

Prof. Dr. Michael W. Bauer
Jean Monnet Professor
Chair of Comparative Public Administration and Policy Analysis
michael.bauer@uni-speyer.de

December 2015

MICHAEL W. BAUER

IMPACT OF ADMINISTRATIVE REFORM OF THE EUROPEAN
COMMISSION: RESULTS FROM A SURVEY OF HEADS OF UNIT IN POLICY-
MAKING DIRECTORATES

Publication Details:

Michael W. Bauer, 2009: Impact of Administrative Reform of the European Commission: Results from a Survey of Heads of Unit in Policy-Making Directorates, in: International Review of Administrative Sciences, Vol. 75, No. 3, 459-472.

Abstract

The Kinnock reform has changed the European Commission. This article discusses the link between reform effects and policy output. A survey of more than 100 heads of unit (HoU) of policy-making Directorates-General serves as the empirical basis. It is concluded that the recent reform of the Commission does indeed comprehensively redefine the role of the HoU. Their resource base to focus on policy drafting has been hugely reduced. Negative consequences for the organization's potential to deliver policy draft of high quality are therefore very likely.

Points for practitioners

This article deals with the following areas:

- Middle management as organizational backbone
- The perils of decentralizing management functions
- The impact of administrative reform on policy output.

Keywords: administrative reform, European commission, policy entrepreneurship

1. Introduction

Although it has already been operating for more than half a century, the European Commission has until very recently been seen as a 'young' or perhaps 'adolescent' organization — structurally unsettled and eternally growing with respect to its policy responsibilities, its multinational staff and its organizational setup. This interpretation of the prevailing organizational culture ended — at the latest — when the downside of

Michael W. Bauer is Assistant Professor of Comparative Public Policy and Public Administration, University of Konstanz, Germany.

40 years of unsystematic organizational expansion made itself felt in the mid-1990s. The Commission's principal organizational problem turned out to be increasingly inappropriate administrative capacities compared to its growing policy responsibilities (Metcalf, 1992). The subsequent decade from 1995 (on 23 January Jacques Santer took over the presidency of the European Commission) to 2004 (on 17 November Neil Kinnock leaves his post as vice-president of the Commission responsible for administrative reform) saw a major organizational overhaul which in its intensity surpasses any comparable administrative change in European national public administrations since the establishment of the European Union (Balint et al., 2008).

The administrative changes within the European Commission and their likely impact on the organization's role in the EU policy-making process are the topic of this article. This recent organizational change is conventionally referred to as the Kinnock reform. It must be kept in mind, however, that what is known as the 'Kinnock reform' is actually a bundle of sometimes disjointed — some would even say inconsistent — reorganizational measures that have been implemented to different degrees and many of which have been the subject of intensive re-reforming ever since the 'Kinnock reform' was deemed 'successfully accomplished' in 2004 (Cini, 2004; Kassim, 2004a, 2004b; Levy, 2004, 2006; Spence and Stevens, 2006; Stevens and Stevens, 2006; Balint et al., 2008; Bauer et al., 2008).

So far, scholars have been primarily concerned with describing the process and the content of the modernization, as well as assessing the internal (in)consistency of individual reform chapters. In other words, questions of timing, implementation, substance and scope of the modernization of the Commission have been centre stage. Now, however, given that the reform has been in effect for some years, it is time to find out what difference, if any, this reform actually makes. This question is as common in the context of major administrative reforms as it is notoriously difficult to answer.

Conscious of the limitations of any empirical research strategy and of the limitations of the strategy I have chosen in this article, in particular, I will nonetheless attempt to provide some or at least partial answers to this question. The empirical device I employ to address the question of the reform's impact is a survey among heads of unit (HoU) working within policy-making Directorates-General of the European Commission.

On the basis of the perceptions of these individuals (who indisputably represent a crucial layer of internal management) about the reorganization, I will argue that the reform, although in itself perhaps genuinely a 'historic accomplishment' and 'heroic task' (Kassim, 2004a, 2004b), will seriously change and eventually limit the capability of the Commission to deliver policy and to shepherd its legislative drafts through the formal and informal stages of the EU policy process (Nugent, 2001: 242) — at least at the level of quality we are familiar with.¹

The discussion will proceed as follows. In section 2, I will briefly recall the content of the Kinnock reform and in section 3, I justify the theoretical relevance of my research strategy. Section 4, the main section, will report the results of a survey revealing the huge misgivings and anxieties of middle managers as regards the general thrust of the reform, but also the endorsement of specific elements of the management change. In section 5, I discuss the main implications and limitations of my results

for assessing the Commission's future role in EU policy-making. The article ends with a short conclusion.

In a nutshell, I will conclude that the recent reform of the Commission does indeed comprehensively redefine the role of the HoU. The resource base of (the position of) a HoU to focus on policy drafting has been hugely reduced. Negative consequences for the organization's potential to deliver policy draft of high quality are therefore very likely.

