Abstract:

Research on State and administration reforms increasingly emphasizes the various processes of economization, involving privatization and deregulation policies as well as managerialization measures aimed at converting the public sector to the logic of business and of the market. According to the diffusionist paradigm, these evolutions are generally ascribed to a “neoliberal ideological convergence” which supposedly prevails all over Europe. Such analyses, postulating that doctrines spread through the power of the beliefs they generate, usually neglect social practices and interactions involved in the diffusion process. My paper offers a sociological study of economization, focusing on the actors and the activities which contribute to transpose market oriented doctrines in public sector reforms. It relies on empirical investigations conducted in some municipalities of the former GDR to examine how reformers from different professional fields have promoted these doctrines at the East German local level. The post-communist space is generally regarded as a suitable ground for their implementation in a context characterized by the discrediting of state and bureaucracy among the elite converted to neoliberalism. My analysis shows, however, that political and administrative legacies have actually combined to limit the reception of economical and managerial models in the transformation of the East German local public sector.
The implementation of economic principles in the public sector is not new. Since the end of the 20th century, however, research on state and administration reforms emphasizes the singular increase of this phenomenon, qualified as "economization" by German authors (Harms, Reichard 2003; Knorr 2005; Bogumil 2006). What does mean this concept, which is often used in an approximate way according to the economist Holger Mühlenkamp (2003)? Jens Harms and Christoph Reichard define it as a stronger orientation of the action towards economic rationality (2003), while Mühlenkamp describes it as the consistent application of the "first dogma of economics", i.e. the production of efficiency (2003: 48).

The authors agree to stress that this economization of the public sector represents a global trend (Löffler 2003a), that first appeared in the Anglo-Saxon countries (Pollitt, Bouckaert 2004), then extended to the continental Europe (Derlien 1997) before reaching the post-communist area, where the reform of public administration is both a transformation issue (Dimitrova 2011) and a condition for the accession to European Union from the 1990s. The post-communist space is moreover regarded as a suitable ground for the implementation of economic principles, in a context characterized by the discrediting of state and bureaucracy (Dubois, Lozac'h, Rowell 2005) among the "new" elites.

How to explain this global trend? According to the international literature on the topic, the process of economization could be directly related to the audience of the theories which form its intellectual foundations, such as public choice, the Austrian school of self-regulation or the managerialism (Löffler 2003a). It is also attributed to the political success of neo-liberalism (Vogel, 2006, p. 228), whose imposition as dominant ideology is denounced by some authors (Pelizzari 2001). Indeed, the questioning of the welfare state affects Western Europe as well as post-communist countries, where the transition followed a "neo-liberal intellectual blueprint drawn up within the walls of American academia and shaped by international institutions" (Przeworski 1992). In other words, the economization of the public sector is generally ascribed to a "Zeitgeist" (Reichard 2003: 122; Vogel 2006: 226) that would support a "neoliberal ideological convergence" all over Europe.

"Ideas-centered analyses" (Ganev 2005) thus tend to mask the variety of forms and modalities taken by the economization, that has precisely been noted in many studies (Löffler 2003b). This process includes various aspects involving privatization and deregulation policies aimed at reducing public expenditure as well as managerialization measures aimed at converting the public sector to the logic of business and of the market. These precepts are mainly promoted through the New Public Management (NPM), which was widely disseminated by Anglo-Saxon think tanks and international institutions from the 1980s (Osborne, Gaebler 1992; Hood 1998). They succeeded in presenting this doctrine as a universal model of administration and governance focused on efficiency (Christensen, Lægreid 2001).

Far from providing a consistent model, the NPM is actually a "doctrinal puzzle" (Bezes 2007) that combines several dimensions. Comparative studies devoted to

1 This term seems less frequently used in Anglo-Saxon and French work.
2 Although the EU has no direct competence in this field, the 'Administrative capacity' (introduced at the Madrid European Council in 1995) has become an increasingly important criterion for the candidates countries.
3 Its main components are hands-on professional management that allows for active, visible, discretionary control of an organization by persons who are free to manage, explicit standards of performance, greater emphasis on output control, increased competition, contracts, devolution,
the reception of doctrines emphasize also the heterogeneity of practical reforms inspired of neo-managerialism (Pollit 2002; Christensen, Laegreid 2007, 2010; Beck, Larat 2011), which is due to the diversity of national administrative legacies, political regimes or modernization paths. They underline moreover the limits faced by post-communist countries in the implementation of these reforms. Advocating a mix of practices from different national administrative traditions, the EU has not directly contributed to the conversion of new member states to neo-managerialism (Verheijen 2003, Meyer-Sahling 2011). In spite of conditions a priori favorable, the implementation of the new public management has furthermore partially failed in the post-communist countries (Randma-Liiv, 2008/2009), to the benefit of the “neo-Weberian state” (Pollitt, Bouckaert 2004), a hybrid model that borrows from classic principles of bureaucracy as well as from neo-managerial precepts and from new forms of governance (Mendes 2006).

