

Department of Political Science
Major in Public Policies

Chair of Public Management

Department of Philosophy and Social Sciences
Major in International Relations

Chair of Public Management

New Public Management and Corruption in the EU Member States

Prof. Luigi Nasta

SUPERVISOR

Prof. Efisio G. Espa

CO-SUPERVISOR

Prof. Vincent Mabillard

SUPERVISOR

Alice Polzoni

CANDIDATE

LUISS Matr. 641742
ULB Matr. 000512726

*I express my gratitude to Professor Luigi Nasta and Professor Vincent Mabillard,
who have guided me with their knowledge and their suggestions
through the development of this thesis.
I thank my friends with whom I have started this journey
and that have been there until the very end.*

TABLE OF CONTENTS

INTRODUCTION	1
MODELS OF PUBLIC ADMINISTRATION	3
1.1 Public Administration	3
1.1.1 <i>Definition of Public Administration</i>	3
1.1.2 <i>Nature of Public Administration</i>	6
1.1.3 <i>Scope of Public Administration</i>	7
1.1.4 <i>Conclusions</i>	9
1.2 Traditional Model of Public Administration.....	9
1.2.1 <i>Max Weber</i>	11
1.2.2 <i>Woodrow Wilson</i>	13
1.2.3 <i>Frederic Taylor</i>	13
1.2.4 <i>Administrative Management School</i>	14
1.2.5 <i>Problems with the Traditional Model of Public Administration</i>	16
1.3 New Public Management.....	17
1.3.1 <i>New Public Management Literature Review</i>	18
1.3.2 <i>Historical Introduction to the theme</i>	19
1.3.3 <i>New Public Management Characteristics</i>	23
1.4 Traditional Model vs New Public Management.....	28
NEW PUBLIC MANAGEMENT AND CORRUPTION	30
2.1 The Notion of Impact.....	30
2.1.1 <i>Nature of New Public Management</i>	30
2.1.2 <i>New Public Management Principles</i>	33
2.1.3 <i>Assessing the Impact of New Public Management</i>	38
2.2 Corruption.....	39
2.2.1 <i>History and reasons for corruption</i>	39
2.2.2 <i>Definition of corruption</i>	40
2.2.3 <i>Causes of Corruption</i>	45
2.3 Corruption and New Public Management.....	56
RESEARCH FOR CORRELATION	60
3.1 New Public Management in EU Members States.....	60
3.1.2 <i>Germanic Countries</i>	62
3.1.3 <i>The Nordic Countries</i>	63
3.1.5 <i>CEE Countries</i>	65
3.1.6 <i>The other countries</i>	66
3.2 Data Analysis	67

3.2.1 Methodology.....	67
3.2.2 Data Analysis	71
3.2.3 Discussion.....	83
CONCLUSIONS	86
EXECUTIVE SUMMARY	89
BIBLIOGRAPHY	95

INTRODUCTION

Corruption is a constant phenomenon in human society, even though some scholars have tried to find a positive meaning to it, by civil society it has always been seen as a negative attribute to human behavior. Despite the fact that the concept of corruption has been present for all this time, scholars have started to analyze it only in the last 30 years. Public Administration demonstrates similar conditions. Indeed, organizations dedicated to the public sector have existed for centuries, but when speaking about Public Administration the focus shall be posed to the past two. In fact, most of the literature on the subject has appeared from the 20th century ongoing. It might be affirmed that the discourse and the national agendas developed in the aftermath of the Second World War are what dominates the research on Public Administration in Europe. This is the period in which the journey of public management began, and in just thirty years a new model of public administration was developed. This model, called New Public Management (NPM), might best be defined as the "attempt to implement management ideas from business and private sector into public services" (Haynes 2003). The quest of this thesis is to understand if a new model of public sector management (NPM) and the oldest disease of human society (corruption) are somewhat correlated. Are the principles enhanced by NPM as a theoretical framework correlated to corruption within the public sector? This topic has been chosen to fill a hole in the literature. In fact, an analysis of the theories developed so far reveals the lack of research on the subject both for what regards the implementation of NPM practices, and for what regards the actual correlation between the two variables.

The first chapter will include a historical overview of the study and practice of managing Public Administration. This review shows how management theory and practice have evolved, and how the theories and practices applied to the private sector have influenced the ways to manage the public one. In it is shown how the inner structure of Public Administration both in theory and in practice has moved from an emphasis on bureaucracy, hierarchical order, impersonality, unchangeable job responsibility, and strong control over the people that constitute it; towards a more flexible type of structure with an emphasis on the objectives and not on the processes, a more horizontal order with a focus on empowerment, teamwork, and decentralization of power (Rainey 2014). The review has the objective to show how the theories on the management of Public Administration have, as a matter of fact, a practical influence on it.

The second chapter analyses at the theoretical level the relationship between corruption and NPM. To try to understand if NPM reforms are correlated to corruption it is fundamental to understand if NPM has had an impact on society. The initial analysis developed in this chapter will be a literature review of the main articles on the subject. The first note that must be made is that even though NPM has been used for the last 50 years there are relatively few empirical studies on its implementation. A considerable amount of literature has been produced on what is NPM and how this model should be the best solution to renovate Public Administration, but there are very few studies on how to measure the practical impact that these reforms had on Public Administration. Hence, I will analyze the managerial and operational innovations that come from NPM reforms, but I will also go more in-depth in the analysis of how NPM-style reforms have influenced the role of the state. Subsequently, I will compute a literature review on corruption. Corruption will be examined as a negative trait of society and only in the public sector context. Corruption is present also in the private sector, but this is not relevant to the aim of the research. Lastly in this second chapter, I will, through a literature review, search for any type of confirmation to my research question.

The third and last chapter is the analytical chapter which encloses the empirical core of this research. I have decided to develop my analysis on the 27 Member States (MSs) of the European Union (EU). The reason why I have decided to do so is that they are all developed countries, despite the similarities they show clear differences in their administrative structure which gives the chance for the development of a comparative study, and being part of the EU, they have all been influenced by it and all must preserve some administrative standards. My unit of analysis will be at the macro level since my variables are represented by indicators at the state level. I will use a longitudinal temporal framework between 2007 and 2010 so too be able to understand the variables over a longer period of time, and I have chosen 2007 as the initial year because is the year of the accomplishment of the fifth enlargement of the EU-27, which signed the inclusion of the CEE countries in the EU. The hypotheses of my research are: NPM principles are correlated to corruption, and the correlation between NPM principles and corruption is negative. For both hypotheses, I have found confirmation in the literature, but I have also found scholars that pose their opinion against it. To obtain the results I will use a panel data analytical method so to be able to examine the data at a two-dimensional level: cross-sectional (between countries) and longitudinal (between years). This system will be used to first conduct some descriptive statistics of my variables' indicators and later to find the correlation coefficients between the corruption and

the NPM principles indicators. In the concluding part of this chapter, I will discuss the results, and some suggestions for possible future research will be made.

MODELS OF PUBLIC ADMINISTRATION

1.1 Public Administration

In the following paragraph I will introduce the concept of Public Administration, and to be able to do so a disclaimer must be done. Like other fundamental concepts in political science, Public Administration has no universally accepted definition. This is because the different definitions focus on different aspects of the concept and environment of the scholars. To be able to truly analyze its meaning it would be necessary to develop a philosophical treaty that takes into consideration the meaning of Public Administration as a discipline, a vocation, a process, or a synonym to the word "executive". Since such a study cannot be developed in a single thesis, in the following literature review I have decided to just analyze the subject starting from an introduction to the many definitions it has, moving to the analysis of its nature, and finally an analysis of the possible scope that can be assigned to it.

1.1.1 Definition of Public Administration

The term Public Administration is divided into two particles Public and Administration. "Public" from Latin "*publicus*" is a blend of "*poplicus*" which means "of the people" and "*pubes*" which means "adult" (Oxford Dictionary 2021), thus something that is in service of the people. Administration, from the Latin verb "administer", to manage and be responsible for the running of private or public affairs (Oxford Dictionary 2021). Hence, when we refer to Public Administration, we refer to the administration of public affairs. The encyclopedia Britannica defines Public Administration as "the implementation of government policies. [...] Public Administration is often regarded as including also some responsibility for determining the policies and programs of governments. Specifically, it is the planning, organizing, directing, coordinating, and controlling of government operations. Public Administration is a feature of all nations, whatever their system of government. Within nations Public Administration is practiced at the central, intermediate, and local levels". Public Administration can be considered a piece of the wider picture of

administration, Scholars during the last two centuries have given many definitions to this concept to try to understand the real meaning of it, Thapa (2020) has collected a list of them from some of the major exponents on the subject:

1. “Public Administration is the detailed [and] systematic execution of public law. Every particular application of law is Public Administration”.

Woodrow Wilson (1887)

2. “Public Administration is the action part of government, the means by which the purposes and goals of government are realized”.

John J. Corson and J.P. Harris

3. “Public Administration consists of all those operations having for their purpose of fulfillment or enforcement of public policy”.

L.D. White

4. “Public Administration is that part of science of administration which has to do with government and thus concerned itself primarily with the executive branch where the work of government is done through there are obviously problem connection with legislative and judicial branches”.

Luther Gulick

5. “Public Administration in all modern nations is identified with the executive branch of government. It includes the shaping of policy on the way up, execution of policy after it has been made, and as a necessary part of the execution, decision making about policy matters on the way down”.

James W. Fesler and Donald F. Kettl (1996)

6. “Public Administration is concerned with the management of public programs”.

Robert B. Denhardt (1995)

7. "Public Administration is the use of managerial, political, and legal theories and processes to fulfill legislative, executive, and judicial governmental mandates for the provision of regulatory and service functions for the society as a whole or for some segments of it".

David H. Rosen bloom and Robert S. Kravchuk (1997)

8. "Public Administration may be defined as all processes, organizations, and individuals acting in official positions and roles associated with carrying out laws and other rules adopted or issued by legislatures, executives, and courts (many activities are also concerned with formulations of these rules). PA is also a field of academic and community study and professional training leading to public service careers at all levels of government".

Milakovich and Gordon

9. "Public Administration:

- (a) Is the non-political bureaucracy operating in a political system?
- (b) Deals with the ends of the state, the sovereign will, the public interest and laws,
- (c) Is the business side of government and as such concerned with policy execution, but it is also concerned with policy making?
- (d) Covers all three branches of government, although it tends to be concentrated in the executive branch,
- (e) Provides regulatory and service functions to the people in order to attain good life,
- (f) Differs significantly from private administration, especially in its emphasis on public and interdisciplinary in nature as it draws upon other social science like political science, economics, and sociology".

S.P. Naidu

10. "Public Administration:

- (a) is a cooperative group effort in a public setting.
- (b) covers all three branches: executive, legislative, and judicial-and their interrelationships.
- (c) has an important role in the formulation of public policy and is thus part of the political process.

- (d) is different in significant ways from private administration
- (e) is closely associated with numerous private groups and individuals”.

Felix A. Nigro and Lloyd G. Nigro (1989)

The common ground of the above definitions is the cooperation of people or groups of people that together work to pursue a common objective, which in the case of Public Administration is managing public affairs (Thapa 2020). The term Public Administration has been, therefore, used in two distinct senses. The first is the wider sense for which Public Administration comprehends all the activities of a government, from the legislative, the executive, to the judicial branch. The second is the narrower sense in which as Public Administration we envisage all the activities that are exclusively connected to the executive branch.

1.1.2 Nature of Public Administration

Regarding the nature of Public Administration, we can speak about two different views. The first is the integral view also known as the subject matter view and between the two is the first that has been developed. The second and more recent one instead is the managerial view.

The supporters of the integral view are the scholars of the traditional model of Public Administration (model that will be treated thoroughly in the historical section of the analysis of Public Administration) between them we can find Woodrow Wilson, Max Weber, and Jhon Pfiffner (Thapa 2020). According to this view Public Administration is defined as the total of all the activities undertaken in pursuit of and in fulfillment of public policy. For this view, the activities of Public Administration not only comprehend the technical and managerial ones but also those that are defined as manual and clerical. This view, as the "wider sense of Public Administration", includes all the activities of the three organs of government – legislative, executive, and judiciary. The scholars that support this view believe that Public Administration consists of all those operations that have as final objective the implementation or execution of public policy. Therefore, this view defines Public Administration as every single act delivered by any individual in all the fields of the execution of public law, from signing a treaty to cleaning a park (Bhuyan 2019). Moreover, Public Administration deals with the "what" and the "how" of governments. For the integral view the "what" is the technical knowledge needed and the subject matter necessary for the Public Administration to be able to deliver the task. The "how" is intended the way the programs and tasks are actually delivered (Dimock 1903).

The managerial view has been developed more recently, some of the scholars that sustain this view are Luther Gullick, Herbert Simon, and William Willoughby (Bhuyan 2019). According to this view Public Administration is defined only by those who are performing managerial functions within public organizations (Thapa 2020). The reason why this view concentrates only on managers is that they are the ones which supposedly have the responsibility for the working of the organization. Thus, they are the ones with the duty of programming and organizing the activities to deliver the tasks. This view, as the "narrower sense of Public Administration", sees Public Administration only in the activities functional to the executive tasks of government. Public Administration is, therefore, the "executive in action", and it includes all the procedures that are essential for the functioning of the executive branch of government (Bhuyan 2019).

Table 1. Integral view vs Managerial view of Public Administration.

Differences in:	Integral View	Managerial View
<i>Who is to be considered part of Public Administration?</i>	Are included all activities of all the individuals engaged in administration.	Are included only the activities of thus performing managerial functions.
<i>Activities to be considered Public Administration</i>	All the activities from manual to managerial, from technical to non-technical.	Only the activities to manage the organization.
<i>The subject matter of Public Administration</i>	The administration is differentiated according to the subject matter is acting on.	The subject matter is the managerial techniques which are the same in all fields of Public Administration
<i>Meaning of the word administration</i>	Administration means operation Therefore doing things.	Administration means management Therefore getting things done.

(Source of data, Bhuyan 2019)

1.1.3 Scope of Public Administration

When speaking about the scope of Public Administration we cannot define it as something absolute and complete, because, as shown above, Public Administration is in a constant process of evolution and has no universally accepted meaning. So, differently to its definition and its nature, for the delineation of the scope of Public Administration there is no clear distinction between a

narrower and a wider sense but instead have been developed more views which find themselves more on one side or in the middle between the two.

In the first view Public Administration is seen as an activity constructed by the elements developed by Gullick and Urwick (1937) summed up by the acronym POSDCoRB:

“Planning: goal setting techniques/methods applied by executives as a means of preparing future courses of organizational action;

Organizing: arranging the organizational structure and processes in an appropriate manner essential to achieving these ends;

Staffing: recruiting and hiring personnel to carry out the essential agency work;

Directing: supervising the actual processes of doing the assignments;

Coordinating: integrating the various detailed elements of these tasks in cooperation with other units and people in government;

Reporting: tracking and communicating the progress of the work within the organization;

Budgeting: fiscal and financial activities necessary to economically support the completion of these programs, services, or activities”.

(Stillman 1987)

This acronym is still used today as the foundation for the explanation of the scope of Public Administration, and it is mostly used in the study of administrative law. However, some scholars have moved some critics to the limitations that this system has. The first is that the POSDCoRB does not consider the fact that different agencies might have different kinds of problems that are dependent on the type of services that the agency must deliver. The second problem is that it does not take into consideration the subject matter of the agency but only the techniques. The third problem is that the POSDCoRB view does not give any reference on how the implementation of the policy shall be delivered. Therefore, the POSDCoRB view can be considered a bit too narrow as a view (Bhuyan 2019). The second view is Pfiffner's (1946) who divides the scope of Public Administration between the principles of Public Administration and the spheres of Public Administration. The principles comprehend the solving of all the problems that go from organization to public finance and material supply. The sphere comprehends central government, regional and local authorities. Therefore, for Pfiffner's view, Public Administration comprehends

the totality of government activities (Bhuyan 2019). The third view has been presented by Walker (1930); he also divides the scope of Public Administration into two parts. The first is the administrative theory which studies the public authority in its wholeness, the emphasis is on finding out principles of administrative action to be applied in practical administration. The second is the applied administration in which he tries to classify the main forms of application of Public Administration by showing an increase in the scope of Public Administration (Bhuyan 2019).

Thus, when referring to the scope of Public Administration we must consider it an instrument with two components, the first is the implementation of the POSDCoRB practices, the second is the knowledge of the subject matter on which these practices shall have an effect. To be functional one cannot exist without the other (Thapa 2020).

1.1.4 Conclusions

In conclusion, Public Administration is a complex and broad subject, it can be seen as its wider sense which comprehends all the actions, all the individuals, and all the subject matters that the government deals with in all the three branches that constitute the state. Or it can be seen in its narrower sense including only the activities connected to the managerial functions and seeing it as a body that has the objective of "getting things done". For the sake of coherence, since the main theme of this thesis is the effect of the implementation of NPM reforms on Corruption within Public Administration, when speaking about corruption in Public Administration during the analysis of data I will refer to corruption present in the government and its executive offices, therefore delineating Public Administration in its narrower sense.

