requires not only a combination of the six Next Steps features identified in Chapter IV and seven NPM elements, but also certain new changes and institutions to make sure the system works as effectively, efficiently and successfully as it has worked in its homeland, Britain.

The project board, as mentioned in chapter VIII in detail, consolidates the orientation and success of the agency system in an alien country, Turkey. The problems stemming both from the politicians and the bureaucrats are alleviated by the guardianship of the semi-autonomous project board. As being a source of impediment, the conflicts, for instance, between the two actors and among the actors themselves would fade away with the safeguard of the board. The board undertakes both practical and theoretical difficulties faced during and after the implementation of agencies. Combination and responsibilities of the board are more important than those of a board in the UK, because political interference and instability are more common and, due to the proportional representation system, Turkey

lacks strong governments to carry out reforms. Responsibilities and combination of the board have been described in the preceding chapter.

The second adjustment, proposed by the research was a preventative measure which introduced safeguards to make sure that the Chief Executive does not indulge him/herself in mismanagement, nepotism and corruption. This forces the Chief Executive to take certain cautious actions when conducting agency functions by making him/her personally accountable for the mistakes and poor performance of the agency, first to the management board, second to the Project board, and third to politicians and eventually parliament. As discussed in detail, in Chapter VIII in the case of mismanagement and corruption, Chief Executives would have to face 'punishment' by paying back the loss they caused in terms of money, and losing his/her position and the right to become a public servant or to take any job on the management boards of public or private sector institutions. As mentioned in Chapter VIII, a reform suggestion should make sure that the autonomy given to Chief Executives is neither misused nor causes the controversy of so-called 'appointed-kings' in agencies and therefore the suggestion should not make the problems of Turkish civil service rather complex.

The third aspect, adaptation of some parts of the system to suit the altered circumstances of Turkey, has five main elements: first, empowerment of agency management boards beside with chief executives; second, clear definition of responsibilities of every actor involved in order to overcome the deficits regarding accountability; third, utilisation of administrative courts in defining policy and implementation issues and charging them with arbitration function; fourth, improvement of financial and physical conditions of the chief executives; and fifth, setting tangible targets for agencies.

Empowering agency management boards beside the chief executives, as a sort of adaptation, seems to be necessary at least until being sure that chief executives function their duties to a satisfactory extent. This may provide a smooth interim period from a centralist and 'spoiled' civil service to a decentralised civil service based on 'trust and initiation'. Delegating the responsibility signifies two points: the board members may provide valuable advice to the chief executive, and individuals (chief executives) are supervised by a group of people, so corruption possibilities are reduced to minimum. In this vein, the empowerment of Chief Executives means the empowerment of the Chief Executive and agency management boards. Agency management boards and Agency Project board work together to make the agency system and individual agencies successful.

Clear definition of responsibilities of actors involved is the second adaptation to provide the Turkish civil service with a degree of success. Provided that it does not go as far

as undermining the degree of initiation and freedom to manage, and creating additional red tape, these definitions help alleviate the conflict stemming from the difficulties in deciding the responsibilities of actors. This can be achieved by framework documents.

Utilisation of administrative courts plays an important role in setting precedence whether a function is a policy or implementation type and in sorting out the problems occurred between the agency and the ministry. What is more, the courts can review whether a chief executive asked to 'compensate' a failure is just. So, the executive class does not hesitate to ask jobs in agencies.

Improvement of financial and physical conditions of chief executive posts is the fourth adaptation to the Turkish system. Attracting good calibre of people to chief executive posts as a part of a Next Steps type of reform is hampered by the increased responsibilities which place a heavy burden on their shoulders. Therefore, a risk – benefit analysis is naturally done by the candidates to the positions: if they take risk they will want to gain more. As chapter VIII discusses them, the issue has a number of difficulties in it: the difficulty to alter financial positions of a particular group of bureaucrats due to the 'hard' constitution and the concerns not to break the delicate balance between different professions. The benefits of possible success, on the other hand, increase the popularity of jobs among the dedicated and hard-working managerial class.

The fifth and final adaptation involves setting of clear and discernible targets and objectives for the jobs which are to be performed by agencies, chief executives, departments and politicians. Tangible targets, therefore, help eliminate the problems stemming from confusions and ambiguities. Therefore the problems related to accountability of agencies and politicians to parliament can be overcome both by the deliberate attempt of defining every actor's responsibilities and the area to exercise power within. So the basic problems of the Turkish system can be alleviated by the reform process which motivates the actors through establishing a clear linkage between the person and functions to be carried. This adaptation also has the prospect of facilitating the distinction between policy making and implementing functions.

The fourth aspect of transfer, not to reproduce certain elements of the Next Steps for Turkey, draws attention to the two basic points of the Next Steps: first, the accountability of the chief executives for the issues related to implementation does not seem to be convenient for the Turkish civil service; and second, certain market techniques such as contracting and internal markets are not necessary, at least for a certain period, and need not be reproduced. The thesis found that charging chief executives with accountability to parliament for implementation functions has often caused no accountability at all. The Prison Service and

Child Support Agency cases proved this. Therefore, conventional theory of ministerial accountability to parliament needs to be revived and no change should be made as regards to the relations between parliament and civil servants. The second issue, introduction of certain market techniques, is more complex than the first one, as it brings additional tiers to the system and becomes more difficult to follow who is doing what and responsible to whom. After the agency system is successfully established both physically and functionally, then contracting-out and internal markets can be put into practice. This is particularly true for the reason that the main intention of the reform is to reconstruct the relations between bureaucrats and politicians in Turkey, and therefore making outside agencies (contractors and other agencies) and organisations involve in the relations may worsen the already problematic relations.

As the fifth and final aspect highlights, in the peculiar circumstances of the Turkish case reform must go beyond the UK model. In the light of the problems and features of the system spelled out in this thesis it may be possible to mention three basic points which are of pivotal importance to the reform and which can be helpful in evolving certain broader elements, as mentioned in chapter VI, such as political instability, disrespect for the rule of law and structural problems. The reform should be sensitive about the following three aspects: first, promotion of democratic practices; second, respect for human rights; and third, the restoration of the relations between the parts involved, bureaucrats and politicians.

Chapter VI and VII underlined the difficulties and obstacles to the running of the civil service in Turkey. Of the obstacles undemocratic practices of politicians, bureaucrats and 'outside' actors (the military and coup d'etat) have the lion's share. This issue has two dimensions: first, the role of the reforms in promoting democracy in the society at large; and second, the establishment of organisations according to democratic principles. If agencies and restructuring of the civil service are carried out to deliver democracy and empower citizens to demand quantitative and qualitative service standards, then the public opinion becomes strong enough to pursue their rights in terms of receiving services from the public administration. Therefore, the intention of the thesis to reduce the involvement of politicians in the daily business of the civil service is not in conflict with consolidation of democracy. The restriction of politicians' involvement protects the interests of the entire population rather than a limited number of members of a certain party or parties which hold the power.

One related element to the previous one is the respect for human rights. This is again another vital point to be rooted in the civil service. Reform of the civil service also should establish individualism in organisations, which paves the way for improving human rights. These two aspects are the basic requirements of the EU for the accession of the candidates

to the Union which became known as the Copenhagen criteria. To respect human rights is not enough during the launch of the reform, but organisations should run in line whit what the Copenhagen criteria defined as units responsive to the demands of the public. One important difference between Turkey and some other European countries is the existence of proliferated political and, for the last two decades, ethnic conflicts within the country. The above two elements, therefore, democracy and human rights, can function as catalysing factors in bringing together different ethnic identities and groups, such as Kurds, Turks, Circassians, and non-muslims in the country and political interests e.g. islamists, nationalists, and left and right views.