From a theoretical point of view, these statements stress that ideas-centered analyses are insufficient, even paradoxical, in that they are likely to produce a linear and homogenizing vision of the international dissemination of economical doctrines relating to public sector reform. These analyses are characterized by two blind spots, which are partly due to their lack of empirical basis. Postulating that doctrines spread through the power of the beliefs they generate, this type of research usually neglects, on the one hand, social practices and interactions involved in their diffusion (Ganev 2005). On the other hand, it tends to confuse the audience of ideas with their effective implementation in the public sector, by underestimating the power relations and thereby the adaptation or resistance strategies possibly at stake in the reform process.

Unlike these approaches, my paper provides a political sociology of economization considering that the transposition of market oriented models in public sector reforms must be understood as the product of the practices, the representations and the relations of the actors involved in this undertaking. Thus, I also pay a great attention to the conditions and the contexts of reception of the doctrines in the political and administrative field. Relying on several investigations in the former GDR, I will examine concretely how reformers from different professional fields have promoted the implementation of a “new” urban governance, that is partly based on economical and managerial models. Nevertheless, my analysis shows how political-administrative legacies and Western imports have actually combined to limit the place of these doctrines in the transformation of the East German local public sector.

Forms and actors of the economization process

Germany is no stranger to the success of governance, a word that “suddenly is on everyone’s lips” (Kuhlmann 2003b: 3, my translation) from the 2000’s. This term covers a patchwork of reform projects conceived and promoted by a coalition of West German reformers, who have focused their interest on the local level, particularly in the former GDR.
A plurality of reform projects with varying contents

In the early 1990s, Gerhard Banner, who then directed the Joint Local Government Center for Management Studies (KGSt⁴) denounced the burdensome bureaucracy of a municipal administration he called “a system of organised irresponsibility” in a controversial article (Banner 1991, my translation). Relying on budgetary and financial argument, Banner proposed setting up a new steering model (das neue Steuerungsmodell or NSM) aimed at increasing efficiency and reducing municipal expenditure at local level.⁵ Based on criteria of efficiency and profitability borrowed from the private sector, the NSM, was strongly inspired by the principles of New Public Management, to the extent that some refer to it as a mere “German version” of it (Reichard 1996: 241). The reforms focused primarily on internal organisational and management structures of local administrative authorities. They recommended among other a “clear division” between the political and administrative authorities, a decentralisation of operative responsibilities countered by a centralised framework control, a result-oriented management through the introduction of such instruments as cost-accounting, controllership, budgeting, etc.

In line with the neo-liberal ideology, the reform projects also advocated the rolling back of the State to the benefit of the private sector. An increasing number of German local authorities have decided to give up some of their traditional duties „under the combined effect of the European Commission’s market liberalisation policy and their budgetary plight” (Wollmann 2004: 654). Since the early 1990s, “there has been a new wave of outsourcing administrative enterprises from local budgets to separate economic entities” (Dafflon 2002: 159), which takes two forms: while the ‘material’ privatization leads to the complete retreat of the local authorities, the ‘formal’ privatization puts the public utilities sector under the responsibility of independent enterprises ruled by private law but still owned by the local government. If these reforms were originally restricted to the technical sectors (energy, water, waste treatment, etc.), they were then gradually extended to sports, social and cultural facilities (Naßmacher, Naßmacher 1999: 165). The privatization measures – which point out the effects of the EU as ‘producer of standards’ for local public action – were particularly important in the former GDR, where the municipal authorities had to transfer many structures inherited from the communist regime (nurseries, kindergartens, etc.) to the non-profit sector, in accordance with the subsidiarity principle, which gives preference to associations and charities by providing welfare services and thus promotes partnership arrangements between so-called “free carriers” (freie Träger) and the state in fields such as health and social services (Priller and al. 1999: 99).