1.2 Traditional Model of Public Administration

The historical development of Public Administration can be traced back to the end of the 19th century, before the 1920s the principal characteristic of the systems of Public Administration was to be "personal", fund on the loyalty that the individual had for a figure above them, such as a king, a minister or in general a leader, on a base of political dependence and clientelism (Katsamunskaja 2012). Administrators were amateurs bound to their leaders and administrations often resulted in corruption and nepotism, with no requirement for specific expertise.

The transition away from this system based on patronage and nepotism started at the end of the 19th century, it in fact settled the period for the formation of governmental administration

which appointed individuals based on merit and political neutrality (Katsamunskaja 2012). It was noted that administrators were able to ensure a smoother transition towards a newly elected government, without the need to reform each time the entire apparatus. This discovery had as consequence the formalization of the concept of Public Administration. To be able to understand the changes that have led to the modern way of managing Public Administrations it is first necessary to explain its traditional model of governance, mostly because every innovative reform that came after it, uses it as a standard to be remodeled.

The classical theories are developed at the beginning of the 20th century and focus on immovable and clearly defined structures and processes, these are called the traditional Public Administration models, and their position was to run the state stably and predictably. This traditional model was seen as the best way of organizing the public sector, and it was considered one of the most successful theories for what regards public sector management (Katsamunskaja 2012). The first representation of formalization was the Northcote-Trevelyan Report published in Britain in 1854, and the second was the Pendleton (civil service) Act passed in the USA in 1883. The Report recommended to select the administrators creating a proper system of examination before the appointment, also through public competitive examination for recruitment to allow the abolishment of patronage and to organize the staffing with promotions based on merit. The Pendleton Act got inspiration from the Northcote-Trevelyan Report, and it had the objective of radically modify an inefficient and highly corrupted system, with the introduction of competitive examinations, the appointment of the public officer made based on higher scores and establishing a probationary period before the absolute appointment (Hughes 2003).

The concept of Public Administration as we know it was defined at the beginning of the 20th century, at the time the general structure followed the Traditional model paradigm. The model has been defined as “an administration under the formal control of the political leadership, based on a strict hierarchical model of bureaucracy, staffed by permanent, neutral and anonymous officials, motivated only by the public interest, serving and governing party equally, and not contributing to policy but merely administering those policies dictated by the politicians” (Hughes 2003). Its key features were to be applied to a “modern governmental systems [where] professional bureaucrats executed the tasks of Public Administration while separated from the political mechanism as well as from the private sphere” (Hoos and Vass 2003). Objectives were standardized, the focus was on the procedure to reach those objectives, and the main task of the

manager was to design a method to make them efficient repetitive, and impartial to be able to maximize the output. This has also been defined as the "one best way" approach. (Rainey 2014).

The cornerstones of the Traditional Model of Public Administration were the ideologies of the three contemporaries Max Webber (1947), Woodrow Wilson (1887), and Fredric Taylor (1911), but to be able to comprehend their thought is first necessary to contextualize the period they were living in. The traditional model of Public Administration was connected to a broad progressive movement of reforms. Before the '20s the public sphere was strongly interwind with the rulers and this led to high levels of corruption and favoritism. The reforms had the scope of eradicating corruption and institute forms of administrations that had to be more formal (bureaus). In addition, in the late part of the 19th century, the role of government had expanded, and this has led to a spreading of disorganization that needed rules to reorganize the system. Therefore, in this historical period, the emphasis of Traditional Model theorists on basic organizational principles is not only justifiable but also comprehensible.

1.2.1 Max Weber

Max Weber (1947) is defined as the founder of organizational sociology which is the analysis of complex organizations. In the specific, he analyses bureaucracy as a social phenomenon. As above described the development of organizations that had the task of serving the public at Weber's time was rather recent, he saw it as shifting from a type of authority based on tradition and charisma to a more rational/legal type of authority. Weber thought that in the period of strong monarchical power, where aristocracy was at the foundation of the system, the functions of public officials were assigned through personal trust and nepotism, and authority was based on privilege and favors (Rainey 2014).

Weber has developed two theories that influenced mostly Public Administration in Europe; the first is the division of Legitimate Authority into three types, the second is Weber's theory of Bureaucracy. The first type of authority is the Traditional one; it establishes power over tradition and often this power is passed from one generation to another following customs that are seen as unchangeable. The second type of authority is the Charismatic one, it is built on the capacity of the leader to enchant the masses, his charisma is fundamental, and his power comes from the support of his followers. The last type of authority is the Rational/Legal one, it is founded on the enforcement of rules, and it depends on the legitimacy given by formal rules and pre-established laws of the State. Weber claims that the Traditional and Charismatic types of authorities are the

ones that have created an inefficient and corrupted system during the 18th century and that, therefore, the Rational Legal authority is the one which is supposed to be exercised by the Civil Servant so to be able to enhance efficiency. The civil servants need to be completely impartial and to reach this impartiality there is the need for an impartial type of authority. From this first principle descends Weber's theory of Bureaucracy, which is founded on the following six principles (Gerth and Mills 1970):

1. "Authority derives from the law based on the principle of fixed and official jurisdictional areas."
2. "Offices follow a strict hierarchy based on a firmly ordered system and top-down control."
3. "The management of office is purposely impersonal based on written documents and strictly separated from private life also separating the equipment from the private property of officials."
4. "Organization by functional specialty through expert training."
5. "The official activity needs the full working capacity of officials through full-time occupation."
6. "Management is based on rules therefore a knowledge of the rules is fundamental."

(Gerth and Mills 1970)

Weber's theory of Bureaucracy was revolutionary at the time, it introduced the concept of impersonality within the public offices unhinging the preconception of personal administration dictated by patronage, nepotism, and corruption. He believed that the bureaucratic system had a technical advantage. Before, officials were assigned based on birthright and not competence, instead, Weber saw the career of officials as a personal vocation based on a structured hierarchical order, where the roles and procedures were defined with precision, so to be able to have clarity, consistency and in consequences a reduction of costs. There was no favoritism either in the workplace or with clients, and with officials appointed based on merit, for Weber bureaucracy represented the most efficient organizational method (Rainey 2014).

1.2.2 Woodrow Wilson

Woodrow Wilson (1887) is the father of the politics-administration dichotomy, he believes that Public Administration shall be the "systematic execution of public law" and that this execution shall be completely independent from politics. The administration should lie outside the sphere of political influence because administrative questions are not political once. He was convinced that this dichotomy would delete the arbitrariness and corruption in the Public Administration and would also lead to increased efficiency (Katsamunska 2012). Wilson had a great influence on United States' Public Administration. This dichotomy is explained by the Political Control Theory, for which, as above stated, the administration shall lie outside politics. Politics set the tasks for administration and on its end, Public Administration shall represent the detailed and systematic execution of public law. He believes that the political-administrative dichotomy shall solve the three problems of Public Administration: create a clear relationship of responsibility and accountability, create a strict separation between matters of policy – in the hands of politicians – and matters of administration (execution) – in the hands of public servants – and lastly the administrator shall be autonomous, neutral, and impartial since they will not be associated to any type of decision or policy (Hughes 2003). Although, the problem with Wilson's dichotomy is that in theory this division between Public Administration and politics may seem simple to implement but in practice, there has never been a clear separation between the two.

1.2.3 Frederic Taylor

Lastly, there is Fredric Taylor's theory of scientific management (1911). The industrial revolution has had consequent effects on the end of the 19th century, the historical period is signed for the first time by the transfer of effective management between the private sector and public sector. In the United States the developed business culture was characterized by technical managerial innovations that were translated and influenced also into Public Administration. One of the most important theories developed in that period was "scientific management". That span of time was signed by the search for administrative techniques that could increase efficiency in the operations of the US government, and since scientific management was mainly concentrated on efficiency, it was seen by government officials as the perfect technique to be applied to the public sector (Katsamunska 2012). Taylor is considered one of the pioneers of scientific analysis, he is one of the major exponents of the scientific management school, which entails a systematic analysis

of the tasks that are to be performed by workers on a basis of division of labor. In that period, it was considered a huge innovation. The "three components – time and motion studies, wage incentive system, and functional organization – constitute the core of Taylor's scientific management" (Fry 1989). In it is recognized a division of responsibility between who manages and who performs the job; the task of the manager was, therefore, to provide a detailed manual with rules and guidelines that defined every single action of the individual placing importance on the procedure to obtain a certain result and not on the final goal. The individual who had to deliver the task was to be selected and trained to systematically follow the procedure so to be able to maximize the final output (Rainey 2014). This concept was applied also to the public sector, in fact, at the time efficiency and science were replacing the traditional decision-making process by empowering decisions that were made based on scientific evidence. The scope was to standardize the work of the public servants through the implementation of the "one-best-way" approach, it shall be implemented with extensive control of the procedures and the maintenance of standards. The concept of following predefined manuals that dictate the job of the public servants perfectly fits Weber's theory of bureaucracy because one-best-way plus systematic control equals a hierarchical system. Although it must be said that Taylor was criticized, both by scholars that followed him but also by some of his contemporaries. The critics came because the structure of his theory was considered to dehumanize the individual by never taking into consideration the social influences that being treated like a machine could have on workers. Nonetheless, Taylor was a pioneer on this subject and some of the concepts by him developed, like the simplification of the tasks, are still applied today.

These three theories are at the foundation of the traditional model of Public Administration that, as I have stated above, developed at the beginning of the 19th century, more specifically this period is called the Golden age of Public Administration. During this period Public Administration was able to improve the quality of life, by increasing public services, investing in infrastructure, administrating the New Deal, and developing the new welfare system (Hughes 2003). The core values of the golden age of Public Administration were to strictly follow pre-set rules and norms so to obtain the desired outcome.

1.2.4 Administrative Management School

Together with the three theories of the Traditional Model of Public Administration, I believe that it is worth also analyze the theoretical production of the main exponents of what had

become to be known as the Administrative Management School. During the first half of the twentieth century, several writers theorized a broad range of management functions; the scope was to develop principles of administration to guide managers in their tasks. The group of scholars that developed these theories became known as the administrative management school, and the two main theorists of this group were Luther Gullick and James Mooney (Rainey 2014).

Gullick has developed a theory for which he divides management into two fundamental functions, the first was the division of labor and the second was the coordination of it. For what it regards the division of labor he believed that each job should be clearly defined and have a certain level of specialization, but at the same, it should keep occupied the worker for a full working day and respect technical conditions. To be able to make work this structure the work needs to be coordinated, and coordination is guided by four main principles. The first is span of control, by which not too many subordinates shall report to only one supervisor. The second is the principle of one master, therefore each subordinate must be coordinated by only one supervisor. The third technical efficiency through homogeneity, hence a task shall be homogenous with the others grouped in the same unit. Finally, each supervisor shall coordinate homogeneous units (Gullick 1937). Gullick together with Urwick is also known for the development of the acronym POSDCoRB. Still nowadays, at the foundation of the work of the Public Administrations.

The second scholar of the administrative management school was James Mooney, he has compared an organization to a staircase, for which each step represents a specific level of authority and its corresponding responsibilities. He affirmed that the "scalar process" has its own principles; the first was leadership by which he defines the role of a "supreme coordinating authority" which must project his authority on the entire chain to be able to coordinate the entire structure; the second was the principle of delegation for which who finds themselves on a higher step delegates authority and responsibility to those on lower steps, and the last is the principle of functional definition for which each person shall be assigned a specific task (Mooney and Reiley 1930).

The approach of the classical theorist has been defined as an "orthodox" model to Public Administration, nonetheless, it was very successfully applied by many governments. The traditional model was born in a period in which industrial development and a large-scale reconsideration of governance pushed for a move away from the nepotistic roots of the 18th century Public Administration. This model is, in fact, an ideal type of model, and in an ideal type of bureaucracy, there shall be an explicit dichotomy between politics and administration, and a clear distinction between the private and the public sector. As clarified above the core principle of this

model are the strict hierarchical structure, the impartiality of the civil servants, and the accountability only towards one's superior.

1.2.5 Problems with the Traditional Model of Public Administration

With the economic boom in the '50s, and the development of new business techniques, scholars have noted some problems generated by the Traditional Model (Hughes 2003). The first problem was connected to *political control*; the strict separation between policy and administration which was designed as a counter spoil system was never realistic. Political acts cannot be completely divorced from their implementation, and administrative procedures inevitably will have political consequences. The conclusion reached was that the execution of laws cannot be separated from politics, but a practical solution for civil servants to remain impartial is to necessarily be in contact with politics, and it is sufficient for them to be impartial in respect of parties. The second problem is the "one-best-way" approach; it was determined by examining all steps involved in a task, the most efficient process had to be formulated so to allow the setting of the right procedure to follow. But large procedure manuals dealing with every conceivable contingency inevitably led to no responsibility for the results obtained, and to the alienation of the individual that has to deliver the task. The third problem was bureaucracy, nowadays it is considered equivalent to inefficiency, it is the absence of innovation, and administrators were bound to be risk-averse and inclined to waste resources rather than use them efficiently; this led to inertia, lack of enterprise, mediocrity, and inefficiency. The bureaucratic system also had a problem with democracy because at the beginning the prestige of the civil servant status attracted the elites, but the technical superiority of bureaucracy was doubtful since there cannot be self-improvement if there is no possibility to learn from errors, and you cannot learn from errors if there is no way of accountability. The fourth problem was the lack of leadership, Public Administration wanted to be impersonal, but leadership is necessary to solve all kinds of personal political games or conflicts, and if the only person to refer to is a supervisor that is obliged to follow the procedure, each minimal unforeseen event can break the machine. The last problem was the power structure; bureaucracy is not appropriate for non-routine activities that involve creativity and innovation, and a speedy risk-taking, output-oriented, innovative, and efficient public system requires a change from a vertical hierarchical and rigid organizational structure to a horizontal and more flexible one.

The above-listed problems led to a decline in trust in the methods of the traditional model of Public Administration, and from the '50s on there has been a transitional period in which society

turned its head to a more innovative system. Between the late '60s and the early '70s developed a current called the New Public Administration movement, this criticized what is defined by them as "old" Public Administration for its lack of a flexible structure. Its basic principles were participation, decentralization, and representative bureaucracy. The first had two aspects, the political one to disperse power and involve the civil society in the decisions of the government, and the organizational one to promote change within organizations. Decentralization had to increase the involvement of smaller communities in the governmental and organizational processes. The last, represent bureaucracy, had to put the needs of the client at the first place with the representation of their interests to the administrators (Katsamunska 2012).

In that period society became aware of the fact that the theoretical pillars which build the foundation of the traditional model of PA were no longer adequate to analyze the reality of governments; at that point, it was taken the choice to reform the system by changing the focus. It was decided to not focus anymore on the process but instead put greater attention to the results, to develop a system of personal responsibility, and to concentrate on management rather than administration. The New Public Administration movement was then followed by currents that decided to borrow the pillars funding the private sector (which in the meantime had evolved) and translate them into the public one. The main difference that was kept was that the private sector concentrates on profits, where instead the public one focuses on the quality and the efficiency of the service that is delivered, with the scope of spending at best the annual budget. This resulted in higher flexibility in the employment conditions, in the setting of strategies that clarified the organization and the personal objectives, in a systematic evaluation of programs, and in the reduction of the role of government through contracting out and privatization. The current that encapsulates these types of reforms will be later called New Public Management.

1.3 New Public Management

The administration of the "public" has been in practice since the first civilizations started to dispose of something that could be defined as a common good, but without any doubt, Public Administration as an academic field is way younger. Public Administration is the machine used by the government to be able to give a response to the needs and aspirations of the people, using the instruments for the implementation of policies. To be successful, the government needs for this machine (Public Administration) to work effectively and efficiently, meeting the changing

demands of society (Hood 2000). All that pertains to Public Administration could be placed on a spectrum. At one end of this spectrum, you can find theories that emphasize bureaucracy, conformity to procedures, and a hierarchical structure. On the other end of the spectrum, you can find instead a fluid structure, which breaks the constrictions of hierarchy and work on a decentralized and customized architecture (Zia and Khan 2014). New Public Management (NPM) represents this last end of the spectrum. Of course, like for the introduction on Public Administration, it would be impossible to cover all the arguments that the community of public management scholars has developed on NPM in this thesis. Hence, I have decided to do a selection of the fundamental topics to be able, at least, to give a general idea of what NPM is and how it has developed over the last 50 years.

1.3.1 New Public Management Literature Review

In Europe, but generally in the western world, the last forty years of the 20th century, witness the birth of a new model of public sector management, this type of reform has had many definitions and received numerous different names. These types of reforms are found under the general definition of "public management reforms" defined by Pollitt and Bouckaert (2011) as "deliberate changes to the structures and processes of public sector organizations with the objective to get them (in some sense) to run better". In the context of public management reforms, it was born a model that has dominated the period between the '70s and the end of the '90s. This model was named in various ways the most common have been "managerialism" (Pollitt 1993), "market-based Public Administration" (Lan et Rosenbloom 1992), and "new public management" coined by the scholar Christopher Hood in 1991 (Hughes 2003).

