

Local Government Modernisation in Germany: Stages, discourses, patterns, international perspective.

to be published in: Public Administration (forthcoming)

Introductory remarks

In recent writing by foreign observers public sector modernisation in Germany during the past 20 years has been perceived, from an internationally comparative perspective, as a divergent, if not deviant case. In a comparative overview which concentrated on central government level development Michael Barzelay concluded that, by contrast with Anglo-Saxon, but also Scandinavian countries, "Germany in the 1980s and 1990s is not a case of comprehensive public management policy change" (Barzelay 2000: 85). In comparing local government modernisation over the past two decades in the Netherlands and in Germany, Frank Hendriks and Pieter Tops noted significantly different, yet "intersecting reform trends" (Henriks and Tops 1999: 133 ff.).

In this article the attempt will be made to shed some more light on the course and pattern of public sector modernisation in Germany and on the factors that have been shaping it. In identifying the degree of convergence with or divergence from other major countries, the German case shall be put into a comparative perspective.

- The paper will focus on the local government level which promises to be particularly instructive in the German case, as local government plays a key functional role in Germany's federal and comparatively decentralised fabric¹. As to employing the term (local) "government" in this article a *caveat* needs to be made. In Anglo-American usage the term "government" denotes the body of political *and* administrative institutions (with some political overtone) on the central *as well as* decentral/local levels. By contrast, in German usage "Regierung" (which is the closest equivalent to "government") refers to the *executive* institutions (particularly ministries) on the federal/central and the federal States (*Länder*) levels. Because of related historical, conceptual (legal doctrine) and terminological reasons, one traditionally speaks of "local self-administration" (*kommunale Selbstverwaltung*). In order to communicate more easily to the reader familiar with Anglo-American terminology in this article – mind the *caveat* – the term

"local self-government" will be used.

- In treating local government modernisation both the political and administrative institutions will be dealt with.
- The article will pursue an explicitly historical ("over time") approach meant to cover the institutional reform patterns since 1945. While the available analyses mostly dwell on the current development or at best comprise the 1980s, such historical view holds the analytical potential of identifying long-term trends and their determining factors and of, thus, providing a fruitful frame for (more) adequately analysing and interpreting present-day developments.

The institutional change and modernisation can be conceived as a sequence of decisions on *institutional choice* (methodologically speaking, as *dependent variables*) which are taken by the relevant actors in the pertinent policy *discourses* and decision making arenas².

In trying to explain the institutional changes an analytical framework will be used in which, as *explanatory variables*, the following factors are assumed as being particularly influential:

- the international policy and modernisation discourse,
- the socio-economic and/or budgetary problem pressure,
- the institutional/State/administrative tradition and "legacy"
- and policy goals and interests of the political and administrative elites.

In pursuance of its explicitly historical ("over time") approach the article will distinguish four stages.

In a first section, some basic features of Germany's local government system will be sketched, as it (re-)emerged after 1945 and marked the *starting point* for the institutional reforms to come.

Then, three phases³ will be discerned:

- the 1960s and the early 1970s as the period of advanced welfare state policies,
- the 1980s as the period of budgetary retrenchment policies,
- the current 1990s.

1. Rebuilding the political and administrative structures of local government after 1945

Whereas, after the defeat of Nazi Germany, in restoring a democratic system in the three Western Occupational Zones the boundaries of the new federal States (Länder) were territorially almost completely redrawn and the Federal Republic was created, in 1949, as a new West German State with Bonn as its new capital, whereas, in other words, the institutional *macro* structures of the post-war republic were significantly remoulded, the local level exhibited a great degree of institutional continuity both in its intergovernmental setting as well as in its internal organisation as it largely followed the blueprint of the political and administrative institutions that already existed, prior to the Nazi seizure of power in 1933, during the inter-war years and, to a considerable extent, dated back, in an almost "path-dependent" persistence, to the last century (Hesse 1990: 359 p., Wollmann 2000: 47 p.).

- In line with Germany's constitutional history, the Federal Republic was established, under the Federal Constitution of 1949, as a two-layer federal system consisting of the federal and of the Länder levels, while the municipalities (*Gemeinden*) and counties (*Kreise*) continued to be regarded, by constitutional law and under the traditional legal doctrine, as constituent parts of the Länder and, as it were, as creatures of the Länder. Ensuingly, on the one side, crucial institutional parameters for the operation of local government (such as the territorial boundaries, the municipal charters etc.) are set by the Länder.
- On the other hand, in conformity with a constitutional tradition dating back to the last century, the municipalities (*Gemeinden*) and (to a somewhat lesser degree) also the counties (*Kreise*) have the right, under the traditional general competence clause laid down in article 28 of the Federal Constitution of 1949, "to decide all matters of the local community (*örtliche Gemeinschaft*) in their own responsibility in the frame of the existing law". Within their local autonomy (*kommunale Selbstverwaltung*, literally translated: local self-administration) the municipalities (and counties) traditionally carry out a wide gamut of local tasks which, *inter alia*, comprise the delivery (and financing) of social assistance, local land-use and physical planning and infrastructural provisions. The right to decide, on its own, the questions of the (internal) organisation (and modernisation) of local administration has traditionally been regarded and respected as an essential feature of local level autonomy (*Organisationshoheit*) which is seen as largely ruling out federal and Länder interference in these (intra-) organisational matters and has

given the organisational development of local administration a "bottom up" and pluriform rather than a centrally shaped and uniform profile.

- Again linking up with an administrative tradition which was introduced in the last century and constitutes a characteristic element of the German-Austrian administrative and municipal tradition (for further references see Wollmann 2000a: 46, Marcou/Verebelyi 1993: 79 f.), the counties and municipalities (particularly the "county-exempt" municipalities, *kreisfreie Städte*) have continued, after 1945, to operate under the traditional *double function model* according to which they are put in charge, besides attending their local self-government matters, of carrying out State administrative tasks delegated to them (*übertragene Aufgaben*). Different from the local self-government matters proper with regard to which the supervision by the State (that is, primarily Länder) authorities, is restricted to a *legality review* (*Rechtsaufsicht*), local administration is subject, in discharging the "delegated" matters, to a comprehensive and substantive "merits" control (*Fachaufsicht*) by the State authorities. The traditional *double function model* through which the conduct of local government matters and of "delegated" State tasks is, thus, administratively "fused" or "integrated" by local administration⁴ has ambivalent implications for the operation of local government. On the one hand, the delegation of state matters may tend to draw its entire activities, including the local autonomy matters, into the spell of the State and, as it were, to "state-lise" (*verstaatlichen*) it. On the other, by institutionally embedding the conduct of delegated State tasks in the local context and by exposing it to the local political environment, such delegated State business may get somewhat "municipalised" (*kommunalisieren*).