After advocating the model of the “manager State”, the reform projects developed in the middle of the 1990s the one of the “activating State” (aktivierender Staat), focused on a new division of responsibilities between state and society (Jann 2006). This second model refered to the Anglo-Saxon conception of Empowerment, i.e. the process by which an individual or group acquires the means to strengthen its capacity for action (Bacqué 2005). This general trend is observed to some extent in the recommendations of the KGSt, that gradually developed a stronger external

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⁴ The Kommunale Gemeinschaftsstelle für Verwaltungsvereinfachung (KGSt) was created in Cologne in 1949 in order to help West German municipalities rationalise their administration’s activities.

⁵ This argument has been a leitmotiv for two decades. The presentation held during the KGSt’s September 2002 general assembly again emphasised the risks related to financial problems in local authorities. Herausforderungen an das kommunale Management: 6.
orientation, particularly regarding the administrations’ relationships with their clients. From about 1996, the KGSt began to supplement and expand the NSM concept by elements attempting to achieve greater citizen focus: apart from some customer-related quality efforts, its staff published in 1999 both an overview report on civic engagement and a materials volume on citizen offices (Reichard, 2002).

If citizen participation remained however a secondary concern for the KGSt, the analysis of local policies was devoting at the same time increasing attention to the new forms of participation (Heinelt 2006: 145) embodied, among others, by the Bürgerkommune (municipality of the citizens) project set up on the initiative of the “Cities of the Future” network. Gerhard Banner was again strongly involved in this project, which introduced a new perspective in the modernization debate. It combines several angles: organisation of round tables and forums, functional and territorial decentralisation of the administration, recourse to new technologies – aimed at simplifying administrative procedures, involving citizens in municipal affairs and strengthening local democracy. Other reform initiatives were also developing in three main directions: improvements to service functions, in particular in the form of one-stop offices, to participation opportunities, such as user groups or planning cells, and to opportunities for civic collaboration with emphasis towards civil society, self-help, voluntary engagement, etc (Reichard 2002).

In the late 1990s, the exchanges between municipal services and their environment became the focus of the “practical and scientific debate” (Bogumil 2002: 45). German reforms encouraged the participation of “civil society” in municipal affairs on a broader scale and different forms of interaction and cooperation (Bogumil 2002: 55), such as public-private partnerships (especially in local development policies). In line with the precepts of governance, emphasis is placed on the role of private actors, while the municipality tends to loose its position as „monopolistic service producer to become a network coordinator and facilitator“ (Reichard, 2002).

The filiations between new steering model and governance, which are already perceptible in the principles they both defend, became even clearer as the use of “governance” spread in Germany during the 2000s. Governance was the focus of the 2002 “Modern State – Modern Administration” conference, during which an award for “good local governance” was made. Similarly, Gerhard Banner made a connection between the German reformist approaches of the 1990s and the governance model. In a 2002 article, he showed that the latter relied on criteria that were very close to those established by the Prize for Democracy and Efficiency in Local Government awarded by the Bertelsmann Foundation in 1993 (Banner 2002: 249). Beyond the conceptual heritage, the appropriation of the term “governance” can be interpreted as a self-presentation strategy, in that it allows for the combination of several initiatives under a common label, embedding them within a process of modernisation of public actions that reaches beyond the level of German local authorities. This first, because governance induces a variety of uses6 due to its importation into various fields – economic, administrative, political, academic – and, on the other hand, because its international audience is part and parcel of its legitimisation in the national space (Lozac’h 2007).

This brief presentation shows that the reform projects developed at the German local level were inspired by models which combine – not without ambiguities

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6 Used alternatively as statement, analysis and prescription, the term “governance” profited from its semantic ambiguity to become a shared reference for advocates of public action reform. See Gaudin 2002.
– managerial logic and political preoccupations (Gaudin 2002). If the projects give a stronger focus to participative mechanisms since the 2000s, the economic dogma of performance, efficiency and cost effectiveness remains a central concern of the coalition of reformers in a context of financial crisis (Lozac’h 2012).