The most successful one was New Public Management, the need for change has opened the way for a new model of the public sector, and the solution was found in its principles. There is a fundamental difference between Public Management reforms and NPM. When speaking about the first we deem the totality of the reforms that have appeared as an innovation from the traditional model of Public Administration. Instead, when speaking about NPM it is meant a model that is used as an umbrella term to represent all those reforms that apply business methods to the public sector so to make it cheaper, more efficient, more effective, and more responsive to the needs of the public. The word new was added in front of public management to denote the perception of the innovation that these new policies enforced on the public sector. The term NPM has received many definitions, and to it have been attached several meanings, Hood affirms that "NPM [...] is a loose

term. Its usefulness lies in its convenience as a shorthand name for the set of broadly similar administrative doctrines which dominated the bureaucratic reform agenda in many of the OECD group of countries from the late 1970s". Hence, the focus shall not be posted on the definition of NPM, it instead shall be placed on the broad meaning of the concept, which is as a matter of fact an umbrella term that comprehends a vast set of reforms with some cardinal points that can be applied in different ways.

1.3.2 Historical Introduction to the theme

When speaking about NPM we must remember that, even though this new model was born to be an almost revolutionary innovation, the Traditional Model has been applied for a very long time and, in the period it was implemented, it was considered very successful, as Peters affirms, the traditional model has “fought several wars, produced and administered a massive expansion of social programs, instituted large-scale economic management for the public sector, and [was] a host of other remarkable things” (Peters 2001). Hence, even though it might seem in the following paragraph that NPM has come to innovate a system that was always wrong this is not true. The traditional model of Public Administration has come as an innovation when it was conceived, but when the world around changed it was not able to change with it.

These changes are bound to a specific economic historical background. After the Second World War, we can witness a general economic boom especially in western democracies, the welfare increased, and this consequently led to a growth in the size of what can be defined as the middle class. At the time the public sector, together with the private one, complied with a set of rules that followed the traditional model found on concepts such as the appointment for the life of officials, the career growth was on the base of old age and years of service, and the order was strict, unchangeable, and hierarchical (Gerth et Mills 1970). One additional thinker of the time was John Maynard Keynes (1930), who developed the Keynesian economic thought which gave to the government a central role within the scheme of decision making and implementation of the rules that were at the base of the public sector organizations (PSOs).

Following these models, the Public Administration was bound to the political system, its legitimacy was taken for granted (because it was performing political duties decided by politicians who were voted by the people), and since the structure was rigid the implementation of any changes was practically impossible (Fredriksson 2004). Within PSOs, the tasks were carried out in conformity with pre-settled instructions, and public servants were not held responsible for the

development of any strategy. The controlling of performance was inexistent and where it was present it was rather weak. Such a structure, which is process-oriented, and not objective-oriented, made it impossible to understand if the tasks carried out by the Public Administration were or not cost-efficient or effective (Hughes 2003).

Before moving to the historical and economic reasons for this change, it is fundamental to keep in mind that, as seen in the part that treats the traditional model of Public Administration, the public and private sectors have always influenced each other. The change in the approach of the private sector has influenced the creation of a new model such as NPM, but before this change, the private sector, was following rules very similar to the ones of the traditional model if you remember, theories such as the theories of Taylor and Gullick were equally applied to both the private and the public sectors. In fact, at the beginning of the 20th century the private sector had much in common with the public one, and both where fund on Weber's principle of the traditional type of authority, with the absence of any strategic means of organization, and all the focus was on the processes rather than the objectives.

The turning point for a radical change was the economic boom that happened between the '50s and the '60s. In this period there was a higher demand for commodities, derived from the birth of a new middle class, that had the mins for a new type of consumption. The new economic power of the masses generated the need for a different type of industry that could combine mass production with cost-efficiency, and the consequence was a detachment from the standardized manuals of the Weberian bureaucracy and the need for a public management reform.

In their book "Public Management Reform, A comparative analysis – New Public management, Governance, and the Neo-Weberian State" Pollitt and Bouckaert have decided to divide what has been defined as public management reforms into three waves. In this case, when speaking about public management reform they refer to that period after the '50s in which, the private sector had changed its approach, and in which the public sector has found itself almost obliged to modify its model moving away from them by now updated traditional model to a more modern conception of management. Of course, this division in three waves is not linear, often the different waves intertwine with each other, and it is fundamental to remember that these changes have not happened at the same time not even in the developed countries, let alone in the developing once. Nonetheless, this subdivision is necessary to collocate the birth and the change of the NPM movement in a historical period that is influenced by it, but that has also influenced it.

During the period between the '50s and the '60s, the public management reform had two specific features. The first was that it was mostly started as a technical or legal matter rather than a more political one. Second, it was mostly national therefore the reforms were adapted to the country they were implemented on a more cultural and necessity basis. The first wave is positioned in the period between the end of the '60s and the beginning of the '70s, this set of reforms cannot yet be defined as NPM, and they were mostly focused on the rational strategic and policymaking evaluation. These reforms were primarily implemented in the USA, UK, and France and coincided with a period of high modernism where "rapid advances in science and technology, combined with a huge growth in the university-based study of the social sciences, seemed to hold out the promise of a more rational 'designed' set of public policies and institutions" (Pollitt and Bouckaert 2011).

As the interest towards a more efficient style of "administration" grows in the private sector, the public sector was left behind. The event that mobilized the Public Administrations was the advent of the oil crisis of the 1970s. In that period conservative economists started to argue that the main problem, at the core of the restriction of both economic growth and freedom, was the omnipotent role of government, and the solution was seen in a free-market system which was the way to reach efficiency. There was a decline in confidence in the Keynesian economic thought, and as stated by Hughes (2003) "The change in economic thinking profoundly affected the public bureaucracy [...]; government economists, influenced by outside groups and think-tanks, arrived equipped with theories that seemed to offer more precision, more utility and more consistency than the vague, fuzzy notions of traditional Public Administration". The second wave is Therefore positioned in a period where the modernist optimism of the '60s had been replaced by the fear that the western states had become unaffordable and inefficient, which led to the desire for a more business-like government that could be able to emphasize effectiveness and efficiency which comes from adapting to the goals so to be able to have a higher quality of service delivery. This new approach focused on results rather than procedures. (Katsamunskaja 2012).

This model became known as NPM which is a term that became to be used to include a very large variety of reforms applied in different ways in different countries. "The principles of NPM are in general characterized by an emphasis on output controls, the desegregation of traditional bureaucratic organizations and the decentralization of management authority, the introduction of market and quasi-market mechanisms, and customer-oriented services" (Zia and Khan 2014). It is seen by many scholars "not as a reform of the traditional Public Administration, but [as] a transformation of the public sector and its relationship with government and society"

(Hoos and Vass 2003). In fact, a type of modernization like the one of NPM depends also on the context where it is implemented because history and culture give different characteristics and priorities to different governments.

During this period of transition, many governments started to rethink their methods with the attempt to move away from a system that was perceived as outdated. The countries first hit by this wave of renovation were the Anglo-American countries which were also the ones that drastically changed their systems. All these countries share similar structures, they all have a strong private sector and see in it the forms and techniques to be able to reconstruct the public one. They all have in common an individualistic type of culture and a pro-business attitude that is reflected in the perception that the civil society has of the government (Katsamunskaja 2012). The first two exponents of the reform were Prime Minister Thatcher and President Clinton. Thatcher's "government [found itself in the position having] to cope with economic problems, including high rates of unemployment and inflation, and with long-standing criticism of the quality and efficiency of public services" (Zia and Khan 2014). The decision was, therefore, to focus on the implementation of what was defined as the three "Es" – economy, efficiency, and effectiveness – the reform, in general, was aimed at privatizing public enterprises and other parts of PSOs, moving from an administered type of bureaucracy to a more managed one. Under Bill Clinton's administration the, at the time, Vice-President Al Gore was assigned the task of producing a blueprint for administrative reforms to innovate the United States government, based on the innovative practices implemented in countries such as Britain, New Zealand, and Australia. Gore developed a report (1993 "National Performance Review") in which he suggested to renovate the government based on five main principles:

1. "The importance of bottom-up reform, in particular the efforts of front-line staff and middle managers, [...] especially if sanctioned from above, as well as reforms undertaken by subnational governments;
2. The influence of ideas originating in the private sector, such as service quality, total quality management and business process re-engineering;
3. The importance of initiatives to improve service quality and to set objectives and measure performance;
4. The critical role being played by information technology [...];

5. [...], the use of alternative service delivery mechanisms that cross boundaries of departments and levels of government and that incorporate as partners the private and non-profit sectors”.

(Shedler and Proeller 2002)

NPM started to be seen as the right way to manage the public sector and similar types of reforms started to appear in the agendas of all the developed countries and the agendas of some developing ones. Therefore, while the talk about new kinds of reforms was still at the top of the public debate, towards the end of the '90s on many political agendas there was an addition of other types of solutions. The principles of the NPM model still were mostly implemented but at the same time, Pollitt affirms, that they had started to be complemented by the talk about "governance, partnerships, joined-up government/whole of government, and then to trust and transparency" (Pollitt and Bouckaert 2011). The development of more and more organizations that, following the NPM agenda, had more clear and defined objectives, has led to coordination problems and problems of political accountability, which opened the door for new types of reforms such as the "inter-service coordination" and the circulation of concepts such as "e-government and governance". All these rethinking had the objective of adapting the State to a fast-changing world and to give citizens better access to the public sector by making information more transparent and consequently creating a new road for stronger participation of the civil society. Hence, the agenda started to shift but this does not mean that concepts like efficiency and quality disappeared. It is however necessary, when studying the possible effects of NPM reforms, to keep in mind that this second wave of reforms has in some ways been complemented by a third one and that this third wave has appeared due to the necessity of compensating some unwanted and unpopular effects of the NPM model. It is complicated to precisely define this "third wave" and to understand if this change in agenda actually constitutes a third wave. These types of reforms – governance, partnership, e-government etc. – have been defined in many ways, but here, for the sake of continuity, we will just define them as "post NPM".

1.3.3 New Public Management Characteristics

The NPM approach is often based on the critic to bureaucracy and the traditional model of Public Administration. Bureaucracy as an organizational principle is inflexible, based on unquestionable rules and decision-making processes which leads to the inevitable distancing from

citizens' expectations. Instead, the NPM model tries to mirror the practices used for the managing of the private sector, based on the conception that the practices applied in the private sector would be better than the once of the public. The Government is called to adopt these managing techniques together with the values of the undertaking such as competition, the use of market mechanisms and the entrepreneurial spirit (Zia and Khan 2014).

NPM can be defined as a two-level phenomenon. The higher level is the one in which NPM is conceived as a general theory or doctrine which defines how the public sector can be improved with the implementation of business concepts, techniques, and values. The lower level, the more practical one, is the one for which NPM is a bundle of specific concepts and practices. This thesis concentrates higher-level phenomenon of NPM. Hence in the assessment of this higher level of NPM, we can affirm that the main goal was to reform an antiquated system, that applied to a fast-changing period that has been demonstrated to be ineffective and cost-inefficient. The main scope of these reforms is to increase accountability, responsibility, productivity, trust, likability, organizational functionality, and efficiency. The traditional model of Public Administration lacks these characteristics; hence, the key objective of these reforms is to apply to the public sector a more business-like methodology so to improve the whole system.

The first who has conceptualized a set of practices that characterize NPM is Hood (1991) who presented 7 key aspects of NPM:

1. *Hands-on professional management*; there must be a figure that covers the role of the manager, they are responsible for the actions taken within the PSOs and this figure guarantees greater accountability.
2. *Explicit standards and measure performance*; needed for the setting of clear goals for the PSOs and are useful to evaluate if the pre-settled goals have been reached within the right deadlines.
3. *Setting of output controls*; to be able to redistribute resources according to measured performance and redirect the team to the areas more in need by taking into consideration the results presented.
4. *Disaggregation of unit*, by better defining and dividing units which do not work for the same goal, the scope is to create more manageable units using systems such as the purchaser-provider split, thus creating state agencies that have the role of acting as an intermediary between the consumer and the service provider.

5. *Stress on private sector styles of management practice*, by moving from a strict hierarchy with lifelong roles of promotion for seniority "military style", to more flexible hiring with a "team building" type of leader and functional human resources.
6. *A shift to greater competition*, to increase the standards and lower costs to be competitive in an open market.
7. *A greater disciplinary and parsimony in resource use*, even though we are talking about the public sector it does not mean that the resources granted are to be waived, this last doctrine is created to reduce these waists making the process more effective.

Another exponent of the NPM movement is Dunleavy (2005), who summarizes the concept of NPM as "disaggregation, competition, incentivization":

1. *Disaggregation*: Splitting up large public sector hierarchies [...]; achieving wider, flatter hierarchies internally; and respecifying information and managerial systems to facilitate this different pattern of control. In the public sector this theme implied a strong flexibilization of previous government-wide practices in personnel, IT, procurement, and other functions [...], plus the construction of management information systems needed to sustain different practices.
2. *Competition*: Introducing purchaser/provider separation into public structures so as to allow multiple different forms of provision to be developed and to create (more) competition among potential providers. Increasing internal use [is] made of competition processes to allocate resources (in place of hierarchical decision making). The "core" areas of state administration and public provision [are] shrunk, and suppliers were diversified.
3. *Incentivization*: Shifting away from involving managers and staffs and rewarding performance in terms of a diffuse public service or professional ethos and moving instead toward a greater emphasis on pecuniary-based, specific performance incentives".

(Dunleavy 2005)

Other scholars have instead defined it with a distinction between “hard” and “soft” NPM. “The hard version emphasizes control through measurement, rewards, and punishment, while the soft prioritizes customer-orientation and quality, although nevertheless incorporating a shift of control away from service professionals and towards managers” (Pollitt and Bouckaert 2011). These NPM reforms also include: a *more central position for the civil servants*, since they represents the once who benefit from and who indirectly pay for the services; *changes in the bureaucratic apparatus* of the PSOs to make them more market oriented; *policies of decentralization of power*, to move the control of resources from the central government to the local once; and finally, if needed, *privatization and more competitive mechanism* such as contracting-out (Polidano, 1999). NPM orients the PSOs towards output driven policies exploring other models of service delivery and implementing measurable performance indicators to achieve better results (Christensen et Laegreid, 2001).

Additionally, “Hood describes NPM as originating from ‘a marriage of two different streams of ideas’”. One partner is the ‘new institutional economics’, built on public choice theory, principal-agent theory, and transaction-cost theory, which views politics as a market phenomenon. The other partner in the ‘marriage’ is ‘managerialism’, whose ideas concerning public sector reforms emanate from private sector or business administration” (Zia and Khan 2014). The “managerialism” part is the one defined by the seven doctrines, the “new institutional economics” can be defined as follow by the three theories: Public Choice, Principal-Agent and Transaction-Cost.

The *Public Choice Theory* is using economic tools to deal with problems of political science. The main idea is to apply microeconomics to political and social areas. Public choice theorist believe that individuals are rational and for this reason it is argued that the best outcomes are reached if there is a maximum role of the market forces and a minimum one of the government. The assumption is that (Hughes 2003):

1. “People have sets of well-formed preferences which they can perceive, rank and compare easily;
2. Their preference orderings are transitive or logically consistent;
3. People are 'maximizers' who always seek the biggest possible benefits and the least costs in their decisions. They act rationally when they pursue their preferences efficiently and maximize the benefits net of costs. On this formal definition,

- someone behaves 'rationally' if they consistently optimize their preferences, however substantively ill-advised we may judge their preferences to be; and
4. People are basically egoistic, self-regarding and instrumental in their behavior, choosing how to act on the basis of the consequences for their personal welfare (or that of their personal family)".

(Hughes 2003)

The *Principal-Agent Theory* follows the principle of accountability. The theory tries to find a way to incentive the agent (manager) to act in the interest of the principles. To do so it believes that the agent must be monitored by the figures whose interest they are holding, and they shall expect consequences if this does not happen. Applied to the public sector the agent would be the Public Administration and the principle the entire public. In this case, the idea would be to create a system of accountability using private-sector mechanisms in the public one.

The *Transaction-Cost Theory* is based on the idea that often transactions have a cost and that sometimes a firm could prefer market-testing or contracting-out rather than in-house-providing. Transaction costs are costs related to the non-operation of the market price mechanism, they are all the costs incurred in making an economic exchange, and they are determined by the actors involved, the resources, and the types of goods and services exchanged (Hughes 2003). The idea of Williamson (1986) is that this concept could also be applied to the public sector where if contracted-out some transactions would reduce the administrative cost and increase competition. Although, Williamson underlines the fact that sometimes in the public sector there are some activities contracted-out when instead it would be less costly to implement the in-house-providing (Hughes 2003).

To sum up, NPM is an umbrella term that comprehends a set of different enforceable reforms within Public Administrations. This method starts to appear during the 70s, as an answer of governments to the oil crisis, the scope was to make PSOs more effective and cost-efficient using private market mechanisms applied to the public sector. Nonetheless, it is a controversial model, it was perceived as having cultural, ethical, and political features that were not able to fit in certain types of countries, also between the ones that are considered developed. To give it a better understanding Pollitt and Bouckaert (2011) have created a table that defines the three waves of public management reforms:

Table 2. Three waves of public management reforms.