Due to the combination and accumulation, under the *double function model*, of local self-government and of delegated State matters (which makes them, *inter alia*, implement up to 90 % of federal and Länder legislation and handle two thirds of public capital expenditures), local government has a functional importance in Germany which probably is significantly larger than in any other (West) European country. (It is this salient *functional* status of Germany's local government that led observers to classify it as making up a self-standing local government type. See Hesse/Sharpe 1990: 607 who speak of a "North and Middle European" type as distinct from the "Anglo" and the "Franco" types. In a somewhat more pointed manner one might even speak, with an eye on the peculiar "double function" model, of a "German-Austrian" or "Germanic" type, see also Wollmann 2000a: 51 f.)

- As a conspicuous exception to this remarkably wide scope of administrative responsibilities of the local authorities, the delivery of social services has, under the principle of *subsidiarity* hailing from the late 19th century, been traditionally carried out, to a considerable extent, by non-public not-for-profit (welfare) organisations (*freie Wohlfahrtsverbände*). This principle (which was taken up and reinforced by the Federal Social Assistance Act of 1961) marks an important difference from the U.K. and from the Scandinavian countries where the social services have been delivered predominantly by the municipal personnel proper.
- In the immediate post-war years, a professional debate came up, under the somewhat peculiar term "simplification of administration" (*Verwaltungsvereinfachung*), about making public administration (today one would say) "leaner" and more efficient⁵. Yet, perhaps because of the enormous problem-load which overwhelmed public administration during these years, the incipient debate hardly bore any fruit. Hence, municipal administration continued to be marked by the internal hierarchical organisation with narrow control spans and paralleling "sectorial units" (*Fachaufgaben*) and "cross-cutting units" (*Querschnittsaufgaben*, particularly on organisation, personnel and budget). In sum, public/municipal administration continued to be shaped by the traditional *hierarchical* and *legal rule-bound* premises of a ("Max Weberian") bureaucracy.
- In restoring local democracy after 1945, the first municipal charters which were enacted by the new (West German) Länder (and which bore the strong handwriting of the Occupational Forces) gave preponderance to the principles of representative democracy in stipulating elected local councils and (with the exception of Land Baden-Württemberg) not providing for local referendums. With regard to the executive function of local administration, most Länder introduced the mayor as the monocratic head of local administration, with the exception of the Länder of the British Occupational Zone (particularly, Nordrhein-Westfalen) which installed a variant of the British *government by committee*. In most Länder the mayor was elected by the council (in a local version of the "parliamentary system"), whereas in two Länder (that is, Baden-Württemberg and Bayern, both situated in the American Occupational Zone and leaning on the U.S. "strong mayor" model) the direct election of the mayor was put in place (in a kind of local "presidential system") (for details see Knemeyer 1999, see also Wollmann 2000a: 49 f.).

It was this political and administrative setting that the municipalities and counties went about tackling the unprecedented tasks marked, in the immediate aftermath of the War, by massive inner-city destruction, economic and infrastructural disruption and millions of shelter-seeking refugees pouring in from Eastern provinces. This, as it were, "heroic period" of local government, no doubt, contributed significantly to bring forth and confirm a strong confidence, among local practitioners, in the problem-solving capacity and viability of the existing (traditional) administrative model.

2. Reform wave of the late 1960s and early 1970s

After, throughout the 1950s and well into the 1960s, the development of West Germany's local government system exhibited a pattern of institutional continuity along the institutional corridor embarked upon after 1945, it was profoundly remoulded since the late 1960s (see Wollmann 1997: 82 pp., Schröter/Wollmann 1997. 188 pp. with references).

During the 1960s, a policy and modernisation discourse gained momentum in the international discourse arena which hinged on the ("Social Democratic") concept of a proactive and interventionist welfare state geared to (Neo-Keynesian) business cycle management as well as to expansive social and infrastructural policies. As a conceptual twin, a ("rationalist") policymaking model was advocated in which the problem solving capacities of the advanced welfare state was to be improved by the employment of planning and evaluation concepts and by profoundly modernising government and administration. In the Federal Republic of Germany the overture to the new policy and modernisation discourse was prompted by an increasing problem perception ("end of the post-war reconstruction period") and was politically propelled when, in 1969, the reform-oriented Social Democrats came to lead the federal government. In fact, West-Germany was probably among the European front-runners in this round of large-scale institutional reform policy. (Indicatively the Federal Republic of Germany was, besides Sweden, a European frontrunner in introducing *evaluation* as a standard operation into policymaking, see Levine 1981, Wagner/Wollmann 1986, Derlien 1990 and probably went furthest among European countries to venture into "social experimentation" as an instrument of "rationalist" policymaking.) At the same time, experiencing the rebellion of 1968, countless local „citizen initiatives“ (*Bürgerinitiativen*) claiming participation in public planning and decision-making processes and the upsurge of

social movements the post-war republic was faced with a downright „participatory revolution“ which has brought about a deep change particularly in post-war Germany's political culture.

Powerful levers for local government modernisation were, firstly, set by the *federal* and *Länder* levels.

- In order to improve the administrative efficiency and planning capacity of the municipalities and counties the *Länder*, between the mid-1960s and early 1970s, proceeded to drastically redraw the boundaries of the municipalities and counties via large-scale (and often conflict-ridden) *territorial reforms* and amalgamation which deeply changed the territorial format of local government. In doing so, most *Länder* followed the "North European" pattern (with large-scale amalgamation) rather than the "South European" one (with small-scale, if not nil amalgamation). Thus, with significant differences between the *Länder*, the number of municipalities was, in total, cut from 24.000 to some 8.400 and that of the counties from 425 to 237, for details see Laux 1999, see also Wollmann 2000a for internationally comparative data. For the distinction between the „North European“ and the "South European type" of territorial reform see Baldersheim et al. 1996: 25 f., Norton 1994, Marcou/Verebelyi 1993: 382.
- In moving into new or extending policy fields (such as social policy, urban renewal, public transportation) in the pursuit of the advanced welfare and by involving the local government level in the implementation of such expansive policies, the federal and the *Länder* governments prompted the municipalities and the counties to create new institutional and personnel resources adept to cope with the new tasks.
- With the aim of *professionalising* the municipal personnel the *Länder*, in the late 1960s, established vocational training colleges (*Fachhochschulen*) which, figuring below the university level, were meant to particularly train future local employees of the *upper middle - gehoben* - administrative career echelon which plays a key role in local administration.
- Except for some new provisions, in federal legislation, on (advisory) citizen participation in planning procedures (such as in the municipalities' land-use and physically planning), the federal and *Laender* legislation conspicuously refrained, however, from complementing the hitherto prevalent representative democratic institutions by direct

democratic procedures.