A topic promoted by a broad coalition of reformers

Different actors and institutions have contributed to the large diffusion of the governance as a disparate set of principles in Germany. Their interest for this model is largely related to the fact that it fulfils the aspirations for modernization which have been expressed in the local public sector since the late 1980s. These aspirations were concretely promoted by a “reform coalition” (Wollmann 1996: 23) built around several pillars: the organisations representing local authorities – first of all, the KGSt and, to a lesser extent, the German Association of Cities; foundations funded by companies – among which Bertelsmann has a prominent role; but also by political parties and unions, such as the Hans-Böckler Foundation of the Confederation of German Trade Unions (DGB); consulting offices, which have entered the administrative market by developing a practice-oriented managerial discourse; and, finally, the world of higher education and research, through various institutes and university departments in the fields of urban planning, political science and administrative science, where jurists and political scientists started facing competition from economists specialising in corporate management in the 1970s. These economists worked to institutionalize public management as an academic discipline and to spread concepts of administrative modernization informed by neo-managerialism. The composition of this coalition can partly explain the characteristics as well as the evolutions of the reform projects. The initial role of business economists favored a technical and managerial conception of the administrative modernization, while the later involvement of political scientists or urban planners may have contributed to introduce some reflections in terms of participation and cooperation. If “public management as an academic field” remains “poorly institutionalized and rather fragmented in Germany” (Reichard 2008: 42), some universities have developed degree programs in this discipline. The German University of Administrative Sciences Speyer – whose managers hold a key position in the circle of “modernizers” – is a forerunner in that regard. Mention can also be made of the University of Potsdam, which offers master’s programmes in public management and European governance and has a “Graduate School of Modern Governance”.

The audience met by the governance should thus be credited with a loose reformist conglomeration characterised by “a profusion of institutions, diverse in their inspirations and objects, but close in their modes of organisation and actions and

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7 Created in 1977 to conceive, initiate and implement projects in cooperation with public and private institutions, Bertelsmann is the largest private company of its kind in Germany.

8 The German Institute of Urban Affairs (Difu), founded in Berlin in 1973, develops research programmes, offers lifelong learning seminars and hosts a database on urban policies.

9 This is the case of Christoph Reichard, who taught management before he became Professor of economics (public administration/public management) at the University of Potsdam in 1998.

10 MEGA (Master of European Governance and Administration), a Franco-German programme based in Potsdam, in collaboration with Humboldt University in Berlin, Paris 1-Panthéon and the French School of National Administration (ENA).

11 The Graduierten-Kolleg “Modern Governance” at Potsdam University, co-founded by Professor Christoph Reichard, is presented as an interdisciplinary graduate school (economics, social science, law) focusing on issues and steering mechanisms in the public and private sector.
linked together by attestable networks” (Topalov 1999: 462, my translation). It also relied on the circulation of its advocates between these institutions, of which Gerhard Banner is an excellent example, as he was simultaneously director of KGSt, visiting professor at the German University of Administrative Sciences Speyer and president of the Bertelsmann Foundation’s Advisory Board in the early 1990s. Other members of the reformist “core” also combine functions in these last two organisations. These networks were also consolidated and institutionalised on account of the development of cooperation structures in which these modernizers holds posts either concurrently or successively. The KGSt has constituted a working group on the new steering model, which among others gathers experts of Speyer University, of the Bertelsmann Foundation and of the German Association of Cities. It also launched the “Cities of the Future” project with the Bertelsmann and Hans-Böckler foundations in 1998.

The reformers have used many levers to promote their model of modernization at the municipal level. One of the keystones of its dissemination lies in the production of a normative and prescriptive literature that is aimed at local political and administrative actors and is to be used to initiate a process of modernization: countless recommendations, instructions for implementation and reports evaluating experiences carried out in pilot administrations are published by the KGSt in order to “help pusillanimous directors who do not dare to join the modernisation movement” (Banner 2002: 252, my translation). These propositions are also found in the various publications of the German Association of Cities and Towns and in journals specialising in administrative issues. The new steering model thus receives close attention in Verwaltung-Organisation-Personal (VOP), of whose editorial board Gerhard Banner is a member, or in Die Innovative Verwaltung (DIV), co-published by Herman Hill and Helmut Klages, who both teach at the German University of Administrative Sciences Speyer. These journals discuss the many books and workshops that attest to a boom in scientific work on the reform of local civil service. If academics have only very little part in the elaboration of the New Steering Model, which was “purely driven by practitioners, mainly by city managers” (Reichard 2008: 56), they benefited however from a funding system that relies chiefly on foundations favouring action research.

By organising presentations and forums, such as the annual “Modern State – Modern Administration” conference, the reformist undertaking is becoming visible to an ever-larger audience. These manifestations provide the opportunity to present rankings that are intended to measure the capacity of local political and administrative representatives to modernise their administration. Since 1992, the German University of Administrative Sciences Speyer has rewarded reform projects carried out at municipal level. Similarly, in 1993, the Bertelsmann Foundation decided

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12 For example Marga Pröhl, who for a while was in charge of the State and Administration Department of the Bertelsmann Foundation and Visiting Professor at Speyer College, or Bernd Adamschek, project manager in the Bertelsmann Foundation, and also visiting lecturer at the German University of Administrative Sciences Speyer.