2. The Kinnock reform and middle management

As mentioned above, the substance, scope and timing of the recent administrative reforms of the European Commission have been extensively dealt with elsewhere (Kassim, 2004a, 2004b, 2008; Metcalfe, 2000; Bearfield, 2004; Levy, 2006). In this section, it is thus not necessary to present all the details. Instead, I will confine myself to focusing on two crucial aspects: the 'strategic planning and programming' and the 'personnel policy' chapters of the reform package. These two are not only regarded as the most important elements, but they also impact heavily on the HoU.

The reform chapter on Strategic Planning and Programming (SPP) is a cornerstone of the administrative modernization project. The intention was to replace the traditional — Weberian — way of administrating with strategic priority-setting (on the basis of updated information about what exactly is done in the Commission and by whom), the respective resource allocation, process monitoring, evaluation and — inherently related to these — redistribution of financial and personnel resources on the basis of this programming cycle.

One should note that activity-based cost management (Cokins, 1996) is still output-focused rather than outcome-focused. But it is still a far cry from the rather non-transparent input steering that the Commission applied in the past. The SPP cycle has been running since 2003 and 'has put policy priorities at the heart of the decision-making. . . . Managers are required to focus on the need to deliver on priority objectives and to report on achievements and performance' (European Commission, 2000: 6). The SPP cycle is indeed a challenge. Means and needs have to be justified in the light of the targeted objectives. A detailed Annual Policy Strategy (APS) is drafted, discussed and agreed upon through a process that involves virtually all the layers of the internal administration in a huge communication and coordination exercise. The APS is translated into mission statements and work programmes for each Commission service, setting out specific objectives for directorates and units. In response, each DG or service requires Annual Activity Reports that include strategic evaluations of activities, expenditure and so forth up and down the hierarchy (Kassim, 2004a: 48). Writing proposals for policy objectives, conceiving (measurable) progress and quality indicators, conducting impact assessment exercises, suggesting priorities, drafting the respective reporting notes, evaluating and communicating decisions back to the rank and file have become the bread and butter of the HoU's daily job.

The personnel chapter was the second centrepiece of the modernization blueprint, given that budgeting, programming and coordination aspects have personnel implications and vice versa. The linearization of careers and the new pension regime were among the most contested issues between staff unions, the reformers sur-

rounding Kinnock and the representatives of the member states (Kassim, 2004a, 2004b; Bauer, 2007).

The aims were to keep staff motivated until very late into their individual careers (more but smaller promotion steps) and to keep the costs for salaries and pensions in check. The hotly debated money and motivation issues perhaps distracted from the fact that the core of the managerial side of the new personnel strategy was a kind of extended, decentralized leadership role for the HoU.

According to the new personnel concept, it is the HoU who has to instruct, supervise and guide his unit staff so as to fit the human resource variable to the equation of the new priority-setting, programming and coordination approach. The aim was to make the Commission administration more accountable to the political college of the Commissioners. In this sense, the role of the HoU in motivating, managing and guiding staff is pivotal.

A particularly difficult undertaking turned out to be the distribution of assessment 'points'. Once an individual has accumulated a certain number of points, promotion comes automatically (in theory). The distribution of points is an annual exercise and a highly competitive one, since the overall number of points is restricted. Some of these points are assigned by the relevant Director-General, but the HoU distributes most of them. The 'arcanae' or pathologies of the points system are of little interest here.²

At any rate, it is the HoU who 'implements' the overall personnel strategy. He has to set the annual job targets against which individual performance is measured, he has to assess delivery and justify and report his opinion, he has to negotiate the points, defend decisions, deal with more or less satisfied staff and so forth. The good news is that HoU have gained in direct power over their personnel, but all in all the pressure upon the HoU to develop and use the potential of their staff in an optimal way — as defined by the SPP cycle — has increased dramatically.

3. The individual basis of policy entrepreneurship within the Commission

But even if the Kinnock reform utterly changed the role of the HoU — as has been argued in the previous section — why should we bother? The answer can only be found in our theoretical conceptualization of the European Commission and its role in the EU policy-making process.

There is obviously no shortage of theoretical accounts of the Commission as an actor in the emerging political system of the European Union (for overviews see Cini, 1996; Nugent, 1997, 2001; Spence, 2006; Bauer, 2005). If one looks closer to how students of public policy and public administration conceive of the Commission, I think it is fair to say that the Commission's role as policy entrepreneur is central. As a policy entrepreneur, the Commission is seen as a purposeful political player able to pursue an aim over long periods of and via astonishing detours (Cram, 1993; Sabatier, 1993; Héritier, 1997). Analysts usually treat the Commission (or an individual DG or service within it) as an actor itself, but they rarely specify under which conditions entrepreneurship actually works inside the Commission administration.