Secondly, the municipalities and counties within the broad scope of autonomy and discretion they have in internal reorganisation, embarked upon large-scale organisational changes.

- The message of modernising policymaking and administration by introducing *planning* and *evaluation* was taken up on the local level, particularly in the major cities, perhaps even more intensely than on the upper government levels. By establishing new administrative units for "city development planning" (*Stadtentwicklungsplanung*) and by producing elaborate development plans many cities were eager to turn (development) planning in a key institutional and procedural policy instrument. In a similar vein, indicator-based evaluation feedbacks were initiated.
- In response to the new policy fields new local administrative units were created and new (freshly professionalised) personnel was recruited.
- Such recruitment of new cohorts of (professional) personnel elicited sectorial "policy networks" that acted as change agents for sectorial reforms (for instance, in social administration, environmental protection).
- Responding to the mounting pressure from citizen groups and local social movements and within the new federal legislation on (advisory) citizen participation, local planning underwent significant procedural and "cultural" changes.

These few clues should suffice to drive home the point that since the mid-1960s Germany's local government system was seized by a conspicuous wave of institutional (as well as cognitive) changes. While falling in line with the international discourse and trend, it has brought about probably deeper shifts in local level government during this period than in most other European countries. (The otherwise penetrating comparative treatise by Hendriks and Tops 1999 on local government modernisation in the Netherlands and in Germany focuses on, and is restricted to, the development since the 1980s, thus leaving out the – in our interpretation – crucial 1960s and 1970s.)

Yet, the heydays and crest of the reform wave was short-lived, since, setting in with the first oil price hike of 1973, the Western capitalist economies slid into a lasting recession which threw the countries into mounting budgetary woes and quenched the reform mood. In the Federal Republic, too, the planning euphoria and "pro-active" reform optimism gave way to

planning and reform scepticism and re-active crisis management. Ensuingly, on the local level many reform projects were sized down or even phased out (Wollmann 1997: 83 pp.).

Although the reform drive, hence, lost much of its momentum, there can be no doubt that it has left lasting modernising traces in the institutions and procedures as well as in the attitudes and skills of the personnel of local administration, particularly by ushering and sustaining an (albeit incrementalist and fragmented) process of further institutional adaptation and learning for a number of reasons⁶.

- The decentralist and "bottom up" feature of the internal modernisation of German local government makes, on the one hand, for a higher degree of local pluriformity, insularity and incrementalist adaptation than this may be the case in countries, for instance in the U.K., where internal reorganisation of local government has been, to a larger degree, mandated "top down" by central government. On the other hand, however, such decentralist pattern gives the institutional adaptation and learning process a firmer local institutional as well as cognitive footing and persistence than in a centralist setting where the local activities may wane, once the central level intervention subsides.

As sector-specific reformist "policy communities" got institutionally entrenched in the newly created sectorial administrative units, their reform project had an institutional survival chance under worsening external conditions. (It should be noted, however, that some disagreement reigns among German observers as to the salience and long-term impact of this reform period on public sector modernisation in Germany. Particularly those who have been prominent advocates of New Public Management-guided modernisation share a largely negative retrospective on the 1960s and 1970s. See, for instance, Reichard 1997: 51, Naschold 1995: 65.)

Furthermore, it must be added, that, notwithstanding the significant changes and lasting traces brought about by reform period, German public administration continued to be characterised by some basic features deeply rooted, with a path-dependent persistence, in the German administrative tradition.

- The dominant legalism giving rule compliance priority over efficiency,
- The hierarchical bureaucratic model ensuring intra-organisational central and vertical control rather than allowing decentral discretion and flexibility, by and large imbued with

the "Max Weberian" bureaucratic spirit.

- The traditional civil service system (*Berufsbeamtentum*) with its built-in immobilism and performance disincentives remained largely untouched.

3. Incremental changes in the 1980s

Since the mid-1970s, the socio-economic, financial and political contexts of public sector modernisation dramatically changed in most OECD countries, as the first oil price hike of 1973 triggered a deepening economic recession and an ensuing budgetary crisis throughout the OECD countries. The international modernisation discourse was increasingly dominated by concepts which, under the somewhat amorphous heading *New Public Management*, aim at transferring the principles of private sector *managerialism* to public sector modernisation (see Aucoin 1990, Hood 1991). While the NPM message has become the guideline for far-reaching public sector modernisation particularly in Anglo-Saxon countries, that is, in the U.K., New Zealand and Australia (for a recent account see Barzelay 2000 with references), it has been advocated by influential international organisations, such as The World Bank and OECD, as landmark and beacon for public sector modernisation world-wide.

By contrast, in Germany the discourse and practice of public sector modernisation remained during this period conspicuously unimpressed by the internationally dominant NPM debate – probably for a number of reasons (Wollmann 1996: 19 pp., Schröter/Wollmann 1997: 190-191).

- The reform discourse was still shaped (and shielded against an easy penetration by NPM) by the widely shared view that the German administration performed, by international standards, comparatively well, at least with regard to the legality, professionalism and reliability of its activities.
- Little novelty was seen in some crucial concepts of NPM, for instance in "outsourcing" and "competitive tendering" of social service delivery, as they appeared to be already in place in German local administration, for example, through the subsidiarity principle (see Hendriks and Tops 1999: 147).
- An easy access of the NPM message to the German modernisation discourse was additionally impeded by a mind-frame in which, probably typical of Continental European and certainly of German traditional thinking, the "State" is seen as an entity

standing conceptually, if not philosophically, as well as institutionally quite distinct from "society" – unlike the "state-less" Anglo-Saxon political and administrative tradition where the borderline between the public and the private sector is conceptually much more fluid (Dyson 1980). While in the Anglo-Saxon world the modernisation discourse, thus, has had no difficulty to apply private sector managerialism to the public sector, the cognitive and ideological obstacles to such a transfer have been much higher in the German case (König/Füchtner 1998: 9)⁷.

As the discourse on public sector modernisation in Germany, thus, largely ignored the internationally dominant NPM debate, public sector modernisation was pursued particularly on the local level in an incrementalist pace and rate which, after the reformist tidal wave receded, seemed embedded in and carried on in a continuous, albeit locally fragmented learning process, mainly along two strands:

- Reacting to the financial squeeze and to the ensuing pressure for budgetary retrenchment the local governments took to efficiency-raising and cost-cutting strategies. Among these the instrument of "task scrutiny" (*Aufgabenkritik*) was writ large which, designed and propagated by KGSt, was to "x-ray" the local government tasks, through a kind of cost-benefit-analysis, both on their substantive merits and on their implementation.