13 This network supports around seventy local authorities in their reform initiatives, by favouring the dissemination of experiences and innovations in the fields of public action and administrative management.

14 In this way, Jörg Bogumil and Leo Kissler benefited from funding from the Hans-Böckler Foundation, for a two-year research project aimed at observing the implementation of administrative reforms in three towns (Hagen, Sarrebrück and Wuppertal) that won Speyer College’s prize for their modernisation strategies. See Bogumil/Kissler 1997.

to focus its annual award (that has existed since 1988) on the theme of democracy and efficiency in local administration. These practices of hierarchization, which indicate German municipalities’ backwardness by international standards, were used as instruments to “help pusillanimous directors who do not dare to join the modernization movement” (Banner 2002: 252, my translation).

These organisations also have material and symbolic resources to promote the reform of the local government. The Bertelsmann Foundation’s financial means have, for instance, enabled the development of new initiatives in the local administration sector. The KGSt’s influence, reputation and monopoly over consulting in the field of municipal organisation (Laux 1995: 230 ff.) have also played a part in the scientific legitimisation of the project, as well as the involvement of academic circles. In particular, the new steering model was able to prevail as the dominant reform project because of the multipositionality of the reformist coalition’s members, who combine key positions in prestigious institutions and professional paths that are characterised by their rotating between various spaces. Gerhard Banner’s career – he was successively or simultaneously town clerk, president of the KGSt, professor, consultant for various organisations and SPD member – appears, once again, as the symbol of a social capital based on the successive or simultaneous occupation of positions in various institutions in the political and administrative field.

Instigators of the modernization process have thus mobilized multiple resources to favour the reception of the modernization topics among local representatives. Several surveys show however that their implementation has been rather limited, particularly in the former GDR.

**A limited implementation**

Our analysis so far dealt only with the dissemination of the local governance as a reform concept. In other words, this process shouldn’t be confused with the effective implementation of it precepts and instruments in the former GDR. Despite a suitable ground and a favourable context, various studies reveal that the audience met by this model among the West German reformers doesn’t necessarily lead to its transposition in the East German municipalities.

**The German model of public action and the context of Re-unification**

Some analyses may explain the international success of governance concepts by the capacity of the Anglo-American model to be exported (Gaudin 2002). In the German case, it is also rooted in a tradition of public action based on partnership and negotiation between State institutions and social forces (Benz 1997), relying on a significant network of intermediary organisations.

The historical perspective shows consequently that the introduction of “new” forms of governance only contributes, to some extent, to the institutionalization of a tradition of co-operation between local authorities and several independent institutions (so called *freie Träger*). As Hubert Heinelt points out, the German political scientists study the “interaction between municipal actors and actors from the various

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16 The jury assembled on that occasion comprises representatives of the reformist core: Gerhard Banner as president, and professors Hill, Klages and Reichard.

17 The results of the Bertelsmann Foundation’s 1993 awards, which had no German municipalities among its winners, were met with shock and alarm by German municipal representatives, since they explicitly questioned the administrative performance of the local authorities. See Wegrich 1997: 25.
spheres of local society in elaborating policies” for a long time (Heinelt 2006: 146, my translation), especially within the working group Lokale Politikforschung. In other words, “these considerations are not new in the academic debate on local policies in Germany – even though the term ‘governance’ was not always directly used”.\textsuperscript{18}

This national tradition might have proved to be fertile ground for the precepts of governance. But the German Re-unification represented a “window of opportunity” (Kingdon 1995) for the modernizing circles, which benefited from this context to legitimize the need for reforms combining (more of) efficiency and democracy at the local level. The Re-unification indeed introduced economic and political conditions favorable to the reception of the governance, insofar as it gives more credence to the arguments developed by the proponents of this model. First of all, the municipalities in the former GDR are especially confronted with the financial problems at the local level. Many of them face a true crisis which requires an important reduction of the public spending. The implementation of new forms of citizen participation constitutes then a particularly important challenge in the former GDR, which is strongly affected by the erosion of the traditional mechanisms of representative democracy, usually ascribed to the phenomenon of “political moroseness” (Politikverdrossenheit) since the 1980s. Thus, various studies underline the distrust of the (East) German citizens towards the political institutions and activities (Gaiser 2000). The participative dimension of the governance model seems moreover to fulfil the aspirations for direct democracy expressed by civic movements in autumn 1989.