Now, organization theory reminds us that within any organization, a particular organizational output is the result of individual agency interacting with the particular

institutional structure that operates in a broader (and frequently changing) organizational environment. To produce a particular output all three factors (individuals, organizational structure and the organizational environment which in our case is the political context) are of crucial importance. Sure, we cannot solve the whole puzzle of the Commission's role in EU public policy-making by focusing exclusively on the role of the HoU. However, by unpacking more carefully, as has been done before, the individual basis of the Commission's entrepreneurship function, we are able to occupy a vital theoretical vantage point; and from this vantage point some modest, but solid, answers about the impact of the Kinnock reform appear possible.

Thus, in order to connect the role of the HoU and the entrepreneurship function the following consideration is essential. The Commission is a fragmented and heterogeneous administration (Christiansen, 2006). As regards policy content, the HoU is the acknowledged expert. At the same time he or she is an experienced insider who knows the Commission machinery, the informal side of the organizational hierarchy and the crucial policy pundits within the other European institutions, national administrations or relevant lobbies. The very fragmentation of the Commission and the deficient horizontal and vertical coordination mechanisms reinforce the HoU's role and importance further — or, at least, make middle management within the Commission more important than in other comparable organizations (Bauer, 2008b). Hence, the importance of the HoU for identifying potential for (technical) consensus and for the time-consuming and challenging task of guiding the proposal through the formalities and informalities of the Commission's internal decision-making process can hardly be exaggerated (Nugent, 2001).

In sum, policy entrepreneurship of the Commission has an individualist basis in form of the HoU. From the perspective of analysing the effects of the recent Commission reform on policy output, theoretically the crucial question thus becomes whether and how the Kinnock reform modifies the position of the HoU thereby affecting the Commission's entrepreneurship capacity. An obvious empirical research strategy consists then in asking the HoU themselves how they assess the Kinnock reform with respect to their daily working life.

4. Surveying middle management within the Commission

In April 2007, the Commission employed 23,043 formal staff. According to internal sources, there are roughly 1200 HoU, but only 800 of these have exclusively policy tasks. I used the information available from the organizational charts of the 13 DGs indicated by the Commission itself as Policy DGs (e.g. those for agriculture, cohesion, environment, etc.) in order to create a list of HoU who are clearly engaged in policy-making. It is crucial to focus on policy-making HoU because I want to develop an argument concerning the policy output of the Commission. From this general population I randomly selected 200 as my survey population. I also sampled some directors and directors-general as a control group. A total of 116 telephone interviews with policy HoU were completed, which adds up to a response rate of 58 percent.

Almost 60 percent of the respondents said that the position of an HoU has experienced the most profound changes in its profile as a result of the Kinnock reform. The directors-general come second at 20 percent. In the same vein, and somewhat

astonishingly (in respect of the short time span that the reform has been in operation), when asked about the effects of the Kinnock reform on their individual careers, one-sixth of the HoU had already felt an impact — in equal parts positive and negative.

Enabling the Commission to redistribute resources quickly and in accordance with changing priorities was a major concern of the reformers. Clearly, if this redistribution is only marginal, it is questionable whether it pays to install new, painstaking, time-consuming and complicated procedures in the first place: policy ends would not change and neither would the distribution of means. The data put a big question mark beside this crucial aspect. Asked whether as an outcome of the Kinnock reform there has been a redeployment of personnel or financial resources due to changing political priorities, only one-third of HoU said they had seen such a redistribution, while two-thirds had not witnessed any change in this respect.

As to their work profile, the HoU consider 'promoting policies', at roughly 30 percent, to be their priority occupation, followed by providing internal management leadership (25 percent), supervising implementation (16 percent) and generating ideas (10 percent). Two equally ingrained 'camps' can be identified: leadership and implementation, on the one hand, and promoting policies and ideas, on the other. But saying what is the 'most important aspect of your work', as in the previous question, is one thing; saying what the HoU really value most is quite another. Asked whether the brightest policy innovators, irrespective of their level of seniority, should be given more scope (and better career prospects) or whether fast-track, special arrangements for a small number of people should be avoided, two-thirds of the HoU replied that they would like to see more space given to the policy innovators, while only one-sixth objected. This is a remarkable result because the HoU were forced by the Kinnock reform to see their main role in 'managing' as opposed to 'innovating policy'. However, despite the new incentives, the majority have stuck to the traditional image of their function.