The third element deals with improving the relations between politicians and bureaucrats in Turkey. As the chapters related to Turkey reiterated, there has been a series of conflicts between the two sides as regards to their roles and responsibilities. Therefore, reform should focus its attention on making people from both sides empathic of the other side and act accordingly. One cannot possibly achieve the targets of the reforms in particular and the civil service in general without the support of politicians and bureaucrats at the same time. So this morale element should be appreciated by the reformers in their attempts in restructuring the public administration.

Lastly, it seems fair to conclude that, provided the above reproductions, adaptations and omissions are undertaken, the Next Steps and NPM elements have the potential for sorting out the problems of Turkish civil service. Because of their international dimension, managerially driven reforms of the last decade or so not only help to alleviate the problems of Turkey but also to re-establish a modern and efficient state apparatus. The hypothesis of the research has been proven by the study that the Next Steps initiative was successful and Turkey can benefit from its elements, but certain adjustments are needed to suit the country. Consequently, there needs to be a strong emphasis on the necessity and feasibility of the introduction of a Next Steps type of reform to the Turkish civil service, evolving its performance and making it 'the facilitator of development'.

This research's proposals are based on a realistic recognition of the shortcomings of the Turkish system. As chapter VI, VII and VIII highlighted, Turkish administrative and political systems have certain problems and vested interests which can affect performance of policy transfer. Interviews and other data regarding Turkey are designed to give a realistic picture of the Turkish system.

There is a powerful interest in reform in Turkey. Virtually everybody recognises the need for an administrative reform as well as a public sector one. The conditional loans from international finance institutions and the powerful lobby for the accession process of Turkey

to the EU are embodiments of this interest. Therefore this interest does not seem to fade away as the economic and political crisis have hit hard the entire nation, prompting around 100% devaluation for two months during 2001.

The thesis found that the interest is shared by politicians and by elements in the bureaucracy, but there are currently no specific proposals to introduce the Next Steps. However, Mr Dervis has hinted the application of certain measures to minimise the political involvement of politicians in the civil service with his comment that "economy and politics should be separated from one another". So, as a World Bank economist he must be aware of NPM and the agency reform. We might expect him to introduce an agency type of reform in later 2001.

The suggestions made in this thesis are based on a dispassionate analysis of the British system and on an objective analysis of the possibilities of introduction in Turkey. As an academic, the researcher does not have any personal preferences rather than constructing an objective analysis as to whether agency reform is transferable or not. So during the interviews, data collecting and evaluating stages of the thesis both in the UK and in Turkey the author tried his best to become impartial.

In undertaking this study I intended to test the propositions of the policy transfer literature. This intention allows the study to examine the British and Turkish civil services separately and eventually to find out the extent of possibility to transfer. Different policy transfer conditions are tested throughout the thesis. This approach is useful in refining analysis of the two cases – it defines some revealing questions. The analysis explores not only the issues explicit in the two cases but also helps raise certain other implicit matters. Therefore this approach gives comfort of having an insight into the cases by the help of the literature. Consequently, the exercise is undertaken in a spirit of academic objectivity, although the analysis and the suggestions will be of interest to academics and to reformers and eventually should stimulate debate.

C- Research Contributions

Before summarising the contributions of the thesis, a few points deserve attention. There has been a limited amount of academic studies concerning the VI and the possibilities for extending this sort of reform, there has also been a reasonable amount of policy transfer literature which examines the potential to export the British model. However, the literature regarding the critique of the Turkish civil service was either lacking or concerned entirely different issues such as discussions in respect to the legal status of civil servants and pay

system. This research operated in a completely virgin area. Apart from the references by Heper all other references regarding Turkey were in Turkish and therefore interviews, and other primary and secondary sources were all translated into English by the researcher. The treatment of the Turkish civil service, the identification of problems and the review of historical developments were all the author's interpretation. Due to the lack of academic studies to guide, the interviews and data collection have been somewhat difficult. The elite character of the interviewees helped overcome certain amount of problems. Besides, the researcher's BA and MA studies and academic experience in Turkey were helpful elements too.

This research is a contribution to a number of theoretical and practical issues discussed in public policy circles by both practitioners and theorists. The contributions of the thesis include the comparative method and lesson-drawing in public administration, applied to the specific case of Anglo-Turkish transfer involving on the one hand the ideological elements of the Turkish state and civil service, and on the other hand, the neo-liberal approach to the NPM.

Firstly, comparative method and lesson-drawing in public administration are examined with regard to the British civil service and the Turkish bureaucracy. Comparative elements have been identified and conditions satisfied by the cases. Although certain conditions are met in varying degrees, the conditions themselves displayed a satisfactory level of achievement in including those criteria which are necessary for comparison and in excluding those elements which are not necessary. Besides, the study showed that certain elements should not be interpreted in a rigid manner, such as the availability of a valid theory of cause and effect, or the implementation of the original reform in the receiving country in full.

Secondly, the thesis also noted that the idea of administrative reform has faded away, and therefore begun to be replaced by an understanding of managerial reform. This study has contributed towards the new form of reform, the managerial approach. Traditional elements of public administration have lost, to some extent, their credibility and a managerial, more autonomous public administration has appeared. The British example provides a 'laboratory' in which the practical expression of managerial theory can be studied.

The third contribution concerns the ideology of the Turkish State and civil service. The study reinterpreted historical and contemporary features of the state as being 'strong'. The explanation, for the first time, showed that the power struggle among politicians, and

between politicians and bureaucrats was to determine the role and position of the state. This has helped understand the characteristics and problems of the state and civil service.

Finally, as an international neo-liberal phenomenon, NPM, is a wide-spread process applied in so many countries. Many western governments have already adopted it in some form, and Britain demonstrated a successful example of some of its elements. The Turkish civil service and government appeared to be a fertile ground for the adoption and implementation of NPM in general and the Next Steps in particular.

Appendix 1:

Next Steps - Executive Agencies Established as at 31 December 1998

Agency	Est. Date	Staff	Investor in People
Armed Forces Personnel Administration	01.04.97	273	Target Date Dec.1999
Army Base Repair Organisation	01.04.93	2.737	TD 1999/2000
Army Base Storage and Distribution	04.04.95	3.749	TD March 1998
Army Training and Recruiting	01.07.97	11.860	TD Dec. 1999
Army Personnel Centre	02.12.96	1.244	TD Dec.1999
Army Technical Support	19.10.95	1.104	TD October 1998
Business Development Centre	01.10.96	228	TD March 1999
Cadw: Welsh Historic Monuments	02.04.91	170	TD April 1999
CCTA	01.04.96	170	Accredit. March 1997
Central Office of Information	05.04.90	314	TD 2000
Central Science Laboratory	01.04.92	547	Accr. December 1997
Centre for Environment, Fisheries and Aquaculture Science	01.04.97	412	TD 2000
Civil Service College	06.06.89	220	Accr. October 1996
Companies House	03.10.88	839	TD August 1998
Compensation	01.04.92	127	Accr. March 1997
Construction Service	01.04.96	569	TD February 1999
Court Service	03.04.95	8.670	TD April 1999
Debt Management Office	01.04.98	23	N/A
Defence Analytical Services	01.07.92	117	Accr. February 1997
Defence Animal Centre	01.06.93	162	TD 2000
Defence Bills	01.01.96	677	Accr. December 1997
Defence Clothing and Textiles	22.11.94	529	TD December 1998
Defence Codification	20.06.96	119	Accr. 22 January 1997
Defence Communication Services	01.04.98	844	N/A
Defence Dental	01.03.96	823	TD December 1999
Defence Estates Organisation	18.03.97	1.117	TD April 1999
Defence Evaluation and Research	01.04.95	11.067	TD July 1999
Defence Intelligence and Security Centre	01.10.96	468	TD December 1999