Period	Characteristics of Dominant discourse
<i>The mid-1960s to late-1970s</i>	Rational, hierarchical planning, and cost-benefit analysis. Science and expertise will produce progress.
<i>Late-1970s to late-1990s</i>	New Public Management. Business techniques to improve efficiency. Rise of 'better management as the solution to a wide range of problems.
<i>Late-1990s – 2010</i>	No dominant model. Several key concepts, including governance, networks, partnership, joining up, transparency and trust.

(Pollitt and Bouckaert 2011)

However, it is fundamental to underline once again that this division is only practical and that unfortunately the last 50 years of reforms cannot be divided into three neat waves. Moreover, even though in the last 20 years there has been a wave of innovation in the public management reforms NPM practices are still used and implemented. Therefore, the analysis developed by this thesis is still valid and will concentrate on those practices that have been implemented in the EU Member's states on the basis of those traits that characterize NPM reforms. I have decided to address the NPM tools because I believe that they lead to higher levels of performance and the scope of this brief introduction is to present them. The following paragraph focuses more on debt on how the NPM reforms fit under this umbrella term, comparing it to the traditional model of Public Administration.

1.4 Traditional Model vs New Public Management

In conclusion, the two models have characterized two different periods of time in which there were different needs. The traditional model of Public Administration comes when there is a need for structure and order, after the industrial revolution, in a period where science was seen as the solution. Hence, a scientific method fund on the research for the best procedure was seen as the best solution to reorganize the public sector. NPM comes instead in a period of public management reforms, where the traditional model was seen as antiquated and where the business had adopted a whole new style (the managerial one) which was seen as the perfect solution to make the system more efficient and more cost-effective. Neither of the two models has been fully implemented or

at least fully applied in the same way everywhere, and neither they have had the same effects in each country. Nonetheless, I believe it fundamental to understand which are the core values of the two models, specifically the one of NPM which is the model that I will use for my study. In the following table, I will try to show which are the main differences between the two models, starting from where they come from to how are they organized and finally through their objectives.

Table 3. Traditional Model of Public Administration vs New Public Management.

Elements	Traditional Model	New Public Management
<i>Theoretical Roots</i>	Political Science, Public Policies.	Economic theory.
<i>Organizational Structure</i>	Bureaucratic organization and centralized control.	Disaggregation of units and devolution, but with primary control remaining within the agencies.
<i>Authority</i>	Rational and given by law.	Managerial.
<i>Office Structure</i>	Based on hierarchical structure and top-down authority.	Central figure of the manger and teamwork.
<i>Relationship Between Units</i>	Uniform control, similar task units assigned to the same superior.	Organized by products and contract based.
<i>Management Practices</i>	Following standardized models, policy skills and knowledge of rules.	Stress on private sector styles of management practices, hands on management.
<i>Accountability</i>	Accountable to your superior	Accountable to the customer
<i>Performance Orientation</i>	Qualitative, implicit standards.	Explicit targets and efficiency oriented
<i>Focus of Control</i>	Control on inputs and standard procedures	Clear objectives and focus on results and outputs

We must conclude that when speaking about Public Administration as a hard subject, (PSOs, public offices, public structures, etc.) therefore not only in theory but also in practice, the line of delineation of the change of methods of organization is really blurred and there is no way

of understanding precisely in which period one finishes and the other begins. This happens also because in some states some principles of the traditional model are still applied today. In this thesis, the objective is not to understand a specific period where NPM begins in Europe, but in depending on each country which are the reforms implemented that mostly represent the philosophy of the NPM model and subsequently to understand if any of those is correlated to corruption.

NEW PUBLIC MANAGEMENT AND CORRUPTION

2.1 The Notion of Impact

Before trying to understand if NPM reforms have an impact on corruption it is first fundamental to understand if this has had an impact. The following analysis will be a literature review of the main articles on the subject. The first note that must be made is that even though NPM has been used for the last 50 years there are relatively few empirical studies on its implementation. A considerable amount of literature has been produced on what is NPM, and how this model should be the best solution to renovate Public Administration, but there are very few studies that developed empirical studies on how to measure the practical impact that these reforms had on Public Administration. In the following review, I will analyze the managerial and operational innovations that come from NPM reforms, but I will also go more in-depth in the analysis of how NPM-style reforms have influenced the role of the state.

2.1.1 Nature of New Public Management

The first difficult step is assessing the nature of NPM. The main objective of this new model was to have an impact on efficiency, effectiveness, accountability, performance, etc. Although if these objectives have been reached or not, cannot be concluded with a straightforward answer. NPM is not a well-defined or coherent set of rules, indeed it can be deemed more near to a representation of a whole set of changes that have been applied to PSOs from the '80s up until nowadays (Wegrich 2009). When speaking about the nature of NPM all we can find is a strong and vivid discussion, and few clear answers. This model is qualified with a hybrid character and even Hood, who is the creator of the label New Public Management, has affirmed that the term has been

overused, including the context in which it had no coherence. Additionally, it shall be noted that, despite the global importance of this reform moment, the implementation of NPM reforms has been very different across countries. The definition and implementation of its principles differed depending on the culture, the institutional settings, and the administrative law tradition that was already present in the countries where these types of reforms were imported (Alonso *et al.* 2011).

Originally the application of private sector managerial practices was mostly borrowed by Public Administrations, afterward, the use of these practices has extended to sectors that in the first place were not taken into consideration, such as healthcare, education, and public security. This came in a period in which cutting public expenditure and reducing the public debt was on the agenda of many countries, and the NPM practices had as a central assumption that business-like practices would lead to higher efficiency and effectiveness with cost-reduction (Alford and Hughes 2008). However, this model has spread around the world and in a way or another NPM ideas are still seen as the most obvious route to modernization, which has consequently attracted the interest of many scholars. The nature of this innovative model has been linked to many theories that give it a slightly different outline. Some define it as a pure contractualist model, having as sole and main scope the well-being of the individual, translated in the efficient delivery of public services (Lane 2000). Others have instead divided NPM into four different models, the first, like Lane, is based on the contractualist model. The second is based on the managerialist model, hence on a strong belief in the values of professional managers and in the concepts and methods they use. The third is a consumerist model, thus the encouragement in the acquisition of goods and services in increasing amounts (over the needed quantity). Finally, the fourth is a reformist model, Therefore the belief that it opposes revolutions, and it poses upfront the idea that the solution is to reform existing systems and institutions (Barzelay 2002). In contrast with the contractualist model, some authors have matched NPM to all those business-like reforms that had the objective of increasing efficiency (Van de Walle and Hammerschmid 2011). Klaus König (1997) has defined NPM as a "mixture of management theories, business motivation psychology and neo-liberal economy", this definition adds to the table the psychological trait of business-like models, this is a trait that we are not going to analyze. To cite Barzelay (2002) NPM can be considered "more a recognizable term than a fully established concept" and this makes our task more difficult since assessing the impacts of something that is just a general term and not translatable in practice is controversial. Christensen affirms that "NPM is [...] not a consistent and integrated theory for modernizing the public sector

but is better characterized as a wave of reforms composed of some principal reform ideas together with a loose cluster of reform initiatives pointing in various directions." (Christensen *et al.* 2008).

The reason why NPM is considered more than a concept, to the point in which it has been defined as a set of doctrinal beliefs (Barzelay 2002), could be found in its origins. NPM was born as an ideological response to the perception that Public Administration, in western democracies, had become inefficient and dispersive, and this new model, which took inspiration from the private sector (at the time really productive), was seen as the right recipe to solve any problem. NPM became a very diffused practice to the point that governments would burden this model with reforms that did not even share its basic assumptions and we reached the point in which some reforms that were associated with it were or very different from each other or even contradictory (Dunleavy *et al.* 2005). De facto, NPM reforms might have had a stronger effect in the delivery of policies in particular sectors, but less in others, and some tools typically associated with the movement may have worked better than others. "Furthermore, public sectors have often introduced specific innovations traditionally associated with NPM, but without also embracing the NPM public-choice philosophy" (Van de Walle and Hammerschmid 2011). Thus, the attempts to assess the effects of these reforms have been constrained by the lack of available data given by the incomplete implementation of the reforms or by the lack of calculation of the results, which is ironic since one of the core values of NPM is the measurability of the performance of the work done by Public Administration (Alonso *et al.* 2011).

Additionally, I would like to spend a few words on post-NPM reforms. I believe it is needed to add it to the nature of NPM because, even though some scholars try to surpass NPM concentrating instead on this more recent "model", it must be said that their nature is the same. As a matter of fact, post-NPM blends some aspects of NPM with some Neo-Weberian features, and since these new reforms have been created both thanks to digital innovation and to try to overcome some of the disintegrating tendencies that derive from NPM, post-NPM should be considered more as a complement of NPM rather than an alternative. Hence, since the nature is the same (to make Public Administration more efficient and effective, containing costs) and the methods come from the same root, one should talk more about continuity rather than a completely new model. In conclusion, either we see the nature of NPM in various models, that anyway does not give us any form of specificity, or we accept a very broad definition that defines NPM as an "attempt to implement management ideas from business and private sector into public services" (Haynes 2003). I strongly believe that, for the objective of this thesis, the second definition gives us a

broader room for maneuver to understand which characteristics we need to focus on to complete the study.

2.1.2 New Public Management Principles

New Public Management, as a doctrine, has the objective of pointing out the ineffectiveness of the performance of the public sector during the past decades. It locates the problems in the nature of the processes that have characterized Public Administration, such as centralized bureaucracies, waste and inefficiency in resource use, and inadequate mechanisms of accountability. These are all problems that NPM sought to solve (Falconer 2021). To delineate the principles of this model it can be affirmed that NPM is "a summary description of a way of reorganizing public sector bodies to bring their management, reporting, and accounting approaches closer to [a particular perception of] business methods" (Dunleavy and Hood 1994). In its application, the term NPM has earned the identification with a list of subject matters to reform the organization and procedures of PSOs, to make them more efficient, effective, and competitive, and at the same time to be able to adequately use the resources at its disposal so to successfully deliver services. Thus, NPM is concerned with "the commercialization, as far as possible, of the state's role in providing services to its citizens, and of the state's relationship with its citizens" (Falconer 2021). Thus, when talking about the principles of NPM it's essential to look at them giving special attention to their practical features. Alonso *et al.* have helpfully grouped in three overall categories Hood's seven doctrines plus other principles commonly associated with NPM in the following table:

Table 4. Components of New Public Management 1.

Topic	NPM component	Authors
<i>Market-type mechanisms</i>	Shift to greater competition in the public sector	Hood, 1991
	Outsourcing	Dunleavy and Hood, 1994
	Performance related pay	Osborne and Gaebler, 1992
	Competitive tendering	Borins, 1994
	Public sector league tables	Pollitt, 2007a

<i>Managerialism</i>	Decentralizing	Hood, 1991
	Hands on professional management	Dunleavy and Hood, 1994 Osborne and Gaebler, 1992
	Purchaser/provider split	Pollitt, 1993, 2007a
	Output control	Ferlie et al, 1996
	Disaggregation of organizational forms	Kettl, 2000
<i>Customer orientation</i>	Improve service quality	Pollitt, 1993, 1995, 2007
	Use of service Charters	Borins, 1994 Ferlie et all, 1996 Kettl, 2000

(Alonso, Clifton, and Diaz-Fuentes 2011)

The three categories are market-type mechanisms, which refers to the use of markets and competition in the provision of public services; managerialism, which is the use of the values of professional management so to reach managerial improvement and organizational reconstructing; and customer orientation, which considers the opinion of the consumer to have feedback on the improvement of the public service. (Alonso *et al.* 2011).

Between the above listed we will see that only some of the components of NPM will be needed for our analysis, indeed not all the reforms that characterize this model have anything to do with corruption and not all of them are countable and therefore useful for empirical analysis, however, this will be explained more in-dept later. Moreover, another perspective to which shall be given attention is that since NPM was born in the period of public management reforms its main objective is to change an outdated system, so to better explain the change that it wants to have, Dunleavy and Hood (1994) have explained in dept in what the shift, between old Public Administration and new public management, consists in:

1. “Reworking budgets to be transparent in accounting terms, with costs attributed to outputs not inputs, and outputs measured by quantitative performance indicators”.
2. “Viewing organizations as a chain of low-trust principal/agent relationships (rather than fiduciary or trustee-beneficiary ones), a network of contracts linking incentives to performance”.

3. “Disaggregating separable functions into quasi-contractual or quasi-market forms, particularly by introducing purchaser/provider distinctions”.
4. “Opening up provider roles to competition between agencies or between public agencies, firms and not-for-profit bodies”.
5. “Deconcentrating provider roles to the minimum-feasible sized agency, allowing users more scope for ‘exit’ from one provider to another, rather than relying on ‘voice’ options to influence how public service provision affects them”.

(Dunleavy and Hood 1994)

This shift necessitates the responsibility of the individuals that must deliver the task, asking the supervisor to be proactive (manager figure), rather than reactive (administrators), and to be able to do so the manager must have some area for decision making and therefore be able to be responsible for its decisions. Managers are seen as the key to improve public sector performance and higher performance can be reached through clear objectives that oblige PSOs to improve and take the right decisions to reach them with the most efficiency and minimum waste. This shifts the attention from process to results and makes it possible to reach better results with the resources at disposal. To enable the achievement of these goals there is the need for decentralization, first, it is easier to work with smaller units rather than a colossal bureaucratic apparatus, second each unit and each territory has its specificity and decentralization gives the possibility to the manager to adapt to the needs of each unpredictable event. The presence of a physical manager who can take responsibility for their actions creates a system of accountability that with an impartial bureaucrat is impossible to obtain. Finally, but no less importantly, NPM wants the public sector to absorb, as far as possible, the manners of a business-like system. "Therefore, public service agencies should adopt reward structures for their employees, much like those in the private sector, encompassing such mechanisms as performance-related pay and more flexible working practices. [...] The emphasis in the NPM is very much on cutting the cost of public service provision, while, at the same time, increasing its quality (i.e. doing more with less)" (Falconer 2021).

For what regards the classification of NPM principles I believe the best summary has been done by Oehler-Sincai (2008) in “Strengths and Weaknesses of The New Public Management (NPM)- Cross-Sectional and Longitudinal Analysis”. She has listed the changes that shall be applied to Public Administration, dividing them between “structural changes” and “process Changes”.

Table 5. Components of New Public Management 2.

Changes	NPM principles
<i>Structural changes</i>	<ul style="list-style-type: none"> - Retrenchment or downsizing the PSOs (Polidano, 1999) - Merging or splitting the departments, in order to improve coordination or to sharpen focus and encourage specialisation (Pollitt, Bouckaert, 2004) - Privatization (Polidano, 1999) - Decentralization (Hood, 1991) - Corporatization or agentification (Polidano),
<i>Process changes</i>	<ul style="list-style-type: none"> - Hands-on professional management (Hood, 1991) - Private sector styles of management practice (Hood, 1991), but moderation in running government like a business (Box, 1999) - Flexibilization of previous practices in personnel, IT, public procurement, and other functions, generated by the disaggregation (Dunleavy et al 2005) - The use of market-type mechanisms (OECD, 2005b) - Liberalisation (OECD, 2005b) - Modernisation of services delivery mechanisms (e.g. introduction of the e-government, one-stop-shops) (OECD, 2003a) - New financial management procedures (OECD, 2005b) - New performance management procedures (OECD, 2005b) - Explicit standards and measures of performance (Hood, 1991) - Output controls (Hood, 1991) - Parsimony in resource use (Hood, 1991)
<i>Process changes</i>	<ul style="list-style-type: none"> - Competition (Hood, 1991, Dunleavy, 2005) - Incentivization (Dunleavy, 2005) - Public value management (Stoker, 2006), and public value pragmatism (Alford, Hughes, 2008), generated by: networked governance or collaborative government or public-private partnerships or joined-up government (Pollitt, 2003) - Fostering dialogue with civil society (Shah, 2005), as a result of: building open government and a citizen-centered governance (accountability, transparency, openness – OECD, 2003b); developing a comprehensive legislative or regulatory framework for enhancing transparency and accountability of lobbying (OECD, 2008b)

(Oehler-Sincai 2008)

The principles of NPM can be grouped into two macro areas. "On a first level, NPM can be seen as a set of managerial innovations, each of which can be subject to evaluation of their impact. At a higher level, NPM stands for a change of the role of government in society. Evaluating the impact of this feature of NPM requires a focus on the macro level" (Van de Walle and Hammerschmid 2011). The set of managerial innovations has been extensively discussed in this section (Hood's seven doctrines 1991, Dunleavy and Hood's 1994 shift between traditional model and NPM, etc.). The interesting part of the statement by Van de Walle and Hammerschmid (2011) is the change that NPM can apport to the role of government in society. NPM, indeed, is not only a set of managerial innovations applicable in practice. It is also a model that analyses the nature of man, claiming that as individuals we cannot be treated like task-delivering machines, and the role of the state in society, which changes from the traditional model taking a more business-like character rather than an omnipotent bureaucratic one. The NPM philosophy has been blamed to be focused only on individual rights and when some countries have supported the change in focus, others have seen the philosophy of privatization, deregulation, and marketization, as a threat to collective rights and a questioning of the welfare state (Lane 2000). Together with NPM came new values such as efficiency, individualism, and the perception that the running of the public sector shall be similar to the private one. These new values have influenced the core PSOs and therefore they shall not be seen only as the introduction of new management methods but also as a new ideology that delineates the role of the state (Clarke and Newman 1997).