The HoU were also asked to assess 'the impact of the recent internal modernization [i.e. the so-called Kinnock reforms] in the light of their own experience' by way of assessing seven statements ('agree', disagree' or 'don't know'). All the statements were taken from the Commission's own documents (White Paper and progress reports) on the reform. The overall assessment of the effects of the reform is very poor. Faced with the statement, 'My unit/service has become more efficient and effective', 59 percent explicitly disagreed and 15 percent said they did not know (which is equally poor from the perspective of reform promoters). 'Personnel management has become leaner and more focused. I can concentrate more on the really important issues' was contested by 86 percent of the HoU. 'The orders/instructions from superiors have become clearer, more transparent and more coherent' met with 63 percent disagreement and 12 percent 'don't know'.

Similarly, little support can be found for 'I can work more autonomously because I can decide myself about important issues concerning the distribution of internal resources': 71 percent disagreed and 12 percent did not know. However, 72 percent explicitly agreed with the statement 'The new tools and rules are applied in a formal and superficial way. The majority of colleagues have yet to be convinced of their advantages.' The excuse offered by the following item, i.e. that it is still too early to

Table 1 Strategic planning and programming: Which of the following elements improved your personal capacity to do your job?^a

	Negative %	Positive %	Irrelevant %	Don't know %
Drafting the Annual Activity Report	34	40	24	2
Preparing the Annual Strategy Decision	32	46	20	2
Drafting the DG Annual Management Plan	29	55	14	2
Interim evaluation and monitoring of achievements	24	50	23	3
Defining the responsibilities of individuals	11	63	20	6
Setting negative priorities	37	27	32	4
New reporting duties	26	46	22	5

^a The HoU were given the options 'positive', 'negative', 'irrelevant' and 'don't know/no answer'.

tell, was rejected by a huge majority. The statement read, 'The new tools and rules have yet to be applied coherently. Therefore, I do not have sufficient information to draw conclusions'; 55 percent disagreed, 29 percent agreed and 13 percent did not know.

Finally, the statement, 'The new tools and rules do lead to more red tape and increase the internal administrative load' elicited very clear reactions as 88 percent of the HoU unambiguously agreed. In other words, the HoU think that their units have not become more efficient; personnel management has in their eyes become painstaking and instructions from superiors appear barely transparent. In sum, there seems to be little behind the rhetoric of increasing the autonomy of lower levels, while there is consensus that red tape has burgeoned as a consequence of the Kinnock reform.

The picture brightens when the HoU are asked about specific managerial elements introduced by the reform in the areas of strategic planning and programming and the new personnel policy (see Table 1). There is still a persistent segment of HoU who view the reforms negatively but — in stark contrast to the previous questions — now relative and sometimes even absolute majorities frequently assess the changes positively. As regards strategic programming, in particular, reporting schemes and prospective management planning even meet with the approval of an absolute majority of HoU. They appear to approve especially of the new rules allowing them to define the responsibility of the personnel individually and in advance. However, the setting of negative priorities is obviously seen as very problematic.

HoU perceive the new personnel management even more positively than the strategic programming (see Table 2). Ostensibly, they welcome the need to formulate detailed job descriptions, in other words, the setting of work-related personal targets and objectives. They are in favour of the annual appraisal exercises and appreciate their power to decide on staff requirements and the related allocation of responsibilities. But they appear reluctant to carry out leadership duties concerning (sometimes painful) decisions about the pay and promotion of their direct subordinates.

Finally, the survey included an open question. Out of 116 HoU, 50 made — sometimes lengthy — use of this last question to comment about the Kinnock reform in

Table 2 Personnel management: Which of the following elements of personnel modernization improved your capacity to do your job?

	Negative %	Positive %	Irrelevant %	Don't know %
Detailed job descriptions	13	73	13	1
Annual Appraisal Exercises	36	50	11	3
Setting work-related and personal targets	13	68	17	2
Deciding on staff requirements and allocation of responsibilities	21	45	30	2
Promotion procedures	67	12	20	2
Setting objectives within your unit	11	74	12	2
Overseeing and assessing achievements	20	52	27	2
Reducing functional groups and having a single pay scale with 16 grades	36	20	40	5

general. I coded these comments according to whether they indicated a positive, negative or neutral attitude towards the effects of the reform. Six were outrightly positive (somewhere along the line of 'management should be a time-consuming activity' or 'it was time for a reform'), and another six were neutral (in the sense of 'esprit est bon, la mise en oeuvre moins car elle crée un surplus de la bureaucratie . . . parfois amène à la diminution de l'effectivité').