Defence Medical Training Organisation	01.04.97	341	TD July 1998
Defence Postal and Courier Services	01.07.92	553	Accr. October 1996
Defence Secondary Care	30.04.96	2.277	TD December 1998
Defence Transport and Movements Exe.	04.04.95	224	TD March 1998
Defence Vetting	01.04.97	341	TD May 1999
Disposal Sale	01.10.94	63	TD March 1998
Driver and Vehicle Licensing	02.04.90	3.931	TD March 1999
Driver and Vehicle Licensing (NI)	02.08.93	244	TD December 1998
Driver and Vehicle Testing	01.04.92	293	TD December 1999
Driving Standards	02.04.90	1.756	TD 1999
Duke of York's Royal Military School	01.04.92	100	TD October 1998
Employment Service	02.04.90	28.612	Accr. September 1997
Employment Tribunal service	01.04.97	568	TD Summer 1998
Environment and Heritage Service	01.04.96	324	TD March 1999
Farming and Rural Conservation	01.04.97	530	TD Summer 1999
Fire Service College	01.04.92	253	Accr. December 1996
Fisheries Research Services	01.04.97	227	Accr. August 1997
Forensic Science	01.09.95	1.238	TD July 1998
Forensic Science (NI)	01.04.91	123	TD December 1998
Forest Enterprise	01.04.97	2.505	TD April 1999
Forestry Research	01.04.96	277	TD April 1999
Forest Service (NI)	01.04.98	414	N/A
Government Car and Despatch	01.04.97	225	N/A
Government Property Lawyers	01.04.93	95	TD December 1999
Government Purchasing	01.04.96	88	TD mid-1999
Health Estates	02.10.95	127	TD 2000
Highways	01.04.94	1.545	TD 1998/1999
Historic Scotland	01.04.91	627	Accr. August 1997
HM Land Registry	02.07.90	7.810	TD December 1998
HM Prison Service	01.04.93	39.363	TD December 1999
Industrial Research and Technology	03.04.95	143	TD March 1998
Insolvency Service	21.03.90	1.345	TD December 1998
Intervention Board	02.04.90	1.102	TD January 1998
Joint Air Reconnaissance Intelligence	19.04.96	457	TD 1998

Centre			
Land Registry (NI)	01.04.96	198	TD December 1999
Logistic Information Systems	21.11.94	233	TD April 1998
Maritime & Coastguard	01.04.98	941	N/A
Meat Hygiene Service	01.04.95	1.030	TD June 1998
Medical Devices	27.09.94	133	Accr. August 1997
Medical Supplies	01.03.96	273	TD March 1999
Medicines Control	11.07.91	435	TD December 1998
Meteorological Office	02.04.90	2.144	TD December 1999
Military Survey	02.04.91	1.059	TD July 1998
Ministry of Defence Police	01.04.96	3.594	April 1998
National Savings	01.07.96	4.083	95 % Accredited
National Weights and Measures Lab.	18.04.89	48	TD December 1997
Naval Aircraft Repair Organisation	01.04.92	1.523	TD March 1998
Naval Bases and Supply	11.12.96	10.361	TD December 1999
Naval Manning	01.07.96	287	TD April 1998
Naval Recruiting and Training	01.04.95	4.893	TD December 1999
NHS Estates	01.04.91	225	Accr. March 1997
NHS Pensions	20.11.92	403	Accr. March 1995
Northern Ireland Child Support	05.04.93	980	TD September 1998
Northern Ireland Prison Service	01.04.95	3.251	TD December 1999
Northern Ireland Statistics and Research	01.04.96	203	TD March 1999
Office for National Statistics	01.04.96	2.968	TD 1999
Ordnance Survey	01.05.90	1.856	TD March 1998
Ordnance Survey (NI)	01.04.92	174	TD December 1998
Patent Office	01.03.90	746	TD March 1998
Pay & Personnel	01.02.96	850	25% Accr.TD Nov.98
Pesticides Safety Directorate	01.04.93	193	Accr. December 1997
Planning Ispectorate	01.04.92	642	Accr. December 1997
Planning Service	01.04.96	379	TD Summer 1999
Property Advisers to the Civil Estate	01.04.96	190	TD December 1998
Public Record Office	01.04.92	416	TD December 1998
Public Record Office (NI)	03.04.95	58	TD December 1998
Public Trust Office	01.07.94	543	TD December 1998

Queen Elizabeth II Conference Centre	06.07.89	55	TD December 1998
Queen Victoria School	01.04.92	68	TD June 1999
Radiocommunications	02.04.90	512	TD December 1998
RAF Logistic Support Services	09.12.96	911	TD April 1998
RAF Maintenance Group Defence	01.04.91	6.747	N/A
RAF Personnel Management	02.02.97	437	TD April 1999
RAF Signals Engineering Establishment	22.11.94	901	TD December 1998
RAF Training Group Defence	01.04.94	5.575	TD December 1999
Rate Collection	01.04.91	238	TD April 1998
Registers of Scotland	06.04.90	1.057	TD December 1999
Rivers	01.10.96	438	TD March 1999
Roads Service	01.04.96	2.097	TD December 1999
Royal Mint	02.04.90	964	Accr. 1997
Royal Parks	01.04.93	231	TD April 2000
Scottish Agricultural Science	01.04.92	121	Accr. August 1997
Scottish Court Service	03.04.95	828	TD December 1999
Scottish Fisheries Protection	12.04.91	256	Accr. August 1997
Scottish Office Pensions	01.04.93	144	Accr. August 1997
Scottish Prison Service	01.04.93	4.702	Accr. 1996-7
Scottish Record Office	01.04.93	113	Accr. August 1997
Service Children's Education	01.04.96	713	TD 2000
Ships Support	11.12.96	2.656	TD September 1999
Social Security (NI)	01.07.91	4.877	Accr. January 1997
Social Security Benefits	02.04.91	66.296	75% Accr.1998
Social Security Child support	05.04.93	7.909	Personnel Accr. 1997
Social Security Contributions	02.04.91	7.382	TD August 1998
Social Security Information Technology Services	02.04.90	1.913	Accr. January 1997
Social Security War Pensions	01.04.94	947	Acc. March 1997
Special Procurement Services	01.06.97	820	TD 1999
Student Awards Agency for Scotland	05.04.94	126	Accr. August 1997
The Buying	31.10.91	134	Accr. August 1996
Training & Employment (NI)	02.04.90	1.276	Accr. September 1995
Treasury Solicitors Department	01.04.96	374	TD Summer 1999

UK Hydrographic Office	06.04.90	759	TD January 2000
UK Passport	02.04.91	1.276	Accr. December 1997
Valuations and Lands	01.04.93	266	TD 2000
Valuation Office	30.09.91	4.029	TD December 1999
Vehicle Certification	02.04.90	81	TM May 1999
Vehicle Inspectorate	01.08.88	1.507	TD 1998
Veterinary Laboratories Agency	02.04.90	1.029	TD July 1999
Veterinary Medicines Directorate	02.04.90	103	TD March 1999
Water Service	01.04.96	2.152	TD December 1999
Wilton Park	01.09.91	37	TD 1998
138 in NUMBER			
Total Agency Staff		325.669	
of which Total Civil Servants		299.145	
Crown Prosecution Service	01.10.95	5.489	
HM Customs and Excise	01.04.91	23.400	
Inland Revenue	01.04.92	49.383	
Serious Fraud Office	01.10.95	149	
Total Civil Servants Working on Next Steps		377.566	