Linking up with the participatory strand of the previous reform period, the "citizen-oriented" accessibility (*Bürger Nähe*) of local administration was to be improved (Grunow 1988) through the creation of "citizen centres" (*Bürgerhäuser*) (Kißler et al. 1993). Our account and interpretations of German local government modernisation in the 1980s differs from the one submitted by Hendriks and Tops 1999 in some (important) points: a. In our interpretation, the major conceptual and institutional changes were initiated in the 1960s and 1970s (which Hendriks and Tops almost entirely leave out in their analysis), while the institutional development in the 1980s was incrementalist and adaptive. b. While we agree with Hendriks and Tops on the point that the participatory wave (in terms of „citizen initiatives“, social movements, self-help groups etc.) was still in full swing during the 1980s (and probably more pronounced than in most other European countries), it needs to be repeated that the „participatory revolution“ was ignited in the 1960s and 1970s. Its impact on *institutional* change and modernisation was, alas, quite limited in its initial phase of the 1960s and 1970 as well as during the 1980s. Moreover the debate of the 1980s about „renewing politics from

bottom up“ (*Erneuerung der Politik von unten*) remained (again: alas) an almost entirely academic debate (see Hesse 1986, Wollmann 1986).

4. Sweeping changes in the 1990s

Since the early 1990s Germany's local government system has been seized by two powerful reform currents of conspicuously distinct origins and contexts.

- With a ten years delay the national discourse on modern sector modernisation finally joined the international NPM bandwagon.
- At the same time, the institutional arrangement of local government was profoundly remoulded by the introduction of procedures of direct democracy.

4.1. The "New Steering Model", the German variant of New Public Management, making its entry and impact

Several reasons account for the abrupt shift in the discourse on public sector modernisation in the early 1990s (see Schröter/Wollmann 1997: 192 with further references).

- Since the beginning of the early 1990s the squeeze on the budgets of all levels of government dramatically increased, as fulfilling the Maastricht criteria demanded strict budgetary austerity and as, at the same time, the public debt kept skyrocketing in the wake of the enormous public expenditures incurred in the process of German Unification. So the "neo-liberal" call for a "lean State" and the NPM promise of an economically efficient administration finally attracted growing attention across political party lines and on all levels of government as an approach and panacea for coping with the budgetary plight.
- The self-confident, if not complacent trust, hitherto widely shared by practitioners and academics, in the comparative strength and quality of the German administrative model was shattered by the results of an international competition which was initiated and funded by *Bertelsmann Foundation* in 1992 and was meant to identify the most innovative modernisation cases among major cities world-wide. When the cities of Phoenix (Arizona, USA) and Christchurch (New Zealand) came out on the top the list of best performers, while the German candidate cities ended at the very (Bertelsmann Stiftung 1993), this outcome was perceived by practitioners, experts as well as by the general public in Germany as a shocking eye-opener and menetekel. The shock wave did

much to question and "de-legitimatised" the traditional administrative model and to make the German modernisation discourse now almost fervently embrace the NPM message.

- A decisive actor in piloting and engineering the strategic shift in the modernisation discourse were *KGSt* and its then director Gerhard Banner. While until the late 1980s the organisational recommendations which *KGSt* elaborated and promulgated were basically still rooted in the traditional organisational (hierarchical and rule-bound "Max Weberian") model of public administration, in 1991, in an abrupt change of mind, *KGSt* advocated the idea of modernising local government by radically restructuring it (Banner 1991, *KGSt* 1994). In drawing on the international NPM discourse, more specifically, on the NPM-guided modernisation concepts elaborated in the Dutch (middle-sized) town of Tilburg, *KGSt* formulated its NPM variant under the label "New Steering Model" (*Neues Steuerungsmodell*). Girded with the undisputed authority which *KGSt* had gained over the years and promoted in an almost missionary and campaign-like fashion, the new *KGSt* message spread among local governments "like a bush fire" (Reichard 1994: 5) and triggered modernisation activities in a growing number of localities, at first in West Germany and, with some delay, also in East Germany.

In a nutshell, the following components of the New Steering Model (NSM) shall be highlighted (see *KGSt* 1994, Reichard 1994, see also Hendriks and Tops 1999: 144 for references):

- On the one hand, guided by the idea of turning local government into a "service delivery enterprise" (*Dienstleistungsunternehmen*) premised on private sector management principles, the New Steering Model is targeted, first, at overcoming the traditional "top down" hierarchy of public administration by introducing intra-organisational decentralisation and autonomy of resource management and responsibility (*dezentrales Ressourcenmanagement*). Second, it aims at reducing the traditional legalist primacy and economic myopia of public administration by introducing cost-efficiency mechanisms. In the early conceptual blueprint of *KGSt* prime attention was given to translating the traditional "tasks" of public administration into "products" that are to fulfil the crucial function of carrying the relevant information on the goals ("outputs") to be achieved as well as on the resources and costs ("inputs") incurred, thus having a pivotal role in the entire new cost-achievement accounting (*Kosten-Leistungs-Rechnung*) and controlling

system. In fact, the initial programmatic emphasis on the "products" marked a (as it turned out: problematic) specificity of the (early) "German approach", under KGSt leadership, to public sector modernisation (see Reichard/Wegener 1998).

- On the other hand, in a more political stance, the New Steering Model is to strengthen the influence and control of the elected council over the local administration, particularly by reshaping the budgetary process. Different from the traditional "input"-oriented and detailedly itemised budget, the new output-oriented and "lump sum" (global) budget is meant to focus the attention of the elected council to the "big" decisions in local policy making (instead of being absorbed by "tiny" and minor matters). The budgetary "output" indicators, "controlling" reports and (political) contracts are designed to increase the capacity of the elected councillors to hold the administration and the chief executive accountable.

As the available empirical data indicate⁸, in both strategic dimensions the implementation of the New Steering Model has so far encountered serious difficulties and obstacles.