The huge majority of the HoU agreed that some kind of a management reform of the Commission administration was overdue. But 38 respondents took the opportunity to convey a clear message: the 'Kinnock reform can be summarized in one word: bureaucracy'. One of the more friendly comments in this category was that 'many heads of unit feel they have to carry the heavy burden of bureaucratic, ineffective procedures that have been introduced'. Others were sharper: 'Kinnock is a disaster and a 300 percent bureaucracy increase with form accounting for 80 percent and substance just for 20 percent', it is 'paperwork that nobody reads' or just 'unproductive paperwork'. Others talk about a 'control mania' inside the Commission which 'creates a culture of fear'; 'control should be at a reasonable level: now it has gone mad'. Many statements reflect the fear that the Commission is losing its 'political duties', 'political priorities' and 'political function' and that the 'original mission is forgotten'. The 'real problem is that process has become an aim in itself'; there are 'lots of words, declarations, announcements which lead to nowhere, there is no increase in productivity'. In the same vein, 'productivity is decreasing, internal procedures are the biggest constraints'. 'What has been done is a castration! Bureaucracy and security measures are killing all the potential productivity.' Or, with regard to the changing role of the HoU, which is of major interest for my argument: 'avant les chefs d'unité étaient les experts du domaine, maintenant ils ne sont que des "managers"'.

The point here is that staff who were happy with the reforms would probably sound different. Considering that the survey question did not directly invite comments on the deficiencies of the Kinnock reform, this becomes even more worrying.³ The question was very neutral: 'Do you wish to make a general or specific remark about the issues touched in the survey?' Therefore, politicians and managers at the top

of the Commission would be well advised to take such strong reactions from their middle management seriously.

5. Discussion

The survey results underpin the fact that the role of the HoU within the organization has been redefined by the recent administrative reform. At the very least, the results indicate strong feelings of anxiety and sometimes even alienation in terms of professional self-understanding as regards the impact of the Kinnock reform. According to the HoU, the general reform aims have not been met. What characterizes the current situation is an inadequate redistribution of resources accompanied by massive red tape and heavy planning burdens but not more autonomy in decentral policy units.

However, and more specifically, the individual instruments introduced by the Kinnock reform — job descriptions, defining individual responsibilities, setting individual targets, annual appraisal exercises, systematically assessing achievements, monitoring and reporting duties — are evaluated more sympathetically, at times even very positively. But all in all, the responses indicate a worrying level of alienation. The majority of HoU have misgivings about the reform and, more importantly, they dislike the new roles that the reform has assigned to them. Two-thirds still seem to prefer a profile as policy innovator to one as public manager. However, as good public servants — this is my interpretation — they accept their fate and endorse those reform elements, in particular, that improve their capacity to carry out their new and unwanted job properly. In other words, they make an effort to function like managers, but in their hearts they still feel like policy entrepreneurs.

What about the broader implications that we can draw from the survey results? It is probably fair to recall that management reforms in the public sector usually have various effects — some might be intended, others unintended side effects (Pollitt and Bouckaert, 2004). In this article I have attempted to gauge the possible implications of the recent Commission reform for EU policy-making. I assumed that the HoU, i.e. the middle management inside the Commission, is the crucial link between expertise and politics. Further, I took for granted that the Commission's strength as an actor in EU public policy-making rests to a large extent upon its ability to deliver concrete and substantial policy drafts of high quality (meaning I did not focus on other Commission tasks such as adjudication or supervision). From this deliberately chosen perspective, I tried to elicit what the recent Kinnock reform meant for the HoU, which I identified as the crucial organizational backbone of the Commission's policy function.

It emerged that the Kinnock reform completely transforms the role of the HoU. It is probably not exaggerated to view the new role of the HoU as the centrepiece of the Kinnock strategy. This new role reveals itself in the effort to render the Commission administration more accountable to the college, i.e. to subject policy output to central priority-setting and to increase the capacities for political steering at the top of the organization. Taken together, these changes reflect the usual new public management agenda of public sector reform (Bearfield, 2004; Schön-Quinlivan, 2008).

Note that I do not make any claims about the appropriateness of or, indeed, about the long-term chances of the Kinnock reform to successfully change the Commission administrative culture from this perspective (cf. Balint et al., 2008). Actually, and para-

doxically, the Kinnock reform may well work (in precisely the new public management sense intended by the change zealots and feared by the Delors generation of 'political engineers' who see the cohesion of the old Commission as having been destroyed). The present-day reform advocates (fewer and fewer in numbers) are probably correct to point out that modernization is, after all, a long-term endeavour and that it is therefore 'too early to tell' whether administrative change has been successful or not.

However, from the point of view that has been adopted as the analytical focus for this article, better internal management does not mean improved organizational capability for policy entrepreneurship. To put it very clearly, I have not investigated policy results and I did not develop a theory or an analytical framework, let alone subject it to empirical testing, that could lead to the conclusion that EU public policy output did indeed decrease in quantity or decline in quality since the adoption of the Kinnock reform. These are questions I would recommend that researchers address.

I do, however, claim that the role of the Commission administration in the complicated equation of EU policy-making is weakened by the Kinnock reform. The Commission will become more inward-looking, and the crucial individuals will have less time for policy content than they used to have in the past. In a seminal article from 1997, Brigid Laffan saw the challenge facing the Commission as changing from a policy entrepreneur to a programme manager (1997). The new challenge after the Kinnock reform may be to maintain decentralized entrepreneurship capability at the policy level in an organization which is subjugated to burdensome management rules and a centripetal programming approach. There appears little need to fear an excessively entrepreneurial Commission for some time to come.