More generally, at last, some observers see the East German towns as a favourable ground for the modernization of local administration (Wegrich and al. 1997), insofar as the latter is supposed to avoid the inertia of the modes of organisation and functioning and the constraints of routines, which pose obstacles to the reform of Western municipal administrations.

West German experts on local administration and public action have thus paid close attention to the new Länder\textsuperscript{19}. This is especially true for the KGSt, whose staff was strongly involved in the restructuring of the Eastern municipalities by providing framework documents and pratical advices. Expertise activities could rely on the work of many researchers in political and administrative science, who also focused their interest on this topic. Many studies carried out in East German municipalities show thus an intellectual shift: surveys on the implementation of the new steering model in the former GDR were progressively added to the analysis of the transformations in these local authorities.\textsuperscript{20} The discourse of reform thus grasps the opportunities offered by the political and economic context of re-unification to

\begin{footnotes}
\item[18] See Heinelt (2006). However, the author claims that despite this precocious interest in “wider forms of involvement in shaping policies” (140), “the institutional or ‘governmental’ approach to questions such as ‘how to govern?’ or ‘how to ensure governability?’ has remained predominant. This can be explained by the fact that in Germany, those who are interested in local policies are first and foremost (in their academic position) advocates of public administration, public policies, compared government and so on.” (146).
\item[19] Like the Western experts who have seen the countries of Central and Eastern Europe as a laboratory for the development of new administrative systems according to Tony Verheijen (2003).
\item[20] For instance, the book Kommunale Verwaltungspolitik in Ostdeutschland, written in 1997 by a group of young researchers around Hellmut Wolmann, then Professor of Political Science at the Humboldt University in Berlin. Also partly financed by the Hans-Böckler Foundation, this research project was explicitly aimed at evaluating the possibilities and limits of modernising administration on the basis of the new steering model in East German municipalities.
\end{footnotes}
promote this new steering model, which was quickly held to be an inescapable reference in terms of modernizing the local public sector.

Given the central role of the KGSt as regards municipal (re)organization, the East German towns may have been privileged places or even laboratories for the transposition of economic and managerial doctrines in the public sector. However, it seems that municipal representatives failed to meet these expectations, often favouring the implementation of “archaic and centralist Western administrative models” (Reichard 1994: 68). I will now explain the reasons for this apparent paradox.

The combined impact of communist legacies and of Western transfer

Fact is that the West German reformers didn’t rouse the expected interest in the former GDR. From the middle-1990s, some authors note that innovation chances have been spoiled in the Eastern cities (Hill 1993), where the neo-managerialism meets only with limited success as in the whole post-communist space. These statements are based on several surveys conducted on the initiative of the German Association of Cities (Deutscher Städtetag) or the German Institute of Urban Affairs (Difu).21 Their results sheds lights some significant differences between Western and Eastern regarding the interest of municipal authorities for managerial reforms: they were 36% in the first case against only 8% in the second willing to envisage their next implementation.22 The survey of the German Association of Cities showed similar differences as regards the effectiveness of the modernization process in 195 municipalities: 84% in the West and only 53% in the East were described as “active” in this field in 1995. If later studies confirm these results, they stress at the same time a gradual reduction of the initial gap.23 Therefore, the differences could be interpreted as a simple “delay” of the local governments of the former GDR, where NPM-inspired reforms were taken up in the later 1990s, following the pace set in West German municipalities (Wollmann, 2004). This delay is generally attributed to the context of institutional transformation. Sabine Kuhlmann particularly points out the extent of the problems faced by the local authorities in the East, that are less able to “mobilize resources and capacities for action” (2003c: 7) to implement managerial reforms. However, this analysis provides only a partial explanation in view of the persistence of some disparities between East and West. According to a newer survey on the implementation of the new steering model in more than 1000 German municipalities, differences occur as much in the impetus to modernization as in its effective achievement (Bogumil and al. 2007: 99).24 Indeed, concrete experiences of

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21 Assessing the scale and the effectiveness of attempts at modernising local government in Germany proves, however, to be a difficult task. Sabine Kuhlmann points out the “deficit of evaluation” in a literature that is surprisingly silent on the results, effects and costs of reforms inspired by managerial techniques (Kuhlmann 2003a: 99).

22 These figures are quoted in the study Im Osten was Neues: Verwaltungsreform in ostdeutschen Städten und Gemeinden, conducted by Michael Bürsch for the Friedrich Ebert Foundation of German Social Democratic party (SPD) in 1995.

23 In 1998, 96% of Western municipalities and 79% of Eastern municipalities were characterized as active in the field of public sector reforms; they were respectively 96% in the West, 84% in the East according to the survey of 2000.