- The "products" as the conceptual and instrumental hub of the New Steering Model has run into major problems if not "impasse" ("Sackgasse", Reichard/Wegener 1998: 41 pp.) for a number of reasons. The "product catalogues" on the elaboration of which many localities concentrated their initial efforts often turned out over-detailed and cumbersome, while, at the same time, still lacking the crucial indicator-based specification of performance goals ("outputs") and related resources/costs ("inputs") as the precondition of a viable cost-achievement-accounting system. Furthermore, the (financial, personnel, technical etc.) costs required to install, update and operate such elaborate "product"-based system often show to be prohibitively high (Grunow 1998: 3). In the mean-time many municipalities have turned to simplified and technically less unwieldy modes of cost-achievement-accounting.
- In a similar vein, the new budgeting system has had rough going. Under the current budgetary squeeze the new budgeting procedure has so far often served to, under the guise of "lump sum" budgeting, put a ceiling to the allocation of resources to the various departments and sectors of local administration and to shift to them the conflict-ridden responsibility and burden of distributing the scarce resources. By the same token, strengthening the role of the elected councils vis-a-vis local administration, particularly

through budgetary output measures and controlling feed-back loops mostly still seems a far cry. By and large, the elected local councils as well as the local citizens at large have, to a significant extent, been bypassed and left out by the New Steering Model-guided modernisation drive. So it should come as no surprise that, as recent surveys suggest, the members of the local councils have become increasingly disenchanted with NSM modernisation (Grömig/Gruner 1998: 586).

In an obvious reaction to, and in an attempt to counteract, such economic and fiscal one-sidedness of the modernisation process, more recently the concept of the "citizen commune" (*Bürgergemeinde*) has been (re-)discovered in the New Steering Model-related discourse with the understanding and intention that the "citizen commune" should ensure the political, participatory and even communitarian linkage between the citizen and administrative modernisation (see Banner 1998, KGSt 1996)⁹.

Despite these conceptual shortcomings and implementation problems of the current modernisation movement there can be no doubt that, under the impact and as the result of this modernisation drive, local administration has been profoundly changed, probably still less in terms of already effected substantive organisational and procedural restructuring, than by giving cost-efficiency and economic thinking an organisational, personal and cognitive footing. In this regard a spectacular inroad into the traditional model and thinking of public administration has been made.

The dynamics of the ongoing modernisation movement has been reinforced and fuelled by the fact that the modernising groundswell of the early 1990s has reactivated or given new momentum to reformist concepts and measures that were originally introduced and implemented during the reform thrust of the 1960s and 1970s and the reform activities of the 1980s, such as the reform of social administration, the employment of participatory procedures or the establishment of "citizen centres". It is the very amalgamation of such *traditional* reform concepts and of *NPM/NSM*-derived components that characterises the most successful and robust among the current local modernisation projects.

It may well be (and, in fact, quite likely) that, in the life cycle and pendulum swing of reform that already marked the upsurge and the retreat of the modernisation wave of the 1960s and 1970s, the New Steering Model euphoria will subside (or is already abating). But there are good reasons to assume that the deep-reaching impact which the current modernisation wave

has on local level administration is going to last not the least because in the German context the local level modernisation wave has been triggered almost entirely by the local practitioners themselves, under the conceptual initiative and leadership of the (municipally funded) KGSt, but without significant intervention and arm-twisting from the upper governmental levels. This "bottom up" origin and conduct of local government modernisation has fostered the continuity of the long-term learning and adaptation process.

4.2. Direct democracy procedures resetting local government

Another powerful current impacted on the institutional setting of local government when, in the early 1990s, the Länder, in a striking sequence of legislative moves, went about introducing direct democracy procedures, that is, local (binding) referendums and the direct election of the local chief executives, to the local political world traditionally marked by the preponderance of the principles of representative and political party democracy (see Wollmann 1999a, 1999b, 2000a with references).

- While until recently Baden-Württemberg was the only Land to provide, since the mid-1950, for such procedures, (binding) local referendums have been instituted in the early 1990s in almost all Länder. Responding to and mirroring the democratic civic movement which played an important role in toppling the Communist regime, the municipal charter which was enacted in May 1990 by the democratically elected parliament of the then still existing German Democratic Republic stipulated (binding) local referendums. In a sweeping series of legislative acts almost all other Länder followed suit. While the local population now may, via local referendum, address all "local matters", local budgetary and internal organisational matters of local administration, as an important exception, are not eligible for local referendum.
- In another sweeping institutional change the Länder proceeded, in the early 1990s again in strikingly congruent legislative moves, to introduce the direct election of the ("monocratic") mayor (and also of the head of the counties, Landräte); in addition, some Länder also installed procedures to recall the mayors (and the Landräte) by local referendum. In the municipal charters enacted after 1945, only two Länder (Baden-Württemberg and Bayern) had provided for directly elected ("strong") mayor (in drawing on the pertinent U.S. model), while the other Länder adopted a variety of other models. Particularly in the East German Länder the adoption of the direct election of the mayors

was primarily motivated by democratic concerns, while some West German Länder were apparently led mainly by the intention to strengthen the "managerialist" capacity and clout of the local chief executive. In some (particularly East German) Länder the direct democratic modality of having mayors was complemented by introducing recall procedures by which the local population is given the right to destitute a mayor by local referendum. (It is worth mentioning that in the East German Land Brandenburg, since the end of 1993, when the new legislation was passed, about 10 percent - ! - of the full-time mayors have lost their positions as result of local *recall* referendums.)

In sum, the hitherto existing power arrangement and institutional balance in the local arena between the local population, the elected council and the local administration, (more specifically, the local head of administration) have been conspicuously changed – enhancing the political embeddedness of local administration and its (political) accountability and, as far as the delegated State tasks in the double function modality are concerned, probably fostering the tendency to "municipalise" them.

With regard to local direct democratic procedures Germany has turned into a frontrunner among West European countries, except, of course, for Switzerland as the classical European homeland of local direct democracy.

5. Summarising and concluding remarks

1. In the development of local government modernisation over the past 50 years three stages may be discerned: a modernisation wave in the late 1960s and early 1970s, followed by the incrementalist 1980s and another modernisation wave since the beginning of the 1990s. This pattern has been identified in other fields of policy and institution development in Germany as well (see Bönker/Wollmann 1996 and Czada/Wollmann 2000).

- In the late 1960s and early 1970s Germany's local government was seized by a *wave* of change through which both its (intergovernmental) institutional setting (essentially by acts of the Länder level, such as by territorial reforms) and its internal organisation (basically by decisions of the local authorities themselves) were significantly reshaped - probably more deeply than in most other European countries. As in the other OECD countries, the modernisation thrust was prompted mainly by the advances of the welfare state and the impact of the internationally dominant "rationalist" planning discourse. The "bottom-up"

manner in which local government, in Germany's federal and decentralist constitutional context, embarked upon (internal) modernisation gave the implementation and learning process a local institutional and personal footing which increased the chances of the reformist concepts and networks to survive and persist in an incrementalist pattern when the (short-lived) modernisation wave subsided.