In conclusion, the principles of NPM are delineated both by methods but also by a general ideology of how the state should look like. The work of Public Administrations has been affected by NPM and the two main objectives, efficiency, and effectiveness have been adopted in public organizations all over the world. Also, no matter the extent to which NPM reforms have affected Public Administrations, performance is nonetheless seen as output and outcome, as opposed to the older view where it was seen as input and process (Anderson *et al.* 2016). Public Administrations, both in developed and developing countries, have adopted measures following the basic principles of NPM such as competition between public and private providers, incentives to public employees, and the disaggregation of public organizations (Dunleavy *et al.* 2005). "Indeed, despite some scholars arguing that the convergence between private and public sector is a myth, meta-studies on the effects of reforms indicate that, nowadays, there are only small differences between public and private organizations" (Lapuente and Van de Walle 2020).

2.1.3 Assessing the Impact of New Public Management

Keeping in mind the aforementioned definition of NPM as an "attempt to implement management ideas from business and private sector into public services" (Haynes 2003), and the division of NPM between "a set of managerial innovations" and "an ideology", in the following section I will delineate what we are going to work on. As above clearly stated, unfortunately, there has been a large body of literature on NPM but few empirical studies on its effects. As stated by Hood "there are no systematic cross-national studies showing degrees of variation in public management reform in a robust and reliable way. The literature in the area is long in anecdote and general commentary but short on systematic comparison and comes close to being a data-free environment" (Hood 1995). Additionally, if an evaluation has been done, it is often found to be biased due to the ideological position of the writer. In fact, "most supposedly empirical discussions of the complex issues involved are dominated either by NPM evangelists exaggerating the efficiency impacts of changes on the basis of very preliminary or selective data; or by detractors basing their skepticism on dramatic anecdotes or sketchy arguments from past experience" (Dunleavy and Hood 1994) and even though these affirmations have been done in the '90s, the situation has not changed much. In this thesis, to avoid risking more biases than the ones that are naturally present when treating a subject, I have decided to move the focus. This thesis wants to analyze if NPM has an impact on corruption, but to do so in these terms I would have to clarify if NPM has had an impact on Public Administration, and as demonstrated above this would be very difficult if not almost impossible. What although we can do is concentrate on what NPM has had an impact on. As affirmed above being NPM an umbrella term it can cover many things and if we look at it as a "set of managerial innovations" it's the more practical connotation in some ways it could have had an impact but maybe in others not. However, as abovementioned, NPM is also an ideological current that has developed from the end of the '70s until these days. Now this current has undoubtedly had an impact on society because it has changed the way people and the state perceive and understand the work of Public Administration. It is on this change that I will base the foundation of my analysis. The main idea is to use NPM as a theoretical framework that represents a set of principles built on the assumption that, to function at its best, Public Administration shall show some specific traits. Since corruption is generally defined as a negative trait that makes Public Administrations less performative. The focus of this thesis will be on the principles that NPM as a theoretical framework claims to be the right way to manage Public Administration, and if these have any type of correlation with corruption.

2.2 Corruption

I have chosen to analyze the correlation between NPM and corruption because corruption is maybe the phenomenon that has mostly negatively impacted the work of Public Administrations for the longest period. There are two views on corruption a positive one and a negative one. Not taking into consideration the morality behind corrupted actions, some scholars believe corruption can have positive aspects, such as the acceleration of bureaucratic procedures that might slow down decision processes or the introduction of competition in monopolistic settings (Cuervo-Cazurra 2014). However, this view is the least shared one, instead, the dominant one is corruption seen as a negative feature. Corruption is seen negatively also by the NPM theoretical framework, and, in fact, some of the reforms that are proposed, such as those making public officials accountable for their work or increasing transparency of the work of the Public Administration, have also the scope of reducing corruption. In the following section, we will analyze corruption as negative.

2.2.1 History and reasons for corruption

Corruption is a constant phenomenon in human society. Since the creation of the first laws, it has been conceived as a concept, and more often than not as a negative attribute to human behavior, and even when not codified in criminal law it was seen as morally wrong. It is not a new phenomenon, the first written fundings on the concept of corruption where some tables dated to the thirteenth century BC at the time of the Assyrian Civilization (Sumah 2018). In the India of two thousand years ago, the prime minister of the King had already written a book on the subject. The bible defines a bribe as a sin, and for this reason, Dante places it in one of the lower levels of hell, showing the repugnance for the subject in the low medieval age. The concept of corruption was part of Roman law, to the point in which what is defined as *iudicialis corruptio* (judicial corruption) is the worst and oldest type of corruption which punishable with a death sentence. In the American Constitution corruption is defined as one of the two crimes that can lead to the impeachment of a President (Tanzi 1998). However, even though, the concept of corruption has been present for all this time, scholars have started to analyze it only in the last 30 years.

As aforementioned is not that before it was not conceived as a concept, it was just that it was always considered taboo, to the point in which in policy environments of foreign aid they would call it the “c-word” (Andvig and Fjeldstad 2001). The reasons for the sudden change in perception and acknowledgment of corruption are well explained by Tanzi (1998), who has

developed a list of seven possible reasons for this boom of studies from the near past until nowadays. The first would be the end of the Cold War, in fact before there was the tendency to forgive many of the sins of those countries which decided to affiliate with the right political camp, with the result that often the levels of corruption were ignored. The second reason would be a general lack of information on the theme and at the same time a reluctance to talk about it. The third is the increase of democratic countries; in an authoritarian regime denouncing the presence of corruption would mean denounce the wrongdoing of the regime, instead in a country where the media are free, corruption tends to be less of a taboo. The fourth is that globalization has augmented the contacts between countries with higher levels of corruption and countries where this is almost inexistent, increasing the interest of the international community. The fifth is the increasing role of non-governmental organizations concentrated on transparency which have tried to publicize corruption and create anti-corruption movements. The sixth is the growth of reliance in the market economy which leads to the need for more efficiency, and for the condemnation of distortions caused by corruption. The last possible reason would be the role played by the USA in the influence derived from their economic relations with states less economically powerful (Tanzi 1998).

Moreover, talking about the development of non-governmental organizations there is the fact that for the last thirty years the main scope of international aid policies has been to upgrade the living conditions of the citizens of the poorest countries of the world. However, unfortunately often it has been demonstrated that those countries with the lowest GDP per capita are also the ones with the highest levels of corruption, which generates a policy dilemma because helping those countries automatically means that part (if not all) of those aids would enter the corrupt system not reaching those truly in need. For the above reasons corruption has become a hot topic for the international scholar community, and even though this is positive for the development of the body of research on the topic, it also creates the necessity for a focus on the main analysis having to leave some work behind.

2.2.2 Definition of corruption

Similarly, to the previous analysis, corruption is another subject that has received many definitions, but differently from NPM, even though it might be difficult to describe, it is a phenomenon that when seen is easily recognizable. It is for sure a complex phenomenon, with multiple causes and effects, and being present in various and different context it tends to have a chameleonic character changing form and functions depending on the environment. When

speaking about corruption we can both refer to a structural and political problem, but also to a cultural and individual moral problem. Therefore, its definition tends to change in respect to which problem wants to be addressed, it is either defined analyzing its "morality" and as "misuse of public power", or instead in a more strict and legal sense defined through the wordings of criminal law (Andvig and Fjeldstad 2001). Additionally, the biggest problem with the definition of what can be considered or not a corrupt behavior is that generally corrupt behavior is not shown in daylight.

Corruption is most commonly defined as the *abuse of public power for private benefit*, this definition has been used both by the World Bank and by Transparency international (Tanzi 1998). In this thesis we analyze corruption connected to the public sector, which is recognized in the action of a civil servant or a politician that accepts or requests a bribe giving in exchange a good or a service which costs fall on the government (ie. citizens), this is due to the abuse of their position of power for private gain (Cuervo-Cazurra 2014). Nonetheless, this does not mean that corruption is a phenomenon exclusively present in the public sector. Corruption is common also in the private sector, and similarly to the public one, it happens in situations where an employee "abuses its position in the company's hierarchy to obtain private benefits" (Cuervo-Cazurra 2014). However, this thesis does not concentrate on white-collar crime, but only on corrupt behavior present in Public Administrations.

Before trying to find more complex definitions of the subject some very basic explanations must be given. The first is that when speaking about "private benefit/gain" it is not necessary that the benefit is strictly perceived by the individual, in fact, it often happens that the benefit could be shared or gained by one's party, friends, family, etc. The second is that corruption does not only happen when there is a direct payment to the interested party, but also in actions such as an exchange of favors, or the receiving something material which is passed like a gift (Tanzi 1998). Corruption is, as a matter of fact, a "multi-disciplinary" subject, it has been studied as a problem related to the political, economic, cultural sphere or the problem of moral underdevelopment (Andvig and Fjeldstad 2001). It is a problem that pervades many societies and to which there is no fast solution, and all the programs such as government reorganization, law enforcement, the creation of specific bodies with the scope to fight corruption, and the creation of projects to enhance public awareness on the subject are just some elements which, despite everything, need to be perceived as long-run solutions which need the support and involvement of all parties engaged, with the help of a radical change in the society in which they are implemented (Pope 1997). Additionally, the reduction or eradication of corruption is not necessarily linked to the economic

development or modernization of the country, what tends to happen is a transformation and readaptation of corruption to the new model (Girling 1997).

When choosing how to do a literature review on corruption many factors must be considered. Shall we analyze corruption or the factors that constitute it (eg. bribery, embezzlement, fraud, etc.)? Shall we make a distinction between different types of corruption? What is the role of the state in the formula? Etc. The questions are many, and it is not possible, as I have stated above, to analyze all the definitions given to corruption. What I will do in the following section is listing a series of definitions that define corruption as a particular state/society relation, thus, analyzing corruption in its more general terms and only in the public sector (Andvig and Fjeldstad 2001).

1. "Corruption is the intentional non-compliance with the arm's-length principle aimed at deriving some advantage for oneself or for related individuals from this behavior"

(Tanzi 1995)

2. "Corruption is conventionally understood, and referred to, as the private wealth seeking behaviour of someone who represents the state or the public authority. It is the misuse of public resources by public officials, for private gains".

(Andvig and Fjeldstad 2001)

3. "Corruption is the abuse of public power for private benefit".

(The World Bank)

4. "Corruption is a transaction between private and public sector actors through which collective goods are illegitimately converted into private regarding payoffs".

(Heidenheimer *et al.* 1989)

5. "Corruption is [the] behaviour that deviates from the formal duties of a public role (elective or appointive) because of private regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence".

(Nye 1967)

6. “Corruption is [the] behaviour that deviates from the formal rules of conduct governing the actions of someone in a position of public authority because of private-regarding motives such as wealth, power, or status”.

(Khan 1996)

Each one of these definitions defines in a way or another the misuse of power with the scope of obtaining a personal benefit. But for example, the definition of the World Bank is too general, in fact, it can happen that a public official abuses its power to obtain money that is not his, but in this case, if there is no involvement of a second party (the corrupter), we are not talking anymore about corruption but only about theft – which is a crime but does not fall under corruption. The same situation happens in the definition by Andvig and Fjeldstad because they do not define the parties involved. It is important to distinguish between corruption and other illegal activities, to have corruption there is the necessity for both parties that are involved to willingly obtain a benefit, something that for example is not present in the case of extortion, it can be therefore concluded that corruption is a form of an illegal contract, but nonetheless a contract between two parties which implicates most characteristics of contract also comprehending transaction costs (Begovic 2005).

When looking at corruption it is also fundamental to take into consideration the types of resources that are transferred, in this case, it can be made a distinction between resource transfer in economic terms and resource transfer in social terms. Corruption in economic terms appears in a situation where there is an exchange of cash or material goods, which is the most basic type of corruption (Andvig and Fjeldstad 2001). Social corruption instead comprehends a broader spectrum because corruption is understood as a social phenomenon where there is not only the exchange of goods, but also acts of clientelism, nepotism, and favoritism in general, which all construct the basis for a corrupt system (Médard 1998). Assuming that corruption is a state society relation, we assume that corruption is a principal-agent problem, it can consequently be stated that corruption can be found in both fields of interaction between state and society, the national and the international arena (Begovic 2005). This thesis concentrates on the presence of corruption in the national arena of the twenty-seven Member States of the EU. When speaking about corruption in the national arena we can see two types of relationships each one with its principal-agent equilibrium. The first relationship is between state officials and non-state actors, where the principal is the population and the agent is the state, and in which the officials which represent the

state are those who are corrupt, and the non-state actors which give the bribe can be considered the corrupter. Of course, this can happen at every level of Public Administration from the ministers of government to the lower functionary at a municipality office (Andvig and Fjeldstad 2001). The second relationship is the one between state officials, in which the principal are the politicians, and the agents are the civil servants, in this case, the corrupt and the corrupter are both state officials and the assumption would be that the politicians are those that are at the obscure of the situation. Also, in this second case corruption can be present at any level, and it can also be present between the different branches of government and state agencies (Begovic 2005).

The description of the second relationship would assume that the politicians are a benevolent principle not aware of the misdoing of its subordinates. In this analysis is not of relevance the morality of the actions of the individuals that show corrupt behavior, because the scope is not to understand where the fault falls but only if there is any correlation between corruption and NPM principles. Anyway, when studying corruption as a variable I will take into consideration both types of relationships (state / non-state actors and state officials/state officials). In the following citation is explained the possible cause of these types of relationships.

“These relationships can be corrupted because of overlapping and conflicting authority, political power struggles over access to scarce resources, manipulated flows of information, and personal relationships of dependence and loyalty. In particular, a weak separation between civil service and party politics, a weak professionalization of the bureaucracy, a lack of administrative accountability and transparency and deficient political control and auditing mechanisms will increase corruption at these junctures. The more discretion officials have through abundant, complex and non-transparent regulations, the more corruption becomes likely”.

(Andvig and Fjeldstad 2001)

As explained by Andvig and Fjeldstad, corruption can have many sources but generally speaking the more complicated the bureaucratic process the higher the chance for the adoption of corrupt behavior. Additionally, the major problem with the analysis of the levels causes and effects of corruption is that corruption is illegal, therefore almost impossible to analyze with quantitative methods without comprehending the perception of the individual. In conclusion, I have decided that the definition of Tanzi (1995) “Corruption is the intentional non-compliance with the arm’s-

length principle aimed at deriving some advantage for oneself or for related individuals from this behavior” is the one that best fits our analysis. Here, we can distinguish three elements the first is the arm’s length principle¹ which inserts the connotation of a relationship between two or more parties, the second is the intentionality of the action and the third is the necessity of derivation of some type of advantage. Therefore, corruption is an action for which two or more parties agree on the basis of their personal (or not) relationship, with the intentionality of taking advantage of the agreement. To this definition, there is the necessity to add that in this thesis one of the two parties involved must be a state official because the analysis focuses only on corruption present in Public Administrations.

2.2.3 Causes of Corruption

First, it is fundamental that when defining the causes of corruption to do a premise: it is very complicated to assess whether corruption causes other variables or if those variables cause corruption, in fact, more often than not when speaking about the relationship between corruption and other factors is easier to analyze the presence of correlation rather than the presence of causality (Lambsdorff 1999). In the following section, I will use the word "cause" only when the literature that I am reviewing uses this term, but for the scope of this thesis this analysis is needed only to understand which, for the literature, are the possible factors correlated to corruption. For the factors correlated to corruption a well-built contextualization is the following: "Where political opportunities are scarce, corruption occurs as people use wealth to buy power, and where economic opportunities are few, corruption occurs when political power is used to pursue wealth" (Huntington 1968). From the above definition a first conclusion can be that corruption can be connected to both situations of scarce political opportunities and situations of scarce economic opportunity, and in both the corruption occurs when using either wealth or political power to obtain the other.

In the paper “Corruption: causes, consequences and cures” by Myint (2000), the author affirms that corruption can emerge in a country that fulfills the following three conditions:

¹ The arm’s-length principle requires that personal or other relationships should play no role in economic decisions that involve more than one party (Tanzi 1995)

1. "It has a large number of laws, rules, regulations, and administrative orders to restrict business and economic activities and thereby creates huge opportunities for generating [corruption], and especially if these restrictive measures are complex and opaque and applied in a selective, secretive, inconsistent and non-transparent way"
2. "Administrators are granted large discretionary powers with respect to interpreting rules, are given a lot of freedom to decide on how rules are to be applied, to whom and in what manner they are to be applied, are vested with powers to amend, alter, and rescind the rules, and even to supplement the rules by invoking new restrictive administrative measures and procedures"
3. "There are no effective mechanisms and institutional arrangements in the country to hold administrators accountable for their actions"

(Myint 2000)

For Myint (2000) the main factors connected to corruption are strictly linked to the structure of Public Administration. The first condition is the presence of a large body of rules and laws that regulate economic activities, therefore a situation where bureaucratic processes are long and require many steps leads to the development of corruption practices both to fasten the practices and sometimes also to just be able to do things. As explained above the problem here is that the power in the hands of the bureaucrat is too big. The second condition is, in fact, the discretionary power of the administrator, if the administrator has a lot of freedom in the interpretation of rules and regulation also has the possibility of making the bureaucratic process more complex therefore creating the opportunity for corruption. The third condition is the absence of an effective system of accountability, to hold accountable administrators for their actions.