Appendix 2:

Next Steps - Activities Announced by Ministers as Candidates for Agency Status as at 31 December 1998

Confirmed Agency Candidates

	Department	Staff
Criminal Records Agency	Home Office	1.200
Crown Solicitor's Office	NIO	100

Agency Candidates Under Consideration

Agricultural Colleges and Develop. Service	NICS	520
Appeals Service Agency	DSS	920
Army Equipment Support	Defence	1.205
Defence Aviation Repair Agency	Defence	6.930
Defence Housing Executive	Defence	1.060
Defence Storage and Distribution (explosives)	Defence	Not revealed
Defence Transport and Movements	Defence	440
Health Service Information Systems	NICS	110
Probation Service	Home Office	14.830
Procurement Executive	Defence	5.905
RAF Support Management Group	Defence	2.005
Recruitment	NICS	45
Rent Officer Service	DETR	1.055
Science Service	NICS	645
Veterinary Service	NICS	565
Youth Treatment Service	Health	120
18 in Number		
Total Staff		41.765
of which Total Civil Servants		38.195

* (Sources: Next Steps Report 1997, Cm 3889, March 1998, London: The Stationary Office and Next Steps Report 1998, Cm 4273, March 1999, London: Stationary Office)

Appendix 3:

Key Targets for the VI

The 1995-96 Key Targets set by the Secretary of State:

1- To achieve an ACE index outturn of +6.00%

2- To break even while a 6% real rate of return on capital, taking one year with another

3- To achieve an HGV/PSV test exemption rate of less than 0.01%

4- To achieve an HGV/PSV test error rate of less than 0.47%

5- To achieve a roadworthiness prohibition error rate of 0.5% or less

6- To return 95% of maintenance assessments for 'O' Licence renewals and variations within 6 weeks and 99% within 12 weeks

7- To decide 99% of all MOT Statutory Appeals against refusal to issue a test certificate within 5 working days

8- To produce 95% of Traffic Enforcement reports for Traffic Commissioners within 4 weeks or other agreed deadline

9- To examine a minimum of 1.4m HGV and 0.145m PSV tachograph charts

10- To weigh a minimum of 115,000 goods vehicles

11- To achieve DOT weighbridge site equipment availability at 90% level nationally

(Source: Business Plan 1995-96, Vehicle Inspectorate Executive Agency)

The 1996-97 Key Targets set by the Secretary of State.

1- To meet the requirements on levels and types of activity laid down in the Memorandum of Agreement on each scheme.

2- To distribute its resources between each activity so as to achieve at least the minimum number of road safety/environment values laid down for the roadworthiness and MOT schemes and to increase the number of HGV designed premises.

3- To meet the quality and general effectiveness levels as specified in the Business Plan measures set for 1996-97.

4- To implement a system of annual surveys and/or structured interviews to be carried out with all principal customers and evaluated to determine a score as the basis of measuring future improvements in performance.

5- To achieve an Aggregated Cost Efficiency (ACE) Index outturn of +3%.

6- To break even while achieving an average 6% real rate of return on capital, over the period 1 April 1991 - 31 March 1998.

7- To score the long-term development of the organisation through working for the Investors In people Award (IIPA), achieving 70% of the assessment indicators set out in the Standards of the IIP Award and through implementing the three elements of the IS Strategy defined in the Business Plan Measures for 1996-97.

Appendix 4:


VEHICLE INSPECTORATE
TESTING AND ENFORCEMENT NETWORK
Berkeley House
HQ Bristol
Vehicle Inspectorate
Testing and Enforcement Centres
Weighbridges

BIBLIOGRAPHY

Books and Articles:

Admad, F. 1993, **The Making of Modern Turkey**, London: Routledge

Akgül, A. 1998, **Total Quality Management System** (in Turkish), Ankara: Aydogdu

Albayrak D. 1997, **Administrative Development Attempts in Turkey** (in Turkish), Unpublished Thesis, Ankara

Anderson B. 1992, **John Major: The Making of the Prime Minister**, London: Headline

Ardic, K. 1994, **Total Quality Management** (in Turkish), Unpublished Thesis, Sakarya

Arrow, R.J. 1986, "Agent and the Market", in Arrow, K.J. & Intriligator, M.D. **Handbook of Mathematical Economics**, Vol.III, North-Holland: Elsevier Science

Aucoin, P. 1990, "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and Pendulums", **Governance**, Vol.3

Aykac, B. 1990, "Merit Principle in Personnel Administration" (in Turkish), **Public Administration Journal**, Ankara, Vol.23/4

Banger, G. 1998, **Restructuring the Public Administration Project**, Ankara: Prime Ministry Press

Bardwell, G. 1996, "Leadership in the Public Sector, including Executive Agencies", **Executive Agencies Quarterly**, Vol. 6

Barnea, A. *et al.* 1985, **Agency Problems and Financial Contracting**, New Jersey: Prentice-Hall

Bayraktar, G. 1993, **Bureaucracy and its Role in the Turkish Political Life** (in Turkish), Unpublished Thesis, Ankara

Beale, V. & Pollitt, C. 1994, "Charters at the Grass-Roots: A First Report", **Local Government Studies**, Vol. 20/2

Bennett, C.J. 1990 "The Formation of a Canadian Privacy Policy: The Art and Craft of Lesson-Drawing", **Canadian Public Administration**, Vol.33/4

Bentley, A.F. 1908, **The Process of Government**, Illinois: Evanston

Bird, G. 1994, "Changing Partners: Perspectives and Policies of the Bretton Woods Institutions", **Third World Quarterly**, Vol.5/3

Bogdanor, V. 1996, "Agencies and Accountability", **The Executive Agencies Quarterly**, Issue 6

Brennan, G. & Walsh, C. 1990, **Rationality, Individualism and Public Politics**, Centre for Research on Federal Financial Relations, Australian University

Buchanan, M. 1975, **The Limits of Liberty**, Chicago: Chicago University Press

Butcher, T. 2000, "The Civil Service: Structure and Management" in Pyper, R. & Robins, L. (eds), **United Kingdom Governance**, London: Macmillan

Butler R. 1994, "Reinventing British Government", **Public Administration**, Vol. 72/2

Caiden, G.E. 1991, **Administrative Reform Comes of Age**, New York: de Gruyter

Campbell, C. 1995, "Does Reinvention Need Reinvention?: Lessons from Truncated Managerialism in Britain", **Governance**, Vol.8/4

Campbell, C. & Wilson, G. 1995, **The End of Whitehall**, Oxford: Blackwell

Can, H. *et al.* 1995, **Personnel Regime in the Public and Private Sectors** (in Turkish), Ankara: Siyasal

Capoglu G. 1996, **Bureaucrat-Politician Relations** (in Turkish), Symposium Paper, Ankara, March

Cevikbas, R. 1995, "The Personnel Regime and Implementation Process" (in Turkish), **Turkish Public Administration**, Vol.28/2

Citci O. 1995, **Political Rights of Civil Servants in the World and Turkey** (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB , Ankara, March

Common, R. 1998, "The New Public Management and Policy Transfer: The Role of International Organisations", in Minogue, M. *et al.* (eds) **Beyond the New Public Management**, Cheltenham: Edward Elgar

Crozier, M. 1964, **The Bureaucratic Phenomenon**, London: Tavistock

Davies, A. & Willman, J. 1991, **What Next? Agencies, Departments, and the Civil Service**, London: IPPR