Finally, I would like to openly draw attention to some limitations of my empirical approach. First, my data were collected in 2007 — a reasonable time, one should think, after the implementation of the Kinnock reform and therefore for the actors involved to make up their minds. However, the Commission — by some measure — can be said to be in reform turmoil ever since Jacques Santer took office in the 1990s. The change management has more often than not neglected the importance of involving and convincing the staff. Thus, after more than a decade of minor and major reform attempts, the HoU of my survey may be in danger of having a too heroic picture of the 'administrative effectiveness' of the past, while the 'wounds' inflicted upon them by recent administrative change are still fresh and appear thus more painful than routine frustrations with inapt internal management in the era prior to the reform.

Second, and related to this, how is one to objectively assess the 'positive slice' of the aggregated perceptions? Remember, between a quarter and sometimes a third of the HoU positively rate financial and personnel redistribution according to management priorities and claim that their unit has indeed become more efficient and effective (see previous section). I would contend that after all the reform ado and the promises for swift optimization that were made in order to push through the reform that this slice is too small. There are colleagues, however, who would say that precisely because the magnitude of change has been so extraordinarily high, a 25 percent 'approval rating' after three years of operation is a reasonably good result.

Third, my causal chain between the changing role of HoU due to internal reform and the deterioration of the policy output capacity of the Commission as an organi-

zation is possibly too long. This is a problem regularly faced by administrative reform science (Bauer, 2008a). There are two factors that may cushion the negative reform effect I have analytically isolated. First, the function of political entrepreneurship may disperse to other levels of management or to extra-hierarchical posts (advisers?) in the Commission, thus stripping the HoU of this duty. Second, the emerging entrepreneurial deficit may be less of an objective organizational problem for the simple reason that the actual output (because of falling demand for EU regulation by the member states or because of self-restriction by the actual Commission leadership) is itself decreasing and thus the clash between internal management requirements and policy development is just not taking place.

I do not think that these arguments actually hold or could shift the interpretation of the reform impact question into a neutral or even a positive direction.⁴ But I do think it is worthwhile taking them into consideration in order to come to a more nuanced understanding of the crucial forces at work. And if the reader will allow me to hold their attention just a little bit longer, I will clarify what leads me to think that the Kinnock reform measures have actually had a much worse impact on the whole than any analysis of individual elements of this reform may bring to light.

What are worrisome are the 'mutually reinforcing negative incentive structures' (to coin a new term) that have been established by the Kinnock reform. What I mean is that the new organizational context created by the reform too often rewards parochial isolation over inter-service cooperation. Again, providing empirical evidence for the bad performance under the new system is notoriously difficult (however, see Bauer et al., 2008), not least because the reform and its impact is a highly politicized and hotly debated issue between the various stakeholder groups and the political principals of the Commission. Because there is a lack of systematic evidence (only the Commission itself could provide it but probably will not do so for some time to come), we need to resort to a thought experiment in order to demonstrate the magnitude of the organizational problems created by the Kinnock reform. Let us thus combine the following three major reform elements in order to decide whether the Kinnock reform should be assessed positively or negatively.

The first element is the 'responsabilization' of the directors-general. They have been given more responsibilities, and as these new responsibilities lie with them individually, they have all the incentives to use their powers and controls so that what happens in their DG does really happen in accordance with their orders and priorities.⁵ In other words, the silo problem — horizontal compartments of the Commission with a tendency to work in 'splendid isolation' — has all but deteriorated.

Due to requirements of functional decentralization — or more precisely the decentralized provision of horizontally required internal management services (from IT through Communications to Human Resources) — a second major structural element of the reform has been implemented without any sound solution for the obvious necessity (in the words of the famous wise men) that 'the tasks that are decentralised must be clearly defined and effective. Decentralisation should not become synonymous with confusion. The process of decentralisation must be accompanied by a reinforcement of programming and internal coordination and genuine leadership must be exercised.'⁶

The third structural fallacy consists in what could be called 'audit fury', i.e. the

bureaucratization of internal decision-making and programme development ingrained in all the chapters of the Kinnock reform. The fact has obviously been neglected (deliberately?) that the tasks of the Commission administration are in a positive sense political (or at least pre-political) and cannot be managed in the same way à la new public management as (let's say) a national public unemployment agency (Bauer, 2008a: 76).