24 It should be clarified that the results of this study are based on information collected through questionnaires sent to municipalities and filled by their staff: therefore they imperfectly measure the real extent of the reforms inspired by the new steering model.
modernization appear less advanced in the cities of the former GDR, whether it is decentralization of resources, contract management or staff policy.\textsuperscript{25}

These quantitative data are corroborated by qualitative studies (Wegrich 1997; Jaedicke, Thrun and Wollmann: 2000) also showing that East German municipalities did not constitute a particularly suitable ground for the implementation of economic and managerial doctrines. They even notice that the distrust of modernization measures – such as budgeting, assessment of cost and performance, etc. – is greater than in the West (Hill 1997; Thumfart 2002). Similarly, privatization and marketization policies raise some criticism among municipal staff\textsuperscript{26}, who accuses them of undermining the traditional mission of public service. They share the views of some Researchers such as the jurist Klaus König and the political scientist Dieter Grunow, who call into question the importing of managerial techniques that tend to overlook the political dimension and therefore the need for legality and legitimacy in local government.

On the other hand, the exchanges between municipal services and their environment seem to have actually increased, as shown by the growth of partnerships involving administrative staff, elected officials, representatives of the non-profit sector and of the industrial sector at the local level. Working groups, round tables or Public Private Partnerships encounter a growing success, especially in the economic field with the establishment of technology centers or economic development agencies (Mayer 1993). In the former GDR, the post-communist transformation has even contributed to the emergence of original forms of partnerships aimed at addressing the economic and social problems connected with the transition to the market. This is particularly true regarding vocational integration programs at the local level, where the Treuhandanstalt\textsuperscript{27} and the trade unions have jointly set up employment companies (Beschäftigungsgesellschaften) in order to fight against mass unemployment. In the 1990s, these new institutions have played an intermediary role in the restructuring of the local economy (Bafoil 1999). While West German unions have remained focused on wage bargaining, their eastern counterparts have become important partners of local authorities as regards professional reintegration.

Despite a few original initiatives, East German municipalities appear again less inclined than the western ones to develop local governance networks (Thumfart 2002). The increasing number of Public Private Partnerships previously mentioned is mainly relevant in Western cities. Eastern local authorities position themselves very rarely as an intermediary between different interest groups in the economic sector (Giese, 1999). Administrative staff displays also some distrust toward the

\textsuperscript{25} Some figures from the abovementioned survey provide an illustration of these differences: 35.8% of municipalities of the West and 16.9% of those in the East carried out a decentralization of resources in the whole administration. Similarly, 16.8% of the first ones and 3.2% of the second ones have introduced a contract management between the administration and the municipal council. Only the transfer of municipal structures towards the non-profit sector appears more important in the former GDR because of the communist legacy mentioned above.

\textsuperscript{26} These criticisms are also shared by West German municipal staff (Naßmacher and Naßmacher 1999). Generally, city councillors are afraid that privatization measures diminish their political control on several local sectors. They are all the more reluctant as the reform projects are implemented primarily by and for the municipal executive, while city councillors are mainly excluded from their design according to a survey of 206 municipalities (Difu-Berichte, 2/2001). Thus, the administrative staff seems to have seized the introduction of these reforms as an opportunity to consolidate their position at the local level.

\textsuperscript{27} Federal organization in charge of privatizing the East German economy.
involvement of the so called “organized civil society”. They consider that this delegation of responsibilities may lead to a selective achievement of missions in the social and cultural sector (Naßmacher and Naßmacher 1999). The introduction of participative mechanisms elicits similar criticisms among local officials. Indeed, the institutionalization of consultative practices tends to undermine the position of elected representatives, who could be challenged by non-profit organizations or lobbies in the decision-making process. More symbolically, this governance model challenges the specificity of political skills, and thereby the legitimacy of elected officials by blurring the line between “profanes” and political professionals. Thus, many elected representatives consider with skepticism if not with concern the introduction of new forms of participation: they dispute the ability of ordinary citizens to take part in decisions that affect the entire local community.