Deakin, N. & Walsh K. 1996, "The Enabling State: The Role of Markets and Contracts", **Public Administration**, Vol.74/1

Demir, N. 2000, **Regulatory Institutions in Telecommunications in the UK and in Turkey: OFTEL and TA**, Unpublished MA Dissertation, Exeter University

Demirel, S. 1969, **Greater Turkey** (in Turkish), Istanbul: Dergah

Dillman, B. 1999, **Private Sector Response to Economic Reform in North Africa: Morocco, Tunisia, Algeria, and Egypt**, Paper presented to the Third Triennial EURAMES Conference, Ghent (Belgium), September

Doern, B.G., 1993, "The UK Citizen's Charter: Origins and Implementations in Three Agencies", **Policy and Politics**, Vol. 21/1

Dolowitz, D. 1997, **Learning From America: Policy Transfer and Development of the British Workfare State**, Oxford: Sussex

Dolowitz, D. 2000, "Introduction", **Governance**, Vol. 13/1

Dolowitz, D. & Marsh, D. 1998, "Policy Transfer: A Framework for Comparative Analysis", in Minogue, M. *et al.* (eds) **Beyond the New Public Management**, Cheltenham: Edward Elgar

Dolowitz, D. & Marsh, D. 2000, "Learning From Abroad: The Role of Policy Transfer in Contemporary Policy Making", **Governance**, Vol. 13/1

Dorrell, S. 1994, **The Future of the Civil Service**. Speech to the Council of Civil Service Unions, 22 March

Dowding, K. 1995, **The Civil Service**, London: Routledge

Downs, A. 1957, **An Economic Theory of Democracy**, New York: Harper & Row

Drewry, G. 1994, "The Civil Service: From the 1940s to the Next Steps and Beyond", **Parliamentary Affairs**, Vol. 47/4

Drewry G. & Butcher T. 1994, **The Civil Service Today**, Oxford: Basil Blackwell, 2nd Edit.

Dunleavy, P. 1986, "Explaining the Privatisation Boom: Public Choice versus Radical Approaches", **Public Administration**, Vol. 64

Dunleavy, P. 1991, **Democracy, Bureaucracy and Public Choice**, London: Harvester,

Dunleavy, P. & Hood, C. 1994, "From Old Public Administration to New Public Management", **Public Money & Management**, Vol.14/4

Elder, N.C.M. & Page, E.C. 1998, "Culture and Agency: Fragmentation and Agency Structures in Germany and Sweden", **Public Policy and Administration**, Vol. 13/4

Emre, C. 1993, **The Turkish Public Administration in Terms of Social and Cultural Aspects** (in Turkish), Unpublished PhD Thesis. Ankara

Eroglu, C. 1995, **Evaluation of Political Rights, and Political Participation** (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB, Ankara, March

Evans, M. & Davies, J. 1999, "Understanding Policy Transfer", **Public Administration**, Vol. 77/2

Farnham, D. & Horton, S. 1996a, "The Political Economy of Public Sector Change", in Farnham, D. & Horton, S. (eds) **Managing the Public Services**, London: Macmillan, 2nd Edit.

Farnham, D. & Horton, S. 1996b, **Managing Private and Public Organisation**, in Farnham & Horton (eds)

Ferlie, E. *et al.* 1997, **The New Public Management in Action**, Oxford: Oxford University Press

Flynn, N. 1997, **Public Sector Management**, Bodmin: Printice Hall/ Harvester Wheatsheaf, 3rd Edit.

Flynn, N. & Strehl, F. 1996, "Case Study: Next Steps, Agencies", in Flynn, N. & Strehl, F. (eds) **Public Sector Management in Europe**, London: Prentice Hall

Foster, C.D. & Plowden, F.J. 1996, **The State Under Stress**, Buckingham: Open University

Friedman, M. 1962, **Capitalism and Freedom**, Chicago: Chicago University Press

Gains, F. 1999, "Implementing Privatisation in "Next Steps" Agencies", **Public Administration**, Vol.77/4

Gamble, A. 1994, **The Free Economy and the Strong State**, Basingstoke: Macmillan, 2nd Edit.

Gerth, H.H. & Mills, C.W. 1991, **From Max Weber: Essays in Sociology**, London: Routledge

Gray, A. *et al.* 1991, "The Management of Change in Whitehall: The Experience of the FMI", **Public Administration**, Vol. 69/1

Gray, A. & Jenkins, W.I. 1985, **Administrative Politics in British Government**, Brighton: Wheatsheaf

Gray, A. & Jenkins, B. 1995, "From Public Administration to Public Management: Reassessing a Revolution?", **Public Administration**, Vol.73/1

Greenaway, J. 1995, "Having the Bun and the Halfpenny: Can Old Public Ethics Survive in the New Whitehall?", **Public Administration**, Vol.73/3

Greer, P. 1992, "The Next Steps Initiative: An Examination of Agency Framework Documents", **Public Administration**, Vol.70/1

Greer, P. 1994, **Transforming Central Government: The Next Steps Initiative**, Buckingham: Open University

Gresh, A. 1999, **The French State Understanding**, The Key-note Speaker to the Third Triennial EURAMES Conference, Ghent (Belgium), September

Güler, B.A. 1996, **The New Right and Change of the State** (in Turkish), Ankara: TODAIE

Güran S. 1990, **"The Turkish Personnel Law in the 80s"** (in Turkish), Paper presented to the Public Administration Symposium, Ankara: the State Council

Haggard, S. & Kaufman, R.R. 1992, "The Politics of Economic Adjustment – International Constraints", **Distributive Conflicts and the State**, Princeton University Press

Hayek, F.A. Law, 1979, **Law, Legislation and Liberty**, London: Routledge & Kegan Paul,

Hennessy, P. 1990, **Whitehall**, London: Secker-Warbung

Heper, M. 1990, "The State and Debureaucratisation: The Case of Turkey", **International Social Science Journal**, Vol.126

Heper, M. 1992a, 'The Strong State as a Problem for the Consolidation of Democracy: Turkey and Germany Compared', **Comparative Political Studies**, Vol.25/2,

Heper, M. 1992b, 'The Strong State and Democracy: the Turkish Case in Comparative and Historical Pespective', in Eisenstadt, S.N. (ed.), **Democracy and Modernity**, Leiden: Brill

Hill, M. 1997, **The Policy Process: A Reader**, London: Prentice Hall: Harvester Wheatsheaf, 2nd Edit.

Hill, M. 1998, "The Theory and Practice of Regulation in Canada and the United States: Opportunities for Regulatory Learning in the UK", in Doern, B. & Wilks, S. (eds), **Changing Regulatory Institutions in Britain and North America**, Toronto: University of Toronto Press

Hoggett, P. 1996, "New Models of Control in the Public Service", **Public Administration**, Vol.74/1

Hogwood, B.W. 1993, **Uneven Staircase: Measuring up to Next Steps**, Strathclyde Papers on Government and Politics, Glasgow

Hogwood, B.W. 1994, "A Reform Beyond Compare? The Next Steps Restructuring of British Central Government", **Journal of European Public Policy**, Vol. 1/1

Hogwood, B.W. 1995, "Whitehall Families: Core Departments and Agency Forms in Britain", Symposium on Management Reform: Executive Agencies and Core Departments, **International Review of Administrative Sciences**, Vol.61/4

Hood, C. 1991, "A Public Management for All Seasons?", **Public Administration**, Vol. 69/1

Hood, C. 1995, "The New Public Management in the 1980s: Variations on a Theme", **Accounting, Organisations and Society**, Vol.20/2-3

Hood, C. 1998, **The Art of the State: Culture, Rhetoric and Public Management**, New York: Clarendon

Hood, C, James, O. & Scott, C. 1999, "**Regulation of Government: Has it Increased or Increasing, Should it be Diminished?**", Public Administration, Vol.78/2

Hoskyns, J. 1983, "Whitehall and Westminster: An Outsider's View", **Parliamentary Affairs**, Vol. 36/2

Hoskyns, J. 1984, "Conservatism is Not Enough", **The Political Quarterly**, Vol. 55/1

Hughes, O.E. 1998, **Public Management & Administration**, London: Macmillan, 2nd Edit.