This section is not the place for substantiating these claims. But if, for the sake of argument, this is taken as the organizational context of administrative change, it is clear that my empirical analysis of the HoU is only a tiny, and by all standards an only mildly critical, piece in the puzzle we face if we want to settle the question of what will be the impact of the Kinnock reform. Taken alone, the HoU change may simply be a negligible and minor battlefield between conservative and progressive forces within the Commission. Combined with the emerging incentive logic of intra-organizational coordination structured by top-down responsabilization, half-hearted management decentralization and overboard audit bureaucratization, things really start to look bleak.

6. Conclusion

Many see the Kinnock reform as a kind of revolution. The revolution as such may have ended, but now the Commission as an administration lives in a status of 're-reform' or 'permanent reform necessity'. It has perhaps never been easier than today to change the Commission as a civil service organization; at the same time, never have we understood less about what individual reform elements really mean in the particular context of current organizational change.⁷

For those anti-cynics who remain enthusiastic about the challenge of optimizing the functioning of the European Commission as a public administration, I do have one major recommendation: There is no way to go back to the status quo ante, so what now needs to be done is to bring the new 'organizational theory' (how things should work on paper) of managing the Commission slowly into line with the 'organizational reality' (how things actually work or actually 'do not' work).

Certainly not everything that has come to be changed is bad. However, too many within the Commission are currently forced to operate in a schizophrenic mode, where the illusion of operating satisfactorily according to the new standards is upheld, but to a large extent this is nothing but a façade behind which old habits are prevailing. This is the worst possible outcome any reform can have. The strategy of the future must thus be one of pragmatic incrementalism: identify what works reasonably well and revise the gaps in between (Bauer et al., 2006). Revising the reform of the Commission is no small task. But unless it is tackled successfully, the Commission as an organization is unlikely to adequately function as the administrative basis of the European integration process, i.e. live up to what many of us conceive of as its prime mission.

Notes

- 1 The Commission may have other tasks to fulfil than just policy development (e.g. adjudication or supervision of implementation, to name just two). While I presume that my arguments do to some extent also cover these areas, I see the Commission's key role in providing policy development on a European scale and therefore I exclusively use this function to 'anchor' my conceptualizations and my subsequent empirical analysis.
- 2 This new system was designed to increase the transparency of individual performance assessment and to assure unbiased transmission of these results to the superiors who are responsible for deciding about promotion. The appraisal system is hugely unpopular in the Commission. Its major deficiency seems to be that HoU shy away from giving very high or very low points (so that the whole exercise becomes ineffectual). DG Administration is currently working on improving this system. The intention is to reduce the number of points that an individual may receive and to create a 'normal' number of points for those who are just doing a good, but unspectacular job, which allows normal career paths without the present problems of comparative demotivation. See the insightful works of Carolyn Ban on this topic.
- 3 Although the section directly preceding the open question was about reform issues, two-thirds of the questions asked in the survey actually had nothing to do with the Kinnock reform.
- 4 Indeed, I will soon be in a position to bring more empirical evidence into the debate which will measure the reform perception of Commission staff over time. Together with a small group of outstanding colleagues, we have conducted a comprehensive survey of Commission officials that also includes questions regarding the administrative reform perception of staff. See under http://www.pol.ed.ac.uk/eu_consent/commission_survey. We are also currently writing a book due for publication in 2010; see Kassim et al. (2010) in the reference list.
- 5 I would dare to suggest that the directors-general have been promoted from being overlords (their old role) to now being the 'Moses' of their services.
- 6 Committee of Independent Experts (1999), Recommendation 66. Available at: http://www.europarl.europa.eu/experts/default_en.htm.
- 7 With hindsight it looks as if the revolutionary reformers should have considered what could be called the 'stairway-to-heaven principle' — after the well-known song by Led Zeppelin: There are many ways that eventually lead to the reform of a public organization, some shorter than others. The good thing about taking the longer route is that 'there's still time to change the road you're on'.

References

- Balint, T., Bauer, M.W. and Knill, C. (2008) 'Bureaucratic Change in the European Administrative Space: The Case of the European Commission', *West European Politics* 31(4): 677–700.
- Bauer, M.W. (2001) *A Creeping Transformation? The European Commission and the Management of EU Structural Funds in Germany*. Dordrecht: Kluwer.
- Bauer, M.W. (2005) 'The European Commission', in Peter M. van der Hoek (ed.) *Handbook of Public Administration and Policy in the European Union*, pp. 149–76. Boca Raton, London, New York: Taylor & Francis.
- Bauer, M.W. (2007) 'The Politics of Reforming the European Commission Administration', in M.W. Bauer and C. Knill (eds) *Management Reforms in International Organizations*, pp. 54–69. Baden-Baden: Nomos.
- Bauer, M.W. (2008a) 'Der Throughput-Output-Nexus in der empirischen Verwaltungswissenschaft', *Die Verwaltung* 41(1): 63–76.
- Bauer, M.W. (2008b) 'Diffuse Anxieties, Deprived Entrepreneurs: Commission Reform and Middle Management', *Journal of European Public Policy* 15(5): 691–707.
- Bauer, M.W., Knill, C., Balint, T. and Benzing, S. (2008) 'Decentralisation following the Reform of the European Commission: Evaluation and Perception', Final Report, European Parliament, Directorate General Internal Policies of the Union, Brussels.
- Bauer, M.W., Knill, C. and Ziegler, M. (2006) 'Koordinierter Inkrementalismus — Optionen für eine