- During the 1980s, when in most other OECD countries, particularly in the Anglo-Saxon world and since 1979 most spectacularly in the U.K. under Conservative leadership, the "lean state" and New Public Management discourse became dominant in guiding far-reaching public sector modernisation, including the local level, the modernisation discourse in Germany stayed conspicuously distanced from the internationally hegemonic NPM debate, while administrative reform in local administration, under budgetary retrenchment pressure, was pursued, in an incrementalist and adaptive pace, along the line of efficiency-related as well as "citizen-oriented" concepts. This deviance of the modernisation discourse and practice from the international pattern may be explained (objectively) by the different starting point of local government reforms in this period, (insofar as the German local government system already exhibited some modernisation "assets" claimed by NPM, such as the devolution and "outsourcing" of public tasks and services) and (cognitively) by the self-confident (if not complacent) assessment of the, by international standards, good performance of German administration as well as by the perception of NPM as being, with its private sector orientation, alien to the German State and administrative tradition.
- Since the early 1990s the rhetoric, pace and rate of public sector modernisation in Germany, particularly regarding local government, has finally fallen in line the international modernisation discourse and practice by translating the NPM message (and its early elaboration in the Dutch town of Tilburg) into a German version and derivate labelled New Steering Model and by unleashing a new wave of modernisation measures in many municipalities and counties. This rupture in the modernisation discourse and practice can be explained (objectively) by the ever more acute budgetary woes (in the wake of German Reunification and its costs) and, cognitively, by the traditional (hierarchical and rule-bound) administrative model having been de-legitimatised in the wake of the international Bertelsmann prize of 1982 ending with a bottom ranking of German candidate cities. Adding to the dynamics of change came that administrative

reform concepts dating back to the 1960s to 1980s gained new momentum and were adopted by and "amalgamated" with, the New Steering Model in what have so far probably been the most successful local modernisation projects. At the same time, local government has been institutionally remoulded by the introduction of direct democracy procedures, that is, of local referendums and the direct election of mayors (and of recall procedures), thus making Germany a frontrunner, on this score, among European countries.

2. As the (early) concept of the New Steering Model, in essentially drawing on private sector managerialism accentuates the *economic* efficiency and *economic* rationality of public sector activities, while the advancement of direct democratic institutions underscores the *political* profile and embeddedness of public administration and its *political* accountability and political rationality, local government modernisation has, since the early 1990s, faced the challenge and impact of two powerful discourses and movements that are premised on conspicuously distinct and potentially conflicting concepts.

- On the one hand, the two strands may well be compatible or even complementary and synergetic, as NPM- and NSM-inspired modernisation might not only increase the economic efficiency and performance of public administration, but also, if output-oriented budgeting and related controlling mechanism are adequately implemented as conceptually stipulated, strengthen its (political) accountability and responsiveness vis-a-vis the elected council. The recent "rediscovery", in the New Steering Model discourse, of the "citizen commune" (*Bürgergemeinde*) also adds a "citizen empowerment" dimension to the New Steering Model concept. At the same time, the new direct democratic procedures, particularly the direct election of the mayor, is prone to enhance the political accountability and embeddedness of local administration.
- On the other hand, if over-accentuating the principles of private sector managerialism and its *economic* rationality, the New Steering Model is liable to ignore the normative premises as well as political and cultural givens of local government and thus to base the conceptual transfer and transplant on a "false theory" which is liable to vitiate the modernisation process. (For this the foundering of the "products" may be seen a case in point). On the same token, more generally the New Public Management/New Steering Model concept may tend to politically de-couple and "de-politicise" the operation of

public administration and thus run counter to basic political and cultural premises of local government as local democracy. While the normative and political imperative of the latter seems stronger in the German case than in other European countries, to begin with, because of the country's traumatic historical experience with tyrannical government, it has certainly been reinforced by the recent large-scale introduction of direct democracy procedures in local democracy. So the present modernisation process in Germany makes for an almost "laboratory-type" case for observing the (complementary or contradictory?) confluence of the two currents.

3. Insofar as, in falling in line with the international, in its origin Anglo-Saxon discourse on New Public Management modernisation, the traditional administrative model has been questioned and eroded particularly in its hitherto ("path-dependent") hierarchical and legal rule-bound bureaucratic profile, Germany's public administration has, on the one hand, moved away from the "classical" Continental European/German model and towards some *convergence* with the Anglo-Saxon and also Scandinavian countries. On the other hand, in strengthening the local direct democracy profile Germany has become a front-runner among the (by tradition predominantly representative democratic) European countries. In the U.K. and also in the Scandinavian countries, in turn, initiatives have in the meantime been taken to also introduce the directly elected mayor and binding local referendums. Thus, as a result of the ongoing modernisation of the political as well as the administrative structures of local government the "North European" and Continental European countries appear to emerge with a significantly higher degree of institutional convergence than hitherto staked out by country-specific traditional("path-dependent")profiles.

Bibliography

- Aucoin, Peter 1990, Administrative Reform in Public Management: Paradigms, principles, paradoxes and pendulums, in: Governance, vol. 3, no. 2, p. 115-137.
- Baldersheim, Harald 1996, Nordic Municipalities in Transition: From Free Communes to Free Choice, in: Reichard, Christoph/Wollmann, Hellmut (eds.), Kommunalverwaltung im Modernisierungsschub?, Basel/New York: Birkhäuser, p. 289-307.
- Baldersheim, H./Illner, M./Otterdal, A./Rose, L./Swianiewica, P. (eds.) 1996, Local Democracy and the Processes of Transformation in East-Central Europe, Boulder, Westview Press, CO.
- Banner, Gerhard 1998, Von der Ordnungs- zur Dienstleistungs- und Bürgergemeinde, in: Der Bürger im Staat, Heft 4, p. 179-189.