James, O. 1995a, "The Agency "Revolution" in Whitehall: A Bureau-Shaping Analysis", in Lovenduski, J. & Stanyer, J. (eds) **Contemporary Political Studies**, Vol.1

James, O. 1995b, "Explaining the Next Steps in the Department of Social Security: the Bureau-shaping Model of Central State Reorganisation", **Political Studies**, Vol.43/4

James, O. 1999, "Regulation Inside Government: Public Interest Justification and Regulatory Failures", **Public Administration**, Vol.78/2

James, O. 2001, "Beyond the 'New Public Management': Regulated Partnership in the UK" in Byong-Man, A, Halligan, J. & Wilks, S. (eds), **Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea**, Forthcoming Book

Jensen, M. & Meckling, W. 1976, "Theory of the Firm", **Journal of Financial Economics**, Vol.3

Jordan, G. 1992, "Next Steps Agencies: From Managing By Command to Managing By Contract", **Aberdeen Papers in Accounting Finance and Management**

Keynes, J.M. 1936, **The General Theory of Employment, Interest and Money**, London: Macmillan

Kickert, W.J.M. & Jørgensen, T.B. 1995, "Conclusion and Discussion", Symposium on Management Reform: Executive Agencies and Core Departments, **International Review of Administrative Sciences**, Vol.61/4

King, D.S. 1987, **The New Right**, Hong Kong: Macmillan

Kutlu, O. 1995, **The Citizen's Charter Initiative**, Unpublished Paper

Kutlu, O. 1997, **The Democratisation Process in Turkey**, Unpublished Paper

Kutlu, O. 1999, **The Bureaucrat-Politician Relations in Turkey**, Paper Presented to the Third Triennial EURAMES Conference, Ghent, September

Kutlu, O. 2000, **The Politics of Bureaucracy in Turkey**, Paper Presented to the Postgraduate Conference of SHiPSS, The University of Exeter, March

Laffin, M. 1997, "Understanding Minister-Bureaucrat Relations", **Australian Journal of Public Administration**, Vol.28/4

Lane, J.E. 1995, **The Public Sector: Concepts, Models, and Approaches**, London: SAGE, 2nd Edit.

Lane, J.E. 1997, **Public Sector Reform: Rationale, Trends and Problems**, London: SAGE

Manning, N. 1996, "**Improving the Public Service**", Unpublished Paper, London: Commonwealth Secretariat

Massey, A. 1993, **Managing the Public Sector**, Cambridge: Edward Elgar

Massey, A. 1995a, "Civil Service Reform and Accountability", **Public Policy and Administration**, Vol.10/1

Massey, A. 1995b, "Ministers, the Agency Model, and Policy Ownership", **Public Policy and Administration**, Vol.10/2

Mellon E. 1993, "Executive Agencies: Leading Change from the Outside-in", **Public Money & Management**, Vol. 13/2

Meyer, G. 1999, **Impact of Structural Adjustment on Small-Scale Manufacturing in Cairo**, The Third Tri-ennial EURAMES Conference Paper, Ghent, September

Midwinter, A. 1993, 'Reaganomics, Thatchersim and Public Finance', in Jordan G., & N. Ashford, (eds), **Public Policy and the Impact of the New Right**, London: Pinter

Minogue, M. *et al.* (eds), 1998, **Beyond the New Public Management**, Cheltenham: Edward Elgar

Minogue, M, *et al.* 1998, "**Introduction**", in Minogue, M. *et al.*

Minogue, M. 2000, **Should Flawed Models of Public Management be Exported? Issues and Practices**, Public Policy and Management Working Paper, No: 15, IDPM, Manchester University

MTI, 1998, **The Quality Handbook of the MTI**, Ankara

MTI, 1998, **The Story of the Quality System in the MTI**, Ankara

Mulgan, R. 2000, "**Public Accountability of Executive Agencies: The Case of the Australian 'Centrelink'**", Discussion Paper, No: 73, Australian National University

Müller, D. 1989, **Public Choice II**, Cambridge: Cambridge University Press

Nilakant, V.& Rao, H. 1995, "Agency Theory and Uncertainty in Organizations", **Organization Studies**, Vol.15/5

Niskanen, W. 1971, **Bureaucracy and Representative Government**, Chicago: Aldine Atherton

Niskanen, W. 1973, **Bureaucracy, Servant or Master?**, London: Institute of Economic Affairs

OECD, 1991, **Serving the Economy Better**, Occasional Papers on Public Management, Paris: OECD

OECD, 1995, **Governance in Transition- Public Management Reforms in OECD Countries**, Paris: OECD

Osborne D. and T. Gaebler, 1992, **Reinventing Government**, Reading, Mass: Addison Wesley

Ozen, S. 1996, **Bureaucratic Culture**, (in Turkish), Ankara: TODAIE

Özturk, A. 1996, "Problems and Solutions to the Administrative Process in Turkey" (in Turkish), **Public Administration Journal**, Vol.29/2

Peters, B.G. 1993, **Comparing Public Bureaucracies**, Tuscaloosa: Univ. of Alabama,

Peters, B.G. 1995, **The Politics of Bureaucracy**, London: Longman, 4th Edit.

Pitirli, A. 1993, "Attempts to Reduce the 'Read Tape' in the Ministry of Interior Affairs" (in Turkish), **The Turkish Administration Journal**, Ankara, No:400

Polidano, C. 1998, "**Conclusion: Looking Beyond the New Public Management**", in Minogue, M. *et al.* (eds)

Polidano, C. 1999, "The Bureaucrats Who Fell Under a Bus: Ministerial Responsibility, Executive Agencies and the Derek Lewis Affair in Britain", **Governance**, Vol. 12/2

Polidano, C. 1999, "**The New Public Management in Developing Countries**", Public Policy and Management Woking Paper, No: 13, IDPM, Manchester University

Pollitt, C. 1993, **Managerialism and the Public Services**, Oxford: Blackwell, 2nd Edit.