- Reform institutioneller Arrangements zur politischen Planung und Koordination', *Zeitschrift für Staats- und Europawissenschaften* 4(4): 549–75.
- Bearfield, N.D. (2004) 'Reforming the European Commission: Driving Reform from the Grassroots', *Public Policy and Administration* 19(5): 13–24.
- Christiansen, T. (2006) 'The European Commission: The European Executive between Continuity and Change', in J. Richardson (ed.) *European Union. Power and Policy-making*, pp. 99–117. New York: Routledge.
- Cini, M. (1996) *The European Commission: Leadership, Organisation and Culture in the EU Administration*. Manchester: Manchester University Press.
- Cini, M. (2004) 'The Reform of the European Commission: An Ethical Perspective', *Public Policy and Administration* 19(3): 42–54.
- Cokins, G. (1996) *Activity-based Cost Management: Making it Work*. Boston, MA: McGraw-Hill.
- Cram, L. (1993) 'Calling the Tune without Paying the Piper? The Role of the Commission in European Community Social Policy', *Policy and Politics* 21: 135–46.
- European Commission (2000) 'Reforming the Commission', A White Paper, part I, COM (2000) 200/final 2.
- Héritier, A. (1997) 'Policy-making by Subterfuge: Interest Accommodation, Innovation and Substitute Democratic Legitimation in Europe — Perspectives from Distinct Policy Areas', *Journal of European Public Policy* 4(2): 171–89.
- Kassim, H. (2004a) 'A Historic Accomplishment: The Prodi Commission and Administrative Reform', in D.G. Dimitrakopoulos (ed.) *The Changing European Commission*, pp. 33–63. Manchester: Manchester University Press.
- Kassim, H. (2004b) 'The Kinnock Reforms in Perspective: Why Reforming the Commission is an Heroic, but Thankless Task', *Public Policy and Administration* 19(3): 25–41.
- Kassim, H. (2008) 'Mission Impossible, but Mission Accomplished: The Kinnock Reforms and the European Commission', *Journal of European Public Policy* 15(5): 648–68.
- Kassim, Hussein, Peterson, John, Hooghe, Liesbet, Bauer, Michael W., Dehousse, Renaud and Thompson, Andrew (2010) *The European Commission in the 21st Century*. Cambridge: Cambridge University Press (in preparation).
- Laffan, B. (1997) 'From Policy Entrepreneur to Policy Manager: The Challenge Facing the European Commission', *Journal of European Public Policy* 4(3): 422–38.
- Levy, R. (2004) 'Between Rhetoric and Reality: Implementing Management Reform in the European Commission', *The International Journal of Public Sector Management* 17: 166–77.
- Levy, R. (2006) 'European Commission Overload and the Pathology of Management Reform: Garbage Can, Rationality and Risk Aversion', *Public Administration* 84(2): 423–39.
- Metcalfe, L. (1992) 'After 1992: Can the Commission Manage Europe?', *Australian Journal of Public Administration* 51(1): 117–30.
- Metcalfe, L. (2000) 'Reforming the Commission: Will Organisational Efficiency Produce Effective Governance?', *Journal of Common Market Studies* 38(5): 817–41.
- Nugent, N. (ed.) (1997) *At the Heart of the Union: Studies of the European Commission*. London: Macmillan.
- Nugent, N. (2001) *The European Commission*. New York: Palgrave.
- Pollitt, C. and Bouckaert, G. (2004) *Public Management Reform — A Comparative Analysis*. Oxford: Oxford University Press.
- Sabatier, P.A. (1993) 'Advocacy-Koalitionen, Policy-Wandel und Policy-Lernen: Eine Alternative zur Phasenheuristik', in A. Héritier (ed.) *Policy Analyse. Kritik und Neuorientierung*, pp. 116–48. Opladen: Westdeutscher Verlag.
- Schön-Quinlivan, E. (2008) 'Implementing Organisational Change — The Case of the Kinnock Reforms', *Journal of European Public Policy* 15(5): 726–42.
- Spence, D.B. (2006) 'The Directorates General and the Services: Structures, Functions and Procedures', in D.B. Spence and G. Edwards (eds) *The European Commission*, pp. 128–55. London: John Harper Publishing.
- Stevens, H. and Stevens, A. (2006) 'The Internal Reform of the Commission', in D.B. Spence and G. Edwards (eds) *The European Commission*, pp. 454–80. London: John Harper.