Such results might seem somewhat surprising given the assumption made by the West German reformers. To understand this apparent paradox, it is worth reconsidering the post-communist transformation in which the diffusion of the governance model effectively takes place. Contrary to the myth of a “virgin territory” initially postulated by reformers, the transition process is shaped, in various ways, by the legacies of the former GDR. Consequently, their impact should explain to some extent the relative failure of economical and managerial tools in the Eastern municipalities. Different authors attribute partly the distrust of municipal staff to the persistence of values and norms internalized during their socialisation under communism. These reforms, which all aim at reducing the scope of local government to the benefit of the private sector, might conflict with the “interventionist” view of public service inherited from the previous regime. Analyses also consider the mistrust of the East German municipal employees with respect to the influence of “civil society” as a legacy of the “administrative paternalism” (Bernet, Lecheler 1990) that characterized the relationships between the communist bureaucratie and the population in the former regime (Thumfart 2002). Conversely, other studies focus their explanation on the passivity of the ex-GDR citizens (Gabriel 1997), who would not have the cognitive and organizational resources – i.e. the “suitable” habits, routines or structures – that are usually required to participate in the urban governance. If this lack of citizen involvement is regarded as particularly important in the post-communist context, the model of urban governance raises anyway some general questions in terms of democracy. Indeed, the introduction of new participatory mechanisms doesn’t really contribute to broaden the scope of participation at the local level. To say it simply: it mainly allows segments of the population, which take part already in the local political life, particularly through their involvement in associations, to participate more intensively (Gabriel, Eisenmann 2005). However, this does not allow to attract the citizens who are traditionally more or less excluded from the political activities (such as young people, poor people, foreign-born population, etc.). Consequently, urban governance provides only a limited instrument for the renewal of democratic practices. Local public action often continues to rely on a selective conception of policy networks inherited from the West German neo-corporatism, according to which the participation in the management of

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28 These criticisms are not specific to the former GDR, they are also expressed in West Germany (Gabriel, Eisenmann: 2005) and other European countries.

29 As underlined by David Stark, „the collapse of the formal structures of the socialist regime does not result in an institutional vacuum. Instead, we find the persistence of routines and practices, organizational forms and social ties, that can become assets, resources, and the basis for credible commitments and coordinated actions in the post-socialist period“ (1996: 995).
municipal affairs is restricted to a few actors and organizations (political and economical elites, experts, interest groups).

The relative failure of managerial and economic doctrines in the former GDR may also be due to the strategie of “institutional transfer” (Lehmbruch 1998), which characterized the post-communist transformation in the (East) German case. The municipal administration reform has thus largely been supported by experts from the “old” federal states, through the institutionalization of inter-communal partnerships, the detachment and the recruitment of West German officials or the establishment of training programs. According to Hellmut Wollmann, this configuration could only benefit to administrative models which have already been tried and tested in the practice. In the early 1990s, it was then not very surprising that “the West German advisers, including the highly influential KGSt […]”, as well as the East German management staff have relied upon a traditional organizational framework whose strengths and weaknesses are pretty much known, instead of taking the risk of implementing a new organization, that was still inexperienced in the former Federal Republic” (Wollmann 1996: 164). Despite their involvement in the modernization of local public service, the experts from the KGSt seem to have merely exported the recommendations they advocated for several decades in West German cities.

Finally – and this is connected with the previous point – the way in which East German municipal employees have become familiar with their new role has also contributed to the perpetuation of the classical administration model. Training programmes have given priority to the transmission of a traditional conception of the administrative activity, centered on legal knowledge, to the detriment of professional practices inspired by new public management. This is more generally due to the continued domination of the law and of the jurists in the administrative training delivered in the unified Germany. Despite its institutionalization as an academic discipline, public management could not really settle in public administration colleges. Moreover, West German officials on secondment in the new Länder played a significant role in the dissemination of an administrative activity centered on compliance with rules and procedures. This demonstrates, on the one hand, the effects of their own professional socialization, insofar as they have often replicated the skills and the routines accumulated during their training and their previous career. On the other hand, they also mobilized this knowledge of rules and procedures as a resource to legitimize their status as administrative experts and thereby consolidate their positions in East German municipal governments (Lozac’h 2008). Besides the impact of communist legacies, professional profiles of these officials, as well as the configurations in which they exercise their advising activity may provide a further explanation for the relative failure of the economical and managerial doctrines in the former GDR.

The sociological approach stresses the need to conduct a contextualized analysis of diffusion processes, in order to seize the various ways neo-liberalism has been shaped, adapted or even rejected (Jobert 1994). The case study of East Germany in particular has shown how the modalities of the post-communist transformation have affected the reform of local public sector. Therefore, the analysis

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30 Only three of them – out of about thirty – have a department devoted to public sector management and administrative modernization.
of the latter must rely on a sociology of actors, from both East and West, involved in this undertaking. It reveals indeed how their professional models, their administrative and political routines or their conceptions of public service exert an influence on the way they regard and implement the reform of municipal government.

References