Tanzi (1998) divides the factors connected to corruption into two different categories: direct factors and indirect factors. For what regards direct factors he affirms that corruption is connected to state activities, but that contrary to what affirms Gary Becker (1968) "if we abolish the state, we abolish corruption", he affirms that society cannot work without the state and that the reduction of the size of public sector activities is less relevant than the way the state functions for what regards the control of corruption. The direct factors that can create a prolific terrain for corruption are the following, from Tanzi (1968):

1. Regulations and authorizations: for Tanzi the excessive presence of rules and regulations required to engage in many everyday lives activities and gives to officials in the position to grant the authorization a "kind of monopoly power". Excessive regulations and the need for authorizations give in the hands of administrators the opportunity of prolonging procedures and the opportunity to extract bribes to shorten them.
2. Taxation: Tanzi affirms that if taxes are based on clear laws and do not require excessive contact with the administrative officials then there is less opportunity for corruption. On the contrary, if laws are of difficult interpretation, there is the need for frequent contact with the administration, tax inspectors earn low wages, there is lack of transparency in the procedures, administrators have large discretionary power on interpretation, and when control and forms of accountability on agents (the administrators) are low, then there are strong opportunities for corruption.
3. Spending Decisions: Tanzi sustains that corruption can also generate from the lack of transparency and effective controls in the procedures of public expenditure, such as investment projects, procurement spending, and extra-budgetary accounts.
4. Provision for goods and services below market prices: in the processes where the government provides for goods and services at lower prices, generally as a system of welfare for disadvantaged categories (persons with disabilities, people in extreme poverty, etc.), if the procedures are complicated and therefore with long waiting times and there is an excess in demand, people in need might decide to pay bribes to get access to the goods and services that the government is providing (Tanzi 1968).
5. Other discretionary decisions: Tanzi concludes that additionally to the above, in situations where officials have discretionary power on important decisions in areas such as the provision of tax incentives, use of private land, use government-owned land, foreign investment, sale of public sector access, privatization of state-owned enterprises, and monopoly power on export or imports, there is a higher opportunity for corruption, mostly because these types of decisions are often very important to the people that need a favorable answer.

(Tanzi 1968)

Additionally, Tanzi inserts a specific case that is almost unique and strictly connected to Italy, the case of Tangentopoli. The situation that in Italy has become to be demonstrated as a fertile ground for corruption is the financing of parties. In fact, in this situation, the problem was that there was not enough money to pay those who worked in the parties outside of the institutions, and the solution was found in a complex and very well-structured system of bribes shared between the parties in parliament in respect to the percentages of seats they had assigned. Tanzi (1968) in fact affirms that “when public money is not available for the activities of political parties, enormous pressure will be built up to generate funds”. A similar situation has been analyzed in the case of the political donations in the United States, those are regulated and legal, but it has been made notice that if a private gives a large amount of funding to a specific party they also expect to receive some benefits back.

For what regards the indirect factors that can create the opportunity for corruption Tanzi (1998) has delineated the following:

1. Quality of bureaucracy: as seen above non-efficient bureaucratic processes are one of the main possible factors for the creation of a prolific terrain for corruption. Of course, the bureaucratic process is not the only factor that delineates the quality of bureaucracy. In general, as affirmed by Tanzi, inefficient processes, the recruitment of civil servants is not based on merit, and the presence of nepotism are all factors that lead to an ineffective bureaucracy and therefore to the possible development of corrupt behavior.
2. Level of public sector wages: a civil servant that is well paid is less likely to risk its position engaging in corrupt behavior. In a case of a high salary, the benefit that derives from corrupt behavior is lower than the risk. Although there are some individuals that independently from the wage level will conduct a corrupt behavior anyway. This means that the individuals who decide to request bribes anyway might ask for higher bribes, hence even if maybe higher salaries could reduce the number of corrupt acts, it is not necessarily the case that the amount of corruption money paid will be reduced.
3. Penalty systems: for what regards penalty systems Tanzi analyses Becher's (1968) analysis of crime prevention. He affirms that supposedly higher penalties imposed on a criminal act would have a consequence on criminal behavior. But here the

problem is the same that for the level of wages. Doing the math between cost and benefits higher penalties could lead to a smaller number of corrupt acts, but also a demand for higher bribes. Additionally, we have the problem at the core that if we find ourselves in an already corrupt system, corruption will be used to avoid being condemned for corrupt behavior.

4. Institutional controls: this variable comes into the game together with the penalties because you need to increase the probability that those who incur in corrupt behavior will be caught. And those who are in charge of supervising shall have the power to do it and their job made easier by transparent procedures.
5. Transparency of rules laws and processes: the lack of these creates a fertile ground for corruption. If the processes and the laws are opaque and complex, the civil society does not have anything in its hands to be able to denounce the wrongdoing of administrations.
6. Examples by the leadership: Tanzi concludes that if political leaders do not give the right example and act in a corrupt way, it cannot be expected that public employees will not act the same way.

Tanzi (1968)

In its division Tanzi treats the direct factors as inevitable causes of corruption, instead, when speaking about the indirect factors there is any way a level of causality but for some of those factors, it does not necessarily mean that when that component changes the result is a decrease in the levels of corruption.

Andvig and Fjeldstad (2001) have analyzed the econometric literature that has studied the causes of corruption. They affirm that, as aforementioned, the causality between factors and corruption is a complex subject and even in the literature that they have reviewed often is spoken about correlation rather than causality. The first factor that they analyze in correlation to corruption is economic development. The first assumption is that "misuse of public office is more likely to be exposed in more economically developed countries" (Andvig and Fjeldstad 2001). This is because in an economically developed country more people have access to education and the "arm's-length principle" (Tanzi 1995) is more likely to be applied. The equality of treatment is necessary to have an efficient market economy and, generally, the countries that are known to be more economically developed are the ones that are also defined as more efficient, thus with fast and transparent

transactions. Since corruption goes against the "arm's length principle" making transactions slower and less efficient, this shall happen in countries less economically developed (Myrdal 1968). Additionally, corruption can decrease in the case of higher economic development due to social stigma. Some scholars affirm that the social stigma connected to corruption is reduced in traditional countries where the line between public and private is less delineated a gift might not necessarily be perceived as a bribe and the favor that derives from it might not be seen as something with criminal foundations (Epko 1979). Nonetheless, even though it has been demonstrated that economic development is correlated to corruption, there is no sure evidence of causality. The second factor they review is political rights and democracy. Also, in the book "Political Corruption: An Introduction to the Issue" by Amundesen (1999) democracy is analyzed as a possible cause for corruption, but in both, it is concluded that there is no true causality between the two. As a matter of fact, the process of democratization can also give new chances to the development of corruption, for example in the situation of electoral campaigns or in situations of privatization of public enterprises (Amundesen 1999). However, there are some factors of democracy that work against corruption: the greater civic engagement in election processes and in the working of society in general; the election gives the power to people to remove from office corrupt politicians; the freedom of press and media creates the situation to denounce corrupt behavior (Andvig and Fjeldstad 2001). What has been demonstrated is that democracy may decrease the levels of corruption, but that at the moment where there is the transition to democracy both increase, therefore the correlation might be confirmed but it does not necessarily have a negative slope (Paldam 1999). The third factor that is reviewed is federalism and decentralization. The first statement is that some scholars believe that centralized power can be a cause of corruption because a centralized power is more anonymous and detached from its citizens, and decentralization brings the government closer to the people increasing social pressure, discouraging corruption (Enemu 2000; Goldsmith 1999). However, it might be possible that states that find themselves in an average situation, between a strongly centralized and a strongly decentralized type of state, might be more vulnerable to corruption than if the state would be at one of the two extremes (Shleifer and Vishny 1993). On the contrary, some affirm that "decentralized political systems are more corruptible, because the potential corrupter needs to influence only a segment of the government, and because in a fragmented system there are fewer centralized forces and agencies to enforce honesty" (Banfield 1979). This is the view that the authors (Andvig and Fjeldstad 2001) support the most, in a federal state there are more chances for bribes, and it creates a competition between the

autonomous levels of government leading to the overuse of public goods (the tragedy of the commons). Instead in a centralized system, this is less probable also because there is more control over the lower units (Treisman 2000). The fourth factor reviewed is public sector salaries and recruitment policies. The main problem with this analysis is causality because it has been demonstrated that in countries where civil servant's wages are higher, levels of corruption are lower, although the causality problem is found in the fact that countries with higher levels of corruption (that usually are also the poorest once) tend to have performance problems and therefore that might be the reason why salaries are lower. The problem with levels of salaries is that the results are often ambiguous and insignificant (Treisman 2000). The authors conclude that other aspects of Public Administration can be considered more important, such as appointment through meritocracy and security of employment (Andvig and Fjeldstad 2001).

The last paper I will analyze for this literature review is a review of the empirical studies on corruption, by Dimant and Tosato (2017). The review does a list of all the possible causes for corruption:

1. **Bureaucracy and Inefficient Administrative and Political Structure:** the authors point out that many theorists have affirmed that higher levels of inefficiency lead to an increase in the levels of corruption. This is because excessive regulations give monopoly power to officials and reduce the levels of accountability. This theory is supported by Tanzi (1998), Kaufman and Wei (1999) and it is also supported by more recent works, (see Goel and Nelson 2010).
2. **Civil Participation / Press Freedom:** it is affirmed that freedom of the press is useful to denounce corrupt actions and spread anti-corruption norms, enabling the citizens to rightfully choose correct politicians at the moment of elections. This theory was initially supported and later it was affirmed that both democratization and freedom of the press harm corruption. (Treisman 2000; Bhattacharyya and Hodler 2015)
3. **Economic Freedom:** if there is freedom on the production, selling, and use of one's resources there should be less interest and fewer occasions for corrupt behavior. Both earlier and more recent studies confirm the negative relationship between economic freedom and corruption (Paldam 2002; Saha *et al.* 2009).
4. **Economic Growth:** what the literature is sure of is that corruption has negative effects on economic growth, although when looking at it the other way around the results are ambiguous. Some affirm that there is no statistical significance (Ali and

Isse 2003; Pellegrini and Gerlagh 2004) others say there are effects of economic growth on corruption but only on some specific conditions (Aidt *et al.* 2008; Bai *et al.* 2013).

5. **Ethnic Diversity:** in this case, the trigger for corruption is given by in-group favoritism, especially when a member of a specific group is elected in a public position. Research shows that the correlation is rather weak (Treisman 2000) others affirm that there is some correlation, but the hypothesis has been confirmed only when using data for the USA (Dincer, 2008).
6. **Globalization:** globalization theories affirm that it leads to the reduction of corruption, the idea is that in a more globalized world both international organizations and the media shall show that a reduction of corruption leads to a better quality of governments (Charron 2009). In the beginning, empirical studies found this relationship to be true (Sandholtz and Koetzle 2000) later it has been contested for low-income countries affirming the absence of a linear relationship (Lalountas *et al.* 2011), however more recently it was demonstrated that this relationship holds both for developing that for developed with a stronger correlation in the case of the developing once (Badinger and Nindl 2014)
7. **Government Size:** the expectation would be those larger size governments, due to less individual accountability and more layers of bureaucracy would lead to higher corruption. The research on the topic has given very contrasted opinions for this reason in 2012 Kotera *et al.* have tried to explain the ambiguous results taking into consideration also the levels of democracy. “It was found that size of government increases corruption when there are low levels of democracy and decreases corruption when there are high levels of democracy” (Dimant and Tosato 2017).
8. **Governmental Structure:** the theory says that decentralization shall reduce corruption because there is an increment in competition between regions, and people shall take the choice of moving to a different place rather than engage in corrupt behavior. Earlier on literature has given credit to this theory in the relationship between fiscal decentralization and corruption finding a negative relationship (Fisman and Gatti 2002; Dell’Anno and Teobaldelli 2015). But when moved away from fiscal decentralization to political and physical decentralization it was found to be a positive relationship (Fan *et al.*, 2009).

9. Government System: democracy shall produce lower levels of corruption. This theory was found to be empirically true (Sandholtz and Koetzle 2000; Pellegrini and Gerlagh, 2008).
10. Legal System: the question is if a system of either common law or civil law has higher or lower levels of corruption. Initially, Treisman (2000) found that in countries with common law there were lower levels of corruption, later this was denied saying there was no significant relationship (Pellegrini and Gerlagh 2008). Later on, enlarging the size of the sample it was demonstrated to exist a correlation between common law and lower levels of corruption (Goel and Nelson, 2010).
11. Market and Political Competition: the increase of competition shall reduce the possibility for a monopoly of public good and therefore reduce corruption. The result for this factor were strongly contradictory and showed that depending on the variables associated with the study the result changed drastically.
12. Political Instability: this theory has two effects, the first is that instability in the short term could lead to an engagement in corrupt behavior to guarantee an agreement before the change, the second is that some forms of corruption take a longer time to be completed. The response from the scholars was that there is a U-shaped relationship (Campante, 2009).
13. Property Rights: supposedly the presence of fewer property rights increases the risk for people in the private sector who will turn to corrupt behavior to reduce this risk. Empirical studies have found that the reduction of property rights leads to an increase in corruption (Acemoglu and Verdier 1998; Dong and Tongler 2011).
14. Transparency: with increased transparency, there shall be a greater probability of catching criminal behavior and therefore increase accountability and reduced corruption. Initially, this thesis was confirmed (Brunetti and Weder 2003), although later it was affirmed that transparency alone is not strong enough to influence corruption (Lindstedt and Naurin 2010).
15. Wages: the hypothesis is that higher wages will reduce the acts of corruption done in case of need but not the ones have done in case of greed. Initially, scholars agreed that corruption is negatively associate with wages (Van Rijckeghem and Weder, 1997). This theory also found support in subsequent studies (Van Rijckeghem and Weder 2001; Azfar and Nelson 2007).

In the following table, I will summarize the conclusions I have reached from the literature review; the sources are Myint (2000), Tanzi (1998), Andvig and Fjeldstad (2001), and Dimant and Tosato (2017):

Table. 6 Corruption factors

Macro Area	Factors	Correlation with corruption
Bureaucracy	Bureaucratic inefficiency	Tanzi 1998 (+), Kaufman and Wei 1999 (+), Goel and Nelson 2010 (+)
	Regulations and authorizations	Tanzi 1998 (+), Myint 2000 (+),
	Property rights	Acemoglu and Verdier 1998 (-), Dong and Torgler 2011 (-)
Civil servants	Discretionary Power of the Administrator	Tanzi 1998 (+), Myint 2000 (+),
	Public sector wages	Van Rijckeghem and Weder 1997 (-), Tanzi 1998 (/), Treisman 2000 (/), Andvig and Fjeldstad 2001 (/), Van Rijckeghem and Weder 2001 (/), Azfar and Nelson, 2007 (-)
Control Systems	Penalties imposed on criminal acts	Tanzi 1998 (/)
	Systems of accountability	Tanzi 1998 (-), Myint 2000 (-),
	Institutional Controls	Tanzi 1998 (-)
	Transparency	Tanzi 1998 (-), Brunetti and Weder 2003 (-), Lindstedt and Naurin 2010 (/)
Economic Factors	Economic Development	Andvig and Fjeldstad 2001 (-), Ali and Isse 2003 (+/-), Aid <i>et al.</i> 2008 (-), Bai <i>et al.</i> 2013 (-)
	Economic Freedom	Paldam 2002 (-), Shah and Gounder 2009 (-)

	Market and political competition	Montinola and Jackman 2002(+), Sharafutdinova 2010 (+,-), Alexeev and Song 2013 (-), Bennett <i>et al.</i> 2013 (-)
Political Factors	Public money assigned to financing of parties	Tanzi 1998 (-),
	Corrupt behavior by leadership	Tanzi 1998 (+)
	Political rights and democracy	Sandholtz and Koetzle 2000 (-), Andvig and Fjeldstad 2001 (+,-), Pellegrini and Gerlagh, 2008 (-), Bhattacharyya and Hodler 2015 (-)
	Political Instability	Lederman <i>et al.</i> 2005 (+), Campante <i>et al.</i> 2009 (+,-)
	Press freedom	Treisman 2000 (-), Bhattacharyya and Hodler 2015 (-)
	Ethnic diversity	Treisman 2000 (+), Dincer 2008 (+)
	Globalization	Sandholtz and Koetzle 2000 (-), Charron 2009 (-), Lalountas <i>et al.</i> 2011 (-), Badinger and Nindl 2014 (-)
State Structure	Physical and political Decentralization	Banfield 1979 (+), Sheleifer and Vishny 1993 (+,-), Enemu 2000 (-), Treisman 2000 (+), Andvig and Fjeldstad 2001 (+), Fan <i>et al.</i> 2009 (+)
	Fiscal Decentralization	Fisman and Gatti 2002 (-), Dell'Anno and Teobaldelli 2015 (-)
	Government size	Goel and Nelson 1998 (+), Goel and Budak 2006 (-), Arvate <i>et al.</i> 2010 (+), Goel and Nelson 2010 (-), Kotera <i>et al.</i> 2012 (+,-)

Legend: (+) the author has found a positive correlation between corruption and the factor, (-) the author has found a negative correlation between corruption and the factor, (+,-) the author has found both a positive and a negative correlation between corruption and the factor, (/) the author has either found a weak correlation or no correlation at all between correlation and the factor.