- Barzelay, Michael 2000, *The New Public Management. Improving Research and Policy Dialogue*, University of California Press: Berkeley/Los Angeles/Oxford (forthcoming).
- Benz, Arthur and Klaus H. Goetz (1996), *The German Public Sector: National Priorities and the International Reform Agenda*, in: Benz, Arthur and Goetz, Klaus H. (eds.), *A New German Public Sector? Reform, Adaptation and Stability*, Aldershot, Hants: Dartmouth Publishers, p. 1-26.
- Bönker, Frank/Wollmann, Hellmut 1996, *Incrementalism and reform waves: the case of social service reform in the Federal Republic of Germany*, *Journal of European Public Policy* 3, 3 Sept. pp. 441-60.
- Czada, Rolan/Wollmann, Hellmut (eds.) 2000, *Von der Bonner zur Berliner Republik*, Opladen: Westdeutscher Verlag.
- Derlien, Hans-Ulrich 1990a, *Genesis and Structure of Evaluation Efforts in Comparative Perspective*, in: Rist, Ray (ed.), *Program Evaluation and Management of Government*, New Brunswick/London: Transaction, pp. 147-177.
- Derlien, Hans-Ulrich 1996, *Patterns of Post War Administrative Development in Germany*, in: Benz, Arthur and Goetz, Klaus H. (eds.), *A New German Public Sector? Reform, Adaptation and Stability*, Aldershot, Hants: Dartmouth Publishers, p. 27-44.
- Dyson, Kenneth 1980, *The State Tradition in Western Europe*, Oxford.
- Grömig, Erko/Gruner, K. 1998, *Refom in den Rathäusern*, in: *der städtetag*, 1998, Heft 8, S. 581-584.
- Grunow, Dieter 1988, *Bürgernahe Verwaltung*, Frankfurt/New York: Campus.
- Grunow, Dieter 1998, *Lokale Verwaltungsmodernisierung "in progress"*, in: Grunow, Dieter/Wollmann, Hellmut (Hrsg.), *Lokale Verwaltungsreform in Aktion*, Basel usw., S. 1-25.
- Hendriks, Frank/Schalken, Kees 1998, *Local government and the new public mangement: the case of the Tilburg model*, in: Grunow, Dieter/Wollmann, Hellmut (eds.), *Lokale Verwaltungsreform in Aktion: Fortschritte und Fallstricke*, Basel/New York: Birkhäuser, p. 386 -399.
- Hendriks, Frank/Tops, Pieter 1999, *Between Democracy and Efficiency: Trends in Local Government Reform in the Netherlands and in Germany*, in: *Public Administration*, vol. 77, no. 1, p. 133-153.
- Hesse, Jens Joachim (ed.) 1986, *Erneuerung der Politik von unten?: Stadtpolitik und kommunale Selbstverwaltung im Umbruch*, Opladen: Westdeutscher Verlag.
- Hesse, Jens Joachim 1990, *Local government in a federal state: the case of West Germany*, in: Hesse, J.J. (ed.), *Local Government and Urban Affairs in International Perspective*, Nomos, Baden-Baden, pp. 353-386.
- Hesse, Jens Joachim/Sharpe, L.J. 1990, *Local government in international perspective: some comparative observations*, in: Hesse, Jens Joachim (ed.), *Local Government and Urban Affairs in International Perspective*, Nomos, Baden-Baden, pp. 603-621.
- Hood, Christopher 1991, *A public management for all seasons*, in: *Public Administration*, vol. 69, 1991, 1, p. 3-19.
- Jaedicke, Wolfgang/Kern, Kristine/ Wollmann, Hellmut 1990, *Kommunale Aktionsverwal-*

- tung in Stadterneuerung und Umweltschutz, Bonn: Bundesverlag.
- Kickert, Walter J.M. 1996, Administrative Reforms and Public Sector Governance in the Netherlands, in: Reichard, Christoph and Wollmann, Hellmut (eds.), Kommunalverwaltung im Modernisierungsschub?, Basel/New York: Birkhäuser, p. 320-345.
- Kißler, Leo/Bogumil, J./Wiechmann E. 1995, Anders verwalten, Marburg.
- Kißler, L./Bogumil, J./Greifenstein, E./Weichmann E. 1997, Moderne Zeiten im Rathaus? Berlin: sigma.
- KGSt (Hrsg.) 1993, Das neue Steuerungsmodell, Bericht 5/1993.
- KGSt (Hrsg.) 1996, KGSt-Politiker-Handbuch zur Verwaltungsreform, Köln.
- Klages, Helmut/Löffler, Elke 1996, A new steering model in Germany: the ideal solution to the problems of guaranteeing a self-sustaining development of New Public Management? Paper presented at the IIAS Conference, Beijing.
- Klages, Helmut/Löffler, Elke 1996, Public Sector Modernization in Germany - Recent Trends and Emerging Strategies, in: Flynn, N./Strehl, F. (eds.), Public Sector Management in Europa, London, pp. 132-145.
- König, Klaus/Füchtner, Natascha 1998, Von der Verwaltungsreform zur Verwaltungsmodernisierung, in: dies. (Hrsg.), "Schlanker Staat" - Verwaltungsmodernisierung im Bund, Speyer, S. 5-49.
- Kneymeyer, Franz-Ludwig 1999, Kommunalverfassungen in der Bundesrepublik, in: Wollmann, Hellmut/Roth, Roland (Hrsg.) 1999, Kommunalpolitik, Opladen: Leske + Budrich, S. 104-122.
- Laux, Eberhard 1999, Erfahrungen und Perspektiven der Kommunalen Gebiets- und Funktionalreformen, in: Wollmann, Hellmut/Roth, Hellmut (Hrsg.), Kommunalpolitik, Opladen: Leske + Budrich, p. 168-185.
- Levine, Robert A. 1981, Program Evaluation and Policy Analysis in Western Nations: An Overview, in: Levine, Robert A./Solomon, Marian A./Hellstern, Gerd-Michael/Wollmann, Hellmut (eds.), Evaluation Research and Practice, Beverly Hills/London: Sage, pp. 27-60.
- Löffler, Elke 1997, The Modernization of the Public Sector in an International Comparative Perspective. Strategies in Germany, Great Britain and the United States, Speyer: Forschungsinstitut für öffentliche Verwaltung.
- Marcou, Gérard/Verebelyi, Imre 1993, New Trends in Local-Government in Western and Eastern Europe, Brussels.
- Naschold, Frieder/Bogumil, Jörg 1998, Modernisierung des Staates, Opladen.
- Norton, A. 1994, International Handbook of Local and Regional Government, Edward Elgar, Aldershot, Hants.
- Reichard, Christoph 1994, Umdenken im Rathaus, Berlin: sigma.
- Reichard, Christoph 1996, Die "New Public Management"-Debatte im internationalen Kontext, in: Reichard, Christoph/Wollmann, Hellmut (eds.), Kommunalverwaltung im Modernisierungsschub?, Basel/New York: Birkhäuser, p. 241-274.