Pollitt, C. 1995, **Management Techniques for the Public Sector**, Canadian Centre For Public Management

Pollitt, C. *et al.* 1994, **The Self-Governing Hospital: Freedom and Responsiveness in NHS Trust**, Paper presented to the European Consortium for Political Research Conference, April

Pollitt, C. *et al.* 1998, **Decentralising Public Service Management**, London: Macmillan

Pollitt, C. & Bouckaert, G. 2000, **Public Management Reform**, Oxford: Oxford University Press

Prime Ministry, 1982, **Speeches, Messages and Statements of Prime Minister B•lent Ulusu**, (in Turkish) Ankara: Prime Ministry

Prime Ministry, 1986, **The Three Years of Government (13/12/1983 - 12/12/1986)** (in Turkish), Ankara: Prime Ministry

Public-Net'98 Conference, 1998, Ankara: Prime Ministry, February

Pyper, R. & Robins, L. (eds), 2000, **United Kingdom Governance**, London: Macmillan

Ranson, S. & Steward, J. 1994, **Management for the Public Domain**, Hong Kong: St. Martin's Press

Rayner, D. 1982, **The Scrutiny Programme**, London: Management and Personnel Office

Rayner, D. 1983, "The Business of Government", **The Administrator**, Vol.3

Rose, R. 1990, "Charging for Public Services", **Public Administration**, Vol. 68/3

Rose, R. 1991, "Introduction: Lesson Drawing Across Nations", **Journal of Public Policy**, Vol. 11/1, p.1

Rose, R. 1993, **Lesson-Drawing in Public Policy**, Chatham: Chatham House

Self, P. 1985, **Political Theories of Modern Government**, London: Allen and Unwin,

Self, P. 1993, **Government by Market?** Houndmills: Macmillan

Sen, M.L. 1995, "Merit Principle and its Implementation in Turkish Personnel System" (in Turkish), **Public Administration Journal**, Ankara, Vol.28/1

Seylan G. 1996, **Bureaucrat-Politician Relations** (in Turkish), Bureaucrat-Politician Relations Symposium Paper, Ankara

Shavell, S. 1983, "Risk-Sharing and Incentives in the Principal and Agent Relationship", **Bell Journal of Economics**, Vol.10

Shaw, B. 1988, **History of the Ottoman Empire and Modern Turkey**, Cambridge: Cambridge University

Spremann, K. 1989, "Agent and Principal", in Spremann, K. & Bamberg, G. (eds) **Agency Theory, Information and Incentives**, Berlin: Spring-Verlag

State Personnel Directorate, 1998, **The Norm Posts Handbook**, Ankara

Thatcher, M. 1993, **The Downing Street Years**, London: Harper Collins

TODAIE, 1967, **The Central Government Organisation Report**, Ankara

TODAIE, 1991, **Public Administration Research Report**, Ankara

Tullock, G. & Buchanan, J.M. 1962, **The Calculus of Consent**, Univ. of Michigan: Ann Arbon

Tullock, G. 1976, **The Vote Motive**, London: The Institute of Economic Affairs

Turner, M. & Hulme, D. 1996, **Governance, Administration and Development: Making the State Works**, Basingstoke: Macmillan

Tutum, C. 1977, "Politicisation of Administration and Partisanship", **Turkish Public Administration Annual**, Vol.4

Tutum, C. 1996, "The Question of Public Personnel", **Public Administration Conference Paper** (in Turkish), Ankara, April

Tüzün, B. 1995, **Total Quality Management** (in Turkish), Unpublished Thesis, Istanbul

Walsh, K. 1995, **Public Services and Market Mechanism**, London: Macmillan

Wilks, S. 1986, "Has the State Abandoned British Industry?", **Parliamentary Affairs**, Vol. 39/1

Wilson, J.A. 1980, **The Politics of Regulation**, Basic Books

Wilson, W. 1887, "The Study of Administration" in Woll, P. (ed.) 1966, **Public Administration and Policy**, Harper & Raw

Worsham, *et al.* 1996, "Limits of Agency Theory", **Governance**, Vol.9/4

Worsham, *et al.* 1997, "Assessing the Assumptions: A Critical Analysis of Agency Theory", **Administration & Society**, Vol. 28/4

Zurcher, E.J. 1993, **Turkey: A Modern History**, London: I.T. Tauris & Co.

Zabunoglu Y. 1995, "**Political Rights of Civil Servants**" (in Turkish), The Political Rights of Civil Servants Conference organised by TMMOB, Ankara, March

Zifcak, S. 1994, **New Managerialism: Administrative Reform in Whitehall and Canberra**, Buckingham: Open University Press

Newspapers & Tv Channels

Adonis, A. "No merit in Whitehall split", **The Financial Times**, 29-05-1996

BBC 2, "People's Century", 27-02-1997

Candar, C. **Sabah**: 12-10-1999

CNN: 01-08-1999

Coskun, B. "High-flying Sister-in-law", **Hurriyet**, 18-10-1999

Dogru, N. **Sabah**, 11-11-1999

Hugill, B. "A Civil Service on its Last Legs", **The Observer**, 29-05-1994

Hurriyet: 18-05-1999

Hurriyet: 10-11-2000

Hurriyet: 19-07-1999

Ilicak, N. **Yeni Safak**, 15-11-1999

Ipekci A. "Interview with Ecevit" (in Turkish), **Milliyet**, Daily, 29 April 1975

Kardüz, A.R. **Sabah**, 15-10-1997

Kemp, P. "Bulky Baby Just Keeps Growing", **The Times**, 21-03-1996

Kivanc, T. **Yeni Safak**, 22-11-1999

Kivanc, T. **Yeni Safak**, 03-06-2001

Koru, F. "Agenda", **Turkish Daily News**, 13-11-1999

Milli Gazete, "Draft Constitution", 11-11-1999

Milliyet: 05-07-1997

Milliyet: 16-11-2000

NTV: 17-11-1999

NTV: 29-11-2000

Ozkok, E. **Hurriyet**, 24-06-1999

"Politikanin Nabzi", **TRT** (The State Channel): (01-09-1999)

Riddell, P. "Cabinet, Codes, and Courts", **The Times**, 13-03-1996

Sabah, 16-06-1999

Sabah, 17-10-1999

Sabah: 18-07-1999

Selcuk, S. **"The Opening Speech of the Judicial Year 1999"** http://www.ntvmsnbc.com 07-11-1999

The Financial Times, "Labour Plans jails shake-up, Labour is reviewing the status of some semi-autonomous agencies", 25-02-1997,

The Financial Times, "Responsibility for Prisons", 28-08-1996

The Financial Times, "Turkey on the Brink of Devaluation", 06-03-2001

The Guardian, "The 30-year-old MOT Test is a Lottery", 05-08-1993

The Guardian, "The Ideal System to Stop the Theft of MOT", 24-11-1993

The Guardian, "Heseltine in Sell-off Crusade", 19-05-1994

The Guardian, "Dump the Pump", 01-08-2000

The Independent, "Illegal MOT Trade Worth P7 Billion a Year", 28-11-1993

The Independent, "The Privatisation of VI wouldn't Go Ahead", 18-03-1994

The Independent, "Tightening Roadside Checks", 28-02-1995

The Independent, "MOT Garages Failed to Spot Faults on Defective Cars", 07-08-1997

The Independent, "Fuel Prices Protest", 01-08-2000

The Observer, "Drivers Blamed for Thousands of Faulty Cars", 17-09-1995

The Observer, "Lorry Drivers Forced to Work Illegal Hours by Unscrupulous Employers", 22-10-1995

The Observer, "Cowboy truckers face confiscation threat", 29-10-1995

The Observer, "Increasing Spot Fine for 'Dirty' Cars to P60", 21-01-1996

The State Newspaper, http://www.trt.net.com, 30, 31-05-2001

The Sunday Times, "Expensive MOT Help-line", 02-07-1995

The Times, "Howard says Jails Director Deserves His £35,000 Bonus", Derek Lewis, 13-12-1994

The Times, "Just how roadworthy is your new car?" 21-01-1995

The Times, "Red tape hits alert over Escape", 11-03-1995

The Times, "Heseltine challenged over use of civil service", 11-11-1996

The Times, "Blair would split civil service", 11-11-1996,

The Times, "P20 Fine to 'Idling' Drivers", 22-12-1997

The Times, "200 school buses not safe", 03-04-1998

The Times, "Consumer Protest", 01-08-2000

TRT, "Politikanin Nabzi": http://www.trt.net.tr 01-09-1999

Ulagay, O. **Milliyet**, 23-11-1999

Ulsever, C. 'The Conviction of Oral Calislar' (in Turkish). **Hurriyet**, Daily, 03-06-99

Yeni Safak, "Recep Tayyip is in Jail" (in Turkish), 15-04-99

Yeni Safak, "Sacking of Recep Yazicioglu" (in Turkish), 29-09-1999

Yeni Safak: http://www.yenisafak.com 05-12-2000.