In conclusion by the literature review, it emerges that the factors which result to have more correlation with lower levels of corruption are: efficiency of bureaucracy, clear and necessary set of rules and regulations, property rights, accountability of civil servants, the low discretionary power of administrators, effective controls, the appointment of officials through meritocracy, security of employment, economic freedom, freedom of press, globalization, fiscal decentralization and economic development of the state. The factors that instead show some incongruence in the literature or no correlation are public sector wages, penalties imposed on criminal acts, market and political competition, political rights and democracy, political instability, ethnic diversity, physical and political decentralization, transparency, and government size. Between the above, the ones which represent the principles of NPM are efficiency of bureaucracy, clear and necessary set of rules and regulations, property rights, accountability of civil servants, the high discretionary power of administrators, effective controls, the appointment of officials through meritocracy, fiscal decentralization, public sector wages, market and political competition, physical and political decentralization, transparency, and government size. I will use the above-listed factors for my analysis in the third chapter, unfortunately for not all of them are present enough available data to develop an empirical analysis and therefore those will be excluded.

2.3 Corruption and New Public Management

The research question of this thesis is: are the principles enhanced by NPM as a theoretical framework correlated to corruption within the public sector? In the following section, I will, through a literature review, search for any type of confirmation to my research question. The scope is to develop the hypothesis which will be the foundations for the elaboration of the quantitative analysis of the gathered data in the third chapter of this thesis. To be able to understand the relationship between NPM and corruption three issues must be clarified. First, as aforementioned, NPM is an "umbrella" term covering numerous reform strategies. This generates the necessity to distinguish between NPM as a theoretical model and the different strategies adopted by governments in the attempt to implement it in practice (Von Maravic and Rechar 2003). Second corruption is neither a practice that is intentionally applied to Public Administration, neither an event that comes by accident. The phenomenon of corruption might be defined as an "unintended consequence" of an organizational failure that leads to the engagement into corrupt behaviors (Savoie 1998). Third, since I am analyzing NPM as the theoretical model, it would be presumption

if not oversimplistic and problematic to assume that my analysis is between NPM as a cause and corruption as an effect. To try to avoid ending up in an oversimplification of the matter, my analysis is, consequently, the research for correlation, and not for causality, between the principles enhanced by this model and corruption.

This section focuses on the relationship between "administrative reforms and the potential misuse of public power for private gain" (Von Maravic and Rechar 2003). This thesis has the scope of reducing the gap between what has been theoretically assumed and the huge hole present in empirical evidence for what regards the theme of NPM and corruption. There are contrasting views on if NPM increases or reduces corruption, however, several scholars assume that NPM principles possibly influence corruption by increasing corrupt behavior in public servants and in general in the relationships of Public Administration (Von Maravic and Rechar 2003). However, it is still true that there is an obvious dissent in the literature. On one hand, NPM scholars affirm that competition, purchaser-provider split, output-control, quality measurement, transparency, increased accountability, etc. can prevent the insurgence of corruption (Osborne and Gaebler 1997). However, the criticism might appear when, in analyzing NPM, we study how the governments have attempted to implement these practices. The critic moved to NPM is that it merely concentrates on the improvement of the three "Es" (economy, efficiency, and effectiveness) without taking into account other factors. This makes NPM both entrepreneurial and forward-looking, but also an area of hazard, misinterpretation, and conflict of purpose (Von Maravic and Rechar 2003). In their paper, Von Maravic and Rechar (2003) affirm that even though there is not much empirical evidence, some documented "bad practices" have been demonstrated to derive from the way reforms are implemented. However, they also affirm that there is no direct and simple link between NPM and corruption. The assumption that NPM reforms might be the cause for corruption in a certain way exonerates the person which is conducting the corrupt behavior from the responsibility of the act. Additionally, this causality does not explain why part of public servants continues having honest behavior. They conclude that adopting the concept of "unintended consequences" in the analysis of the relationship between NPM and corruption might be the way to reach an unbiased perspective and that as Hood (2000) shows, most of the different types of organizational reforms all present their own Achilles' heel. Savoie (1998) states that "whenever an institution makes a transition away from traditional rules, regulations, and processes, there will invariably be uncertainty and some dislocation. Far-reaching and lasting change can never be introduced without upsetting the status quo". Hence, whenever there is a change in an institution

this will always be in a vulnerable place where corrupt behavior could erupt, however it is well known that innovative policies which have been designed to solve a problem might have unwanted effects that often can result in non-functioning of Public Administration (Hood 2000).

Von Maravic and Rechard (2003) affirm that there are five types of possible "unwanted consequences" derived from NPM practices. The first is that NPM reforms might lead the supervisor, that in this case would take the role of the manager, to change its job to its convenience, transforming what would be a public affair into a private-market transaction and use public property as its own (Hood 2000). The second risk is that public servants might feel a sense of alienation derived from the insecurity that derives from the performance evaluation which leads to the change in pay, ways of promotion, and circumspection of officials (Self 1993). This feeling is also a consequence of the fact that with the traditional model the job inside Public Administration was a safe job that granted stability and endlessness. Feeling betrayed by the system the public servant could become disloyal and adopt corrupt behavior to ensure itself the difference in benefits that derive from the reforms. The third possible consequence is that giving more discretionary power to the managers could lead to the result that the personnel is not sufficiently prepared for the assigned task, and in a situation where the supervisors are not well-prepared complex market situations might be the flourishing ground for corrupt behavior. The fourth is more the case of the creation of an opportunity for corruption, in fact since "corruption flourishes [...] where the government and private firms have a commercial contractual relationship" (Meny 2000), and NPM breaks down the public monopoly into smaller units here the opportunities for corruption are more frequent. Lastly, the fifth possibility for corruption is when there is inadequate control in a context that has been decentralized. In this case, the corrupt behavior can appear if the relationship between decentralization and its control mechanisms are inefficient which can happen either if there is insufficient control, not enough knowledge of the control mechanism, or increase in specialization and therefore not enough knowledge of the functioning of the procedures (Von Maravic and Rechard 2003). For Tambulasi (2009) the main problem with NPM is the belief that this innovative model will necessarily work. Generally, NPM reforms have been sold as both necessary and successful, and when analyzing the results, it was affirmed that the improvement from the previous model was tangible (Pollit and Bouckaert 2011). However, often, "effects and implications of NPM are often assumed or promised but not well documented" (Christensen and Laegreid 2004). There is Therefore the hypothesis that those who have conceived NPM were so confident in the value of their model that they have decided to not empirically evaluate the results. Very ironic as a situation

since one of the main points of the NPM paradigm is the evaluation of performance (Pollit and Bouckaert 2011). One of the main issues that derive from this lack of empirical studies is the lack of understanding of the extent to which NPM has been successful or made damages. The complication appears when looking at the "unwanted consequences". One of the results was that when NPM was introduced in developing countries (to enhance accountability, transparency, and good governance) many elements suggested that these practices were a flourishing ground for corruption.

It is often affirmed that NPM is not the direct cause for corruption, it just creates the situations in which corruption might grow. Tambulasi (2009) has gathered some scholars' opinions on the subject. Von Maravic and Rechard (2003) affirm that not everyone if has the opportunity, will assume corrupt behavior, but if you create the opportunity for corruption some people will. Haque affirms that "increased managerial autonomy in public governance may expand the avenues for using public office for private gains; that decentralized budgeting poses a challenge to financial accountability; and that the business of public service may have increased the abuse of official power" (Haque 2000). Additionally, NPM is said to have some implications for corruption. The first is that the flexibility of the networks expanded due to decentralization makes it difficult to maintain accountability and control. Second, with NPM, the line that divides state actors from private actors becomes blurred. Tambulasi (2009), as the other scholars that believe that NPM leads to corruption, affirms that the increase in state-private relationships due to decentralization and contracting out creates the perfect situations for powerful private actors to try to penetrate the state so to be able to get privileged access to government contracts. In conclusion, we can first affirm that the debate on the NPM-corruption relationship is a biased one. It is dominated by distinct views and all of them focus on themes such as ethics, the war between bureaucratic and managerial values, and on which are the best solutions to achieve the best codes of conduct (Von Maravic 2007). The result is the presence of two separate opinions on the subject. The scholars that enhance NPM affirm that a more effective, output-driven, decentralized, competitive, and accountable Public Administration would lead to better functioning of the whole system, and therefore through digitalization, transparency, and performance evaluation also corruption will be reduced. On the other hand, we have those who believe that NPM has a series of unintended consequences such as the decline in ethics infrastructure, alienation of personnel, rent-seeking behavior due to increase in market contracts, and less control due to decentralization and fragmentation which leads to development of situations where there is an easy opportunity for corruption.

RESEARCH FOR CORRELATION

3.1 New Public Management in EU Members States

I have decided to develop my analysis on the 27 Member States of the European Union. There are three main reasons why I have decided to do so. The first reason is that all the MSs of the EU are developed countries. The second reason is that, despite the similarities they share due to territory, the unavoidable common history, and the common values associated with democracy, they show clear differences in their national cultures and as consequences in their administrative structure. The third reason is that even though the European Union has no specific competencies for what regards the administrative sphere of each state it has an indirect impact on their administrative practices through "the administrative standards set in the *acquis*, the transfer of best practices with EU financial instruments, the promotion of management practices of its institutions, etc." (Hammerschmid *et al.* 2018).

As aforementioned, the wave of public management reforms started around the '50s but only later at the end of the '70s the NPM model started to be introduced, the introduction began in the Anglophone countries, and then some others have followed. Here there is the need to clarify that NPM practices have not been implemented at the same time either in the same way in every European Union Member States, this is due to different reasons. The first would be the national culture that characterized the state (at the administrative, governmental, and type of state-level), the second the economic development, and the third not least important is that both the European Union as a project and its Member States have changed over time.

Speaking about the first reason, a geographical and cultural division is needed, this will not be considered in the empirical analysis, but I believe it is necessary to understand how these countries have introduced NPM and to what extent these reforms have rooted into the country's administrative history. Additionally, this clustering could be taken into consideration for future research on the subject, and potentially be used as a control variable for the analysis of the correlation between NPM principles and corruption.

Table 7. Clustering of the EU.

Division	Countries
<i>Anglophone European Countries</i>	Ireland, United Kingdom ² .
<i>Germanic Countries</i>	Austria, Germany, Netherlands.
<i>Nordic Countries</i>	Denmark, Finland, Sweden.
<i>Southern European</i>	France, Greece, Italy, Portugal, Spain.
<i>CEE Countries</i>	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia Slovak Republic.
<i>Not located in this Division</i> ³	Belgium, Cyprus, Luxemburg, Malta.

(Source of information, Ongaro *et al.* 2018)

3.1.1 Anglophone European Countries

The anglophone countries in Europe are the UK and Ireland. The UK will not be analyzed in the empirical study because of Brexit, however, I believe it fundamental to speak about their process of introduction to NPM, since they have been the first country in Europe to implement, at the time, this new model of public management. The peculiarity of the Anglophone Countries is that they were a united state up until 1922, the date of the independence of Ireland from the United Kingdom. Even though after the independence the two countries have developed their systems of Public Administration, we can still observe many similarities. The first is the use of common-law in both states, the second would be the establishment of a civil service system developed during the 19th century, and the third a country-based local government. However, despite Ireland's independence, the United Kingdom has always been the pioneer in the implementation of reforms such as NPM, marketization, and modernization (Pollitt and Bouckaert 2011).

The first premise is that the UK was, at least since the 19th century, oriented towards the private sector, and consequentially the private sector in the UK has always been very strong. The shift towards a new way of managing Public Administration has started after the second world war, but here the turning point came before. In the 1970s the oil crisis, economic problems, and

² The United Kingdom is in the charter for historical reasons but will not be analyzed in the data section.

³ The reason why the above is not present is that none of them fits completely any of the historical and geographical characteristics.

industrial disputes led to a shift to conservative governments starting with the one of Margaret Thatcher. As said in the first chapter She was the first to implement any kind of reform that resembled NPM practices (Ongaro *et al.* 2018). The reason why this happened first in the UK was the strong connection to the private sector, and, differently from the USA, the United Kingdom does not have a written constitution and the peculiar powers of the Crown allowed a reconstruction of the main elements of the public sector without the need to appeal to legal precedents (Massey and Pyper 2005). In Ireland instead, it was not until the '90s that NPM reforms appeared on the agenda, and it was not up until the crisis in 2007 that a deep reform process started. Between 2007 and 2010 Ireland has suffered a drop of 11% of GDP and a rise in unemployment from 4.6 % to 13.5% (Boyle 2014), this has led to a need for lower expenses that have resulted in a reduction of civil servants and a stronger implementation of NPM practices (Ongaro *et al.* 2018).

3.1.2 Germanic Countries

The Germanic Countries are characterized by a consociational, consensual, multi-party, and corporatist tradition (Painter and Peters 2010). These countries also share the *Rechtsstaat* tradition which reflects Weber's traditional model of bureaucracy. Therefore, when the advent of NPM came, due to their strong belief in Weber's model, the Germanic Countries were not the first to start implement it, and even when they started none of them pursued the reforms to the same extent of the Anglophone Countries.

The first to try to adopt the new system were the Netherlands, later followed by Austria. Germany was the last, the reason could be that Germany had already the tradition of inter-organizational principles, such as decentralization and subsidiarity, that somewhat postponed the implementation process of NPM reforms. But eventually due to the high costs of German Unification NPM practices were introduced thanks to their cost-cutting characteristics (Kuhlmann and Wollmann 2014). The Netherlands implemented the reforms in the early '80s with the delegation of some public task and competencies to more-business like public bodies, that although were assigned the mandate remained part of the public sector. In fact, the Netherlands never followed the strong process of marketization that instead was done in the UK (Ongaro *et al.* 2018). In Austria they started to be implemented in the '80s, right now the sub-national level is the one that has been reformed the most, as opposed to the federal level that was instead less touched. Germany has introduced NPM in a bottom-up sort of way by starting from the municipalities and only later reaching the federal level (Jann 2003).

3.1.3 The Nordic Countries

If we had to position Public Administration of the Nordic Countries it would find itself in a midway between the Anglophone tradition and the Continental European systems, shifting more towards the latter rather than the first. The main difference with the Germanic Countries is that the Nordic Countries' system is less codified. Despite this lighter codification, Sweden, Finland, and Denmark still present the emphasis on the strong state based on legality, legal security, and collective action. These countries come from a Keynesian economic background which puts at the center the government without any pressure on a balance on the annual budget. Since the system was highly institutionalized and cutting public expenditure was difficult, the introduction of an innovative management system seemed almost impossible. The premises are not the best, but the result was unexpected. In fact, given the strong belief in legality, you would have expected that the implementation of an NPM reform would be slower (Ongaro et al. 2018).

In Finland and Sweden, the implementation of NPM practices began after the early 1990s financial crisis. At this point the wave of reforms started, moving to more results and output-oriented objectives, a more managerial way of governing, and other concepts inspired by NPM such as the delegation of the delivery of public services to privately owned entities. Instead, in Denmark, the situation was slightly different due to a crisis period. In the '70s Denmark had already started reforming its system. The result was that the reform was based on the central-local authorities' relationship and that since marketization was not seen positively the NPM reforms were used only where necessary to help reduce costs in local administrations (Pedersen and Löfgren 2012). Thus, despite the Scandinavian countries have a very similar background we can see some differences in the path they have followed to implement NPM reforms. Sweden is the one that has absorbed the most NPM, this result is given by the mixture of a rational tradition of policy-making, combined with a weakening of the corporatist structure, and topped by the financial crisis of the '90s (Christensen et al. 2002). In Finland the situation was similar, and it was strengthened by the presence of a strong class of senior civil servants which was able to do a process of dichotomy between the ideological and neo-liberal elements of NPM and its more organizational and managerial aspects, which reduced by a big amount the possible critics to this new model, additionally, the collapse of the Soviet Union around 1990 had an impact on Finnish economy (Temmes 1998). In Denmark, instead, we had a strong pre-NPM set of reforms that although due to the need to reduce expenditure opened the way to the NPM implementation.

“Looking at these reform strategies comparatively, it would appear as if more extensive reform requires some external shock to upset the path dependency of Public Administration. Rechtsstaat systems such as the Scandinavian countries are less amenable to incrementally introducing NPM, though pilot projects have occurred, and blended approaches have found their way.”