- Reichard, Christoph 1998, Der Produktansatz im "Neuen Steuerungsmodell" - von der Euphorie zur Ernüchterung, in: Grunow, Dieter/Wollmann, Hellmut (Hrsg.), Lokale Verwaltungsreform in Aktion, Basel etc.: Birkhäuser, S. 85-102.
- Reichard, Christoph/Wegener, Alexander 1998, Der deutsche Weg des Produktkatalogs - eine Sackgasse?, in: Deutscher Städtetag (Hrsg.), Produkte im Mittelpunkt, DSt-Beiträge zur Kommunalpolitik, Reihe A, Heft 23, Köln, pp. 41.
- Schröter, Eckhard/Wollmann, Hellmut 1997, Public Sector Reforms in Germany: Whence and Where? A Case of Ambivalence, in: Hallinon Tutkimus, Administrative Studies, no.3, pp. 184-200.
- Wagner, Peter/Wollmann, Hellmut 1986, Fluctuations in the development of evaluation research - do "regime shifts" matter?, in: International Social Science Journal, no. 108, p. 205-218.
- Wegrich, Kai/Jaedicke, Wolfgang/Lorenz, Sabine/Wollmann, Hellmut 1997, Kommunale Verwaltungspolitik in Ostdeutschland, Basel etc.: Birkhäuser.
- Wittrock, Björn/Wagner, Peter/Wollmann, Hellmut 1991, Social Science and the modern State: Knowledge and political institutions in Western Europe and in the United States, in: Wagner, Peter/Weiss, Carol/Wittrock, Björn/Wollmann, Hellmut (eds.), Social Sciences and Modern States, Cambridge: Cambridge U Press, p. 28-55.
- Wollmann, Hellmut 1986, Stadtpolitik - Erosion oder Erneuerung des Sozialstaats "von unten"?, in: Blanke, Bernard/Evers, Adalbert/Wollmann, Hellmut (eds.), Die Zweite Stadt, Opladen: Westdeutscher Verlag, p. 79-95.
- Wollmann, Hellmut 1996: Verwaltungsmodernisierung: Ausgangsbedingungen, Reformanläufe und aktuelle Modernisierungsdiskurse, in: Reichard, Christoph/Wollmann, Hellmut (Hrsg.), Kommunalverwaltung im Modernisierungsschub?, Basel etc.: Birkhäuser, p. 1-49.
- Wollmann, Hellmut 1997, Modernization of the Public Sector and Public Administration in the Federal Republic of Germany. (Mostly) a Story of Fragmented Incrementalism, in: Muramatsu, Michio/Naschold, Frieder (eds.), State and Administration in Japan and Germany, Berlin: deGruyer 1997, p. 79-103.
- Wollmann, Helmut 1999a, Kommunalpolitik - zu neuen (direkt-)demokratischen Ufern?, in: Wollmann, Hellmut/Roth, Roland (Hrsg.) 1999, Kommunalpolitik, Opladen: Leske + Budrich, p. 37-49.
- Wollmann, Helmut 1999b, Le système local en Allemagne: vers un nouveau modèle de démocratie locale?, in: CURAPP/CRAPS, La démocratie locale. Représentation, participation et espace public, PUF, p. 103-116.
- Wollmann, Hellmut 2000a, Local government systems: From historic divergence towards convergence? Great Britain, France and Germany as (comparative) cases in point, in: Government & Policy, vol. 18, p. 33-55.
- Wollmann, Hellmut 2000b, Comparing Institutional Development in Britain and in Germany: (Persistent) Divergence or (Progressing) Convergence?, in: Wollmann, Hellmut/Schröter, Eckhard (eds.), Comparing Public Sector Reforms in Great Britain and Germany, Aldershot: Ashgate, p. 1-24.

-
- 1 For (English written) treatments of public sector modernisation in Germany (with a primarily central/federal focus) see, *inter alia*, (Benz/Goetz 1996, Derlien 1996, Klages/Löffler 1996, Löffler 1997, Wollmann 1997, Schröter/Wollmann 1997, Barzelay 2000: 85 ff.), for a (comparative) local government focus see Hendriks and Tops 1999.
- 2 On the *discourse* concept see Wittrock/Wagner/Wollmann 1991, on an application on the debate ("discourse") on public sector modernisation see Wollmann 1996, Schröter/Wollmann 1997: 191.
- 3 This three phase distinction has been found useful in longitudinal institution and policy analyses in different fields, see, for instance, Derlien 1996 (public sector modernisation), local government modernisation (Baldersheim 1996, Wollmann 1996), Bönker/Wollmann 1996 (on social policy/social service delivery), Wagner/Wollmann 1986, Derlien 1990 (on evaluation).
- 4 Because of this institutional peculiarity the German/Austrian local government system has been labelled „administratively integrated“ (by contrast, for instance, to the British „separationist“ one), see Baldersheim et al. 1997: 41. See also Wollmann 2000a: 52.
- 5 In this connection it its worth mentioning that in 1949 an institution was founded that, being funded by the municipalities and counties, was to consult them in their organisational matters. Programmatically (and somewhat awkwardly) it was called "Kommunale Gemeinschaftsstelle für Verwaltungsvereinfachung" ("Joint agency of the Communes for the simplification of administration") or abbreviated "KGSt". Due to the high professional prestige which KGSt quickly attained among the local government practitioners, it has exerted an unusual influence on the discourse and practice of organisational and personnel development of local government in Germany. While, well into the 1980s, KGSt adhered to a basically hierarchical ("Max Weberian") administrative model, it was instrumental, in the early 1990s (as will be shown later in this article), in breaking away from the traditional thinking and concept.
- 6 It should be noted, however, that some disagreement reigns among German observers as to the salience and long-term impact of this reform period on public sector modernisation in Germany. Particularly those who have been prominent advocates of New Public Management-guided modernisation share a largely negative retrospective on the 1960s and 1970s. See, for instance, Reichard 1997: 51, Naschold 1995: 65.
- 7 For a distinction between *NPM-modernisers*, *traditional modernisers* and *alternative modernisers* and their respective "discourse communities" see Wollmann 1996: 15.; Schröter/Wollmann 1997: 191.).
- 8 For available empirical information on the state of local administrative modernisation see: the (three) surveys conducted by German Cities Association (*Deutscher Städtetag*) among its (both West and East German) member cities in 1994/95, 1996 and 1998, particularly in: Grömig/Gruner 1998. For (case study-based) research results see Kießler et al. 1997 (on West Germany municipalities) and Wegrich et al. 1997 (on East German municipalities and counties).
- 9 See Hendriks and Tops 1999 for their observation that in Germany local governments when, in the early 1990s, they embarked upon administrative modernisation under an economically accentuated New Steering Model seem to have somewhat copied an earlier version of the „Tilburg model“, while at that time in Tilburg itself the pendulum had already swung back to a more participatory approach (see Hendriks and Tops 1999: 143 ff.). If this is so, the most recent twist in the New Steering Model debate would indicate that it also embraces a participatory correction and complement, obviously in line with what has been going on in its „model city“ Tilburg.