Zaman, "An Outrageous Comment by the Justice Minister" (in Turkish), 13 August 1995

Zaman, "Milli Egitimde tayin Furyasi", 16 November 1997

Internet Sources

ANAP: http://www.anap.org.tr

Anar Arastirma: http://www.anararastirma.com.tr

CNN: http://www.cnn.com

DSP: http://www.dsp.org.tr

DYP: http://www.dyp.org.tr

EU: http://www.europa.eu.int

FP: http://www.fp.org.tr

Haberturk: http://www.haberturk.com

Hurriyet: http://www.hurriyet.com

Kanal7: http://www/kanal7.com

KanalD: http://www.KanalD.com

MHP: http://www.mhp.org.tr

Milli Gazete: http://www.milligazete.com.tr

Milliyet: http://www.milliyet.com

NTV: http://www.ntv.com.tr

OECD (PUMA): http://www.oecd.com/puma

Resmi Gazete (the State Newspaper): http://van.basbakanlik.gov.tr

Radikal: http://www.radikal.com.tr

Sabah: http://www.sabah.com.tr

The MTI: http://www.sanayi.gov.tr

TRT (The State Channel): http://www.trt.net.tr

VI: http://www.via.gov.uk

Yeni Safak: http://www.yenisafak.com

Zaman: http://www.zaman.com

Official Publications

Cmnd 3638, 1968, **The Civil Service- The Fulton Report-**, London: HMSO

Cmnd 7841, 1980, **The Government's Expenditure Plans 1980-81 to 1983-84**, London: HMSO

Cmnd 8616, 1982, **Efficiency and Effectiveness in the Civil Service**, London: HMSO

Cmnd 1599, 1991, **The Citizen's Charter**, London: HMSO

Cmnd 1730, 1991, **Competing for Quality**, London: HMSO

Cmnd 2627, 1994, **Continuity and Change**, London: HMSO

Cmnd 4273, 1998, **Next Steps Review 1998**, London: The Stationary Office

Department of Environment, 1991, **A New Tax For Local Governments**, London: HMSO

Efficiency Unit, 1985, **Making Things Happen**, London: HMSO

Efficiency Unit, 1988, **Improving Management in Government: the Next Steps**, London: HMSO

Efficiency Unit, 1991, **Making the Most of Next Steps: The Management of Ministers' Departments and their Executive Agencies**, London: HMSO

European Commission, **2000 Regular Report From the Commission on Turkey's Progress Towards Accession**, 8 November 2000, in http://www.eu.com

HC 92-II, 1985-86, **Civil Servants and Ministers: Duties and Responsibilities**, TCSC, London: HMSO

HC 494-I, 1987-88, **8th Report: Civil Service Management Reform: the Next Steps**, London: HMSO

HC 494-iv, 1987-88, **Civil Service Management Reform: the Next Steps: Minutes of Evidence**, London: HMSO

HC 348, 1988-89, **Developments in the Next Steps Programme**, TCSC Fifth Report

HC 410, 1988-89, **The Next Steps Initiative**, NAO, London: HMSO

HC 481, 1989-90, **Progress in the Next Steps Initiative**, TCSC Eight Report

HC 496, 1990-91, **The Next Steps Initiative**, TCSC Seventh Report

HC 249, 1991-92, National Audit Office Report, **"The Vehicle Inspectorate as the First Executive Agency"**, London, HMSO

HC 118, 1992-93, Committee of Public Accounts, **Nineteenth Report, the VI: Progress as the First Executive Agency**, London, HMSO

HC 390-ii, 1992-93, **The Civil Service: Minutes of Evidence**, TCSC, London: HMSO

HC 651, 1994-95, **VI Annual Report 1994-95**, London: HMSO

HC 163, 1996-97, **VI Annual Report 1996-97,** London: The Stationary Office

Wilson, L. *et al.* 1999, **VI Evaluation Report 1995/96 – 1998/99**, London: The Stationary Office

Management and Personnel Office, 1983, **Civil Service Management in the 1980s**, London: HMSO

MTI Establishment Act (in Turkish), 1985, No: 3143

MTI, 1998, **"The Administrative Ombudsman"**, (in Turkish) the Agreement between the MTI and the Union of the Chambers of Commerce, Ankara

Parliamentary Debates, 1987-88, **Civil Service Management**, Vol. 127, pp. 1149-56

State Officials Law (in Turkish), 1965, No: 657

The Civil Servants Bill (in Turkish), 1998, Ankara: State Personnel Directorate

The Constitution of the Republic of Turkey, 1982, Ankara: PMDGPI

The State Statistics Institute, 1998, **The Population Census 1997** (in Turkish), Ankara

VI Annual Report 1987-88, London: HMSO

VI Annual Report 1989-90, London: HMSO

VI Annual Report 1990-91, London: HMSO

VI Annual Report 1991-92, London: HMSO

VI Annual Report 1992-93, London: HMSO

VI Annual Report 1993-94, London: HMSO

VI Annual Report 1994-95, London: HMSO

VI Annual Report 1995-96, London: HMSO

VI Annual Report 1996-97, London: The Stationary Office

VI Annual Report 1997-98, London: The Stationary Office

VI Annual Report 1998-99, London: The Stationary Office

VI **Annual Report 1999-00**, London: The Stationary Office

VI Business Plan 1989-90, London: HMSO

VI Business Plan 1990-91, London: HMSO

VI Business Plan 1991-92, London: HMSO

VI Business Plan 1992-93, London: HMSO

VI Business Plan 1993-94, London: HMSO

VI Business Plan 1994-95, London: HMSO

VI Business Plan 1995-96, London: HMSO

VI Business Plan 1996-97, London: The Stationary Office

VI Business Plan 1997-98, London: The Stationary Office

VI Business Plan 1998-99, London: The Stationary Office

VI Business Plan 1999-00, London: The Stationary Office

VI Business Plan 2000-01, London: The Stationary Office

VI Report on the VI's Effectiveness as an Enforcement Agency 1996-97, London: The Stationary Office

VI Effectiveness Report: A Report on the VI's Effectiveness as an Enforcement Agency 1997-98, London: The Stationary Office

VI Effectiveness Report: A Report on the VI's Effectiveness as an Enforcement Agency 1998-99, London: The Stationary Office

VI Effectiveness Report: A Report on the VI's Effectiveness as an Enforcement Agency 1999-00, London: The Stationary Office

VI Framework Document, 1988, London: HMSO

VI Framework Document, 1996, London: HMSO

Press Release: "from the Secretary of State for Transport (J. MacGregor)", 17 March 1994

VI Press Release: "Children put in danger by poorly maintained coaches", 26 October 1997

VI Press Release: "VI Takes Part in Vehicle Safety Check at BBC's 'Big Bash', 21 October 1997

VI Press Release: "Four more charter marks for VI", 27 November 1997

VI Press Release: "Are You Sitting Safely", 2 February 1998.

VI, "Who are we" leaflet by VI, 1998

World Bank, 1988, **Evaluation of Structural Adjustment Lending in Turkey**, Report No: 7295

World Bank, 1993, **Financial Sector Adjustment Loan- Project Completion Report**, No: 12385