Ongaro *et al.* (2018)

3.1.4 Southern European

The five Southern European countries are clustered under a common Napoleonic administrative tradition (Ongaro et al. 2018). However, this common ground could be partially debatable because, even though many similarities are present, the history of each country's administration development is peculiar and partially different. The principal commonality that permits us to unite these countries under the same cluster is that, during the period in which NPM was introduced in most European countries, these countries were characterized by what Rugge defines as “the intransigent context”, it is composed of a “cohesive, consistent, and homogeneous elements that no exogenous pattern or institution modeled in a foreign context can ever intrude into” (Rugge 2013). Hence, these countries were characterized by this uptightness towards change, this does not mean the NPM did not influence these administrations, it just means that despite the introduction of some reforms, the administrations continued to do some resistance. The result was that the NPM reforms found their way in these administrations but always adapted and manipulated so to fit local constituencies and internal administrative logistics (Ongaro et al. 2018).

In France, this introduction occurred pretty late between 2001 and 2006 with the introduction of LOLF (Loi organique relative aux lois de finance) which aimed at the introduction of Management Objectives to reform the central budgeting process (Ongaro et al. 2018). Only at that point, NPM reforms seemed to cross France's administrative boundaries, even though always with a strict selection and never reaching the top levels of the politics-administration interface (Bezes 2009). In Italy, instead, these types of reforms came out in the '90s, the main reason is due to the case of Tangentopoli in 1992, which gave a shake to Public Administration showing the need to reform a deeply corrupted system. Although, even though this initial movement, Italy is still a culturally decentralized country. Hence, during the years we can notice some steps back on these types of reforms and we can also notice a division between the northern regions which have a more

managerialist imprint, and the center and the south that, despite the introduction of reforms still give the precedence to the principles of shared welfare. Also in Greece, Portugal, and Spain at some point, NPM reforms were able to intrude, but the issue was always the compatibility of the reforms with the administrative context versus the globally hegemonic NPM ideas (Ongaro et al. 2018).

A boost to the introduction of NPM reforms was given by the wave of Europeanization, that characterizes the last twenty years of the 20th century. The reason was “partly [due to] the impact the EU has had on public policy in these countries (e.g. the structural funds-driven policies of regional development and social cohesion), and partly due to the phenomenon of the massive emigration of scholars from the southern countries to northern European universities” (Ongaro et al. 2018). The last and final wave of introduction derived from the formalization of the Lisbon treaty in 2007 and the concomitance with the financial and economic crisis of 2008 which obliged Italy, Greece, Spain, and Portugal, to reform their systems to cut costs.

3.1.5 CEE Countries

The reason why the CEE countries are grouped is that all of them share the commonality of once being part of the Soviet Union, although it is fundamental to remember that, despite the communist shared legacy, each of them has different state traditions, history, culture, and politico-administrative systems. These states within the Soviet Union were structured as follows: “centralist and authoritarian government, one-party dominance, virtually no local government, and provision of public services through a centralist apparatus characterized by bureaucracy, red tape, and patronage” (Ongaro et al. 2018). Historically speaking, some reforms to the public system started to be enforced from the mid-1980s, but it was only after the fall of the Berlin wall that the countries were able to follow their path of reforms detached from the rule of Russia (Ongaro et al. 2018). These newly reforming states had to undertake several changes. The first was the necessity of creating a parliamentary democratic system. The second was the transition from a closed economy to a market economy ruled by capitalism.

The transition to individual states starts in the '90s and each country took its direction. Some of them returned to the previous traditions, therefore, re-establishing old local governments and old public sector offices. Instead, others took the communist period as something to undo and therefore started to design a whole new state. Notwithstanding, the shared common point in all CEE Countries was the willingness to join the European Union, and this particular feature is the

one that gave NPM a laissez-passer into CEE's Public Administrations (Meyer-Sahling 2009). The requests to enter the EU were many and most of them took inspiration from the NPM practices. At this point, CEE countries started to implement the reforms at a very high pace but without taking into consideration all the consequences and problematics that such reforms would have, starting from the scarcity of administrative capacity, the complexity in the regulation of a new market, to the lack of ministries and competent staff (Drechsler and Randma-Liiv 2015). The outcome was that these reforms have taken place mostly at the practical level but have not penetrated the culture, this results in behaviors such as patronage, lack of knowledge of the people that have the task of delivering services and as an unfortunate consequence, you can notice increased levels of corruption.

3.1.6 The other countries

Belgium, Cyprus, Luxemburg, and Malta have not been inserted in one of the above categories because each one of them does not fit perfectly one of the categorizations. For what regards Belgium and Luxembourg neither fall within one of the above categorizations because due to their geographical position and their characteristic history they share traits of both the Germanic administrative tradition and the Napoleonic one. Both countries split from the Netherlands after the Belgian Revolution in 1839 with the signature of the Treaty of London, Belgium was granted independence and neutrality, instead, Luxemburg established its formal independence in 1867 after the Luxemburg Crisis. Like the other central European countries also Belgium and Luxemburg were hit by the oil crisis of the '70s which led to a subsequent set of reforms from the 90's ongoing, which are conductible to the NPM model. For what regards Malta and Cyprus the condition is a bit more complicated. Malta has been a de facto colony of the United Kingdom up until the 1970s and Cyprus up until the 1960's even though the internal conflicts and divisions went on up until 2002. The fact that these two countries have obtained independence a few decades ago makes it difficult to position in time reforms to Public Administration, for sure to enter the European Union in 2004 both countries were obliged to reach some public management standards and between those also implement NPM reforms.

3.2 Data Analysis

3.2.1 Methodology

The scope of this thesis is to address the issue of corruption within Public Administration. I believe that corruption has disruptive effects on the work of Public Administration and as consequence on society. NPM was initially applied to the public sector so to be able to enhance efficiency and reduce costs. My analysis aims at understanding if its principles, applied to Public Administrations, are correlated to corruption. As aforementioned, the EU MSs are together a homogeneous sample, due to their membership in the union, but at the same time show different characteristics, due to their different historical backgrounds. For the above-mentioned reasons, I have decided to use as the population of analysis the twenty-seven EU MSs. My unit of analysis will be at the macro level since my variables are represented by indicators at the state level. I will use a longitudinal temporal framework between 2007 and 2010 where the indicators are available, the choice of this parameter is motivated by the need to understand the variables over a longer period. I have chosen 2007 as the initial year because is the year of the accomplishment of the fifth enlargement of the EU-27, which signed the inclusion of the CEE countries in the EU. Please note that not all indicators are present for all years.

I will use a panel data analysis to analyze my two-dimensional panel data, cross-sectional (between countries) and longitudinal (between years). It will be used to firstly develop a descriptive statistic of my variable's indicators and later to find the correlation coefficients between the corruption and the NPM principles indicators. The calculations have been conducted on Stata software.

Research Question: Are the principles enhanced by NPM as a theoretical framework correlated to corruption within the public sector?

Hypothesis 1: NPM principles are correlated to corruption.

Hypothesis 2: The correlation between NPM principles and corruption is negative.

For the first hypothesis of this thesis, I have found affirmation in the literature that NPM practices are correlated to corruption. From this affirmation derives the second hypothesis i.e., NPM practices and corruption are negatively correlated. Scholars that believe in the implementation of

NPM also believe that this system will increase the efficiency of Public Administration, and a more efficient Public Administration shall have lower levels of corruption.

The analysis looks for a correlation between corruption and NPM principles. The first variable of my analysis is “corruption within the public sector”, to represent this variable I have used two indexes developed by The World Bank and Transparency International. The first is the Control of Corruption Indicator, which ranges between -2.5 and 2.5, where -2.5 is weak control of corruption and 2.5 is strong control of corruption. The World Bank defines it in the following way: “The index for Control of Corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests” (The Global Economy 2021). The second is the Corruption Perceptions Index, which ranges between 0 and 100, where 0 indicates higher levels of perceived corruption and 100 lower levels of perceived corruption. Transparency International describes it as follows: “The Corruption Perceptions Index is an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. The indicator values are determined by using information from surveys and assessments of corruption, collected by a variety of reputable institutions”. The two indexes are fairly similar, but I have decided to use them both to be able to confirm my results.

The second analyzed variable is “principles enhanced by NPM”. To obtain the indexes for their representation I have taken into consideration the principles listed in Table 5. Components of New Public Management 2 (Oehler-Sincai 2008). The first indicator is the Size of Government (Fraser Institute) it ranges between 0 and 10, “where 0 corresponds to large general government consumption, large transfer sector, many government enterprises, and high marginal tax rates and low-income thresholds, and 10 to small general government consumption, small transfer sector, few government enterprises, and low marginal tax rates and high-income thresholds. The index consists of the following indicators: General government consumption spending as a percentage of total consumption, Transfers and subsidies as a percentage of GDP, Government enterprises and investment as a percentage of total investment, Top marginal tax rate” (Teorell et al. 2021). This index is used to represent the principle of downsizing public sector organization by Polidano et al. (1999). The second indicator is the Voice and accountability index (The World Bank) it ranges between -2,5 and 2.5, where -2.5 represents weak voice and accountability and 2.5 represents strong voice and accountability. It has been defined by The World Bank as it follows: “The index for Voice and Accountability captures perceptions of the extent to which the citizens can participate

in selecting their government, as well as freedom of expression, freedom of association, and a free media” (The Global Economy 2021). This index is used to represent the principle described by Shah (2005) of “fostering a dialogue with civil society” by building open government and by creating governance that is centered on citizens, i.e. accountability, openness, and transparency (Oehler-Sincai 2008). The third indicator is the Regulatory quality index (The World Bank), which ranges between -2,5 and 2.5, where -2.5 represents weak regulatory quality and 2.5 represents strong regulatory quality. The World Bank describes it as follows: “the index of Regulatory Quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development” (The Global Economy 2021). This indicator is in the representation of the principles of privatization and corporatization (Polidano et al. 1999). The fourth indicator is Competitiveness (World Economic Forum), which ranges between 0 and 100, where 0 indicates worst competitiveness and 100 best competitiveness. The World Economic Forum describes it as follows: “The Global Competitiveness index is composed of 12 pillars of competitiveness: Institutions, Infrastructure, ICT adoption, macroeconomic stability, Health, Skills, Product market, Labor market, Financial system, market size, Business, dynamism, and Innovation capability” (The Global Economy 2021). This indicator is in the representation of the principle of competition (Hood 1991, Dunleavy 2005). The fifth indicator is Economic Freedom (Heritage Foundation), which ranges between 0 and 100, where 0 indicates minimum economic freedom and 100 maximum economic freedom. The Heritage Foundation describes it as follows: “the overall index of economic freedom has ten components grouped into four broad categories: Rule of Law; Limited Government; Regulatory Efficiency and Open Markets” (The Global Economy 2021). This indicator is in the representation of the principle of liberalization (OECD, 2005b). The last indicator is the Innovations index (Cornell University, INSEAD, and the WIPO), it ranges between 0 and 100, where 0 indicates a low level of innovation and 100 high level of innovation. “The Global Innovation Index includes two sub-indices: the Innovation Input Sub-Index and the Innovation Output Sub-Index. The first sub-index is based on five pillars: Institutions, Human capital and research, Infrastructure, Market sophistication, and Business sophistication. The second sub-index is based on two pillars: Knowledge and technology outputs and Creative outputs” (The Global Economy 2021). This indicator represents the principle of modernization and service delivery mechanism (OECD 2003). These indicators unfortunately do not describe the totality of the principles enhanced by NPM, mainly due to the scarce presence

of empirical studies developed on this model. I hope this thesis will be a starting point for the development of more studies and correlated data on the subject.

Additionally, to make the analysis more complete I have decided to include as variables the factors for which the scholars have found a correlation with corruption, but which do not represent NPM principles. To obtain the indexes I have taken into consideration the factors listed in Table 6 Corruption Factors (Myint 2000, Tanzi 1998, Andvig and Fjeldstad 2001, Dimant and Tosato 2017). The first indicator is GDP per capita, Purchasing Power Parity (PPP GDP) (The World Bank), it is measured in constant 2011 US dollars and it is defined by the World bank as follows: “PPP GDP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources” (The Global Economy 2021). This indicator is used to represent the economic development factor where the highest level of PPP GDP per capita represents the highest level of economic development (Andvig and Fjeldstad 2001, Ali and Isse 2003, Aid et al. 2008, Bai et al. 2013). The second indicator is Ethnic Fractionalization (James D. Fearon), which ranges between 0 and 1, where 0 stands for perfectly homogeneous and 1 for highly fragmented. It has been defined as follows: “[ethnic fractionalization restricts] attention to groups that had at least 1 percent of the country population in the 1990s, Fearon identifies 822 ethnic and ethnoreligious groups in 160 countries. This variable reflects the probability that two randomly selected people from a given country will belong to different such groups” (Teorell et al. 2021). This indicator is used to represent the ethnic diversity factor where the highest fractionalization indicates higher diversity (Treisman 2000, Dincer 2008). Please note that this indicator is not present for Malta and Luxembourg. The third indicator is the Globalization Index (The Swiss Institute of Technology in Zurich), which ranges from 0 to 100, where 0 stands for low levels and 100 higher levels of globalization. The Swiss Institute of Technology in Zurich defines it as follows: “the overall index of globalization covers the economic, social, and political dimensions of globalization” (The Global Economy 2021). This indicator is used to represent the globalization factor (Sandholtz and Koetzle 2000, Charron 2009, Lalountas et al. 2011, Badinger and Nindl 2014). The fourth indicator is the Political rights index (The Freedom House), which ranges between 7 and 1, where 7 stands for weak levels of political rights and 1 for strong political rights.

It is defined as follows: “The Political Rights ratings from the Freedom House evaluate three categories: electoral process, political pluralism and participation, and the functioning of government” (The Global Economy 2021). This indicator is used to represent the political rights and democracy factor (Sandholtz and Koetzle 2000, Andvig and Fjeldstad 2001, Pellegrini and Gerlagh 2008, Bhattacharyya and Hodler 2015). The last indicator is the Political Stability Index (The World Bank), which ranges between -2.5 and 2.5 strong, where -2.5 stands for weak political stability and 2.5 strong political stability. The World Bank defines it as follows: “the index [...] measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism” (The Global Economy 2021). This indicator represents the political instability factor (Lederman et al. 2005, Campante et al. 2009).

3.2.2 Data Analysis

In this section, I will run the calculations for what regards the indicators above described. Table 8, Table 9, Table 10, and Table 11 provide a descriptive statistic of the indicators representing respectively the years, the indicators for corruption, the indicators for NPM principles, and the indicators for the factors correlated to corruption. The first column of the table shows on the left the indicators, on the right we find in the following order: overall which means the overall value, between which indicates the variations between the various samples, the within the variations within the sample over time. The second column lists the mean, the standard deviation from the mean, the minimums, and the maximums. The third column lists the observations: N is the number of observations, n is the number of panels, and T-bar is the average number of years under observation. All the tables are taken from the calculations by me developed on Stata software. Table 8 summarizes the variable yar.

Table 8. Descriptive Statistics Year

Variable		Mean	Std. Dev.	Min	Max	Observations
year	overall	2013.5	4.036472	2007	2020	N = 378
	between		0	2013.5	2013.5	n = 27
	within		4.036472	2007	2020	T = 14

As we can observe by the table the total number of observations is 378 which is 27 countries times 14 years for each country, the span of years is between 2007 and 2020.

Table 9 represents the indicators for corruption which are listed as follows: Control of corruption (-2.5 weak; 2.5 strong) and Corruption Perceptions Index, (0 high corruption; 100 no corruption).

Table 9. Descriptive Statistics Corruption

Variable	Mean	Std. Dev.	Min	Max	Observations
Control of corruption overall	.9846154	.7952098	-.27	2.45	N = 351
between		.7985498	-.2076923	2.305385	n = 27
within		.1286086	.4323077	1.4	T = 13
Corruption Perceptions Index overall	62.87366	15.78316	33	94	N = 372
between		15.73651	40.21429	90.85714	n = 27
within		3.548199	48.94508	70.01651	T-bar = 13.7778

For Control of corruption, the overall and the within are calculated over 351 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 13. For the Corruption perception index, the overall and the within are calculated over 372 country-year data. The between instead is calculated over the 27 countries, and the average number of years the country was observed is 13.78. For both indicators, the mean is slightly higher than the medium value of the index. The average level of Control of corruption varies between -0.27 (Bulgaria 2013) and 2.45 (Denmark 2007 and 2009), the average Corruption perception varies between 33 (Bulgaria 2011) and 94 (Finland and Denmark both 2007 and 2011) (The Global Economy 2021). Instead, the average level of Control of corruption for each country varies between -0.21 and 2.31, and the average Corruption perception for each country varies between 40.21 and 90.86. The Control of corruption within varies between 0.43 and 1.4, and the Corruption Perception within varies between 48.95 and 70.02. Another interesting observation can be made on the standard deviation from the mean for both indicators it tells us that the variation of corruption between countries is much larger, and more like the overall variation, than the one observed within countries over time. Therefore, if you were to draw two countries randomly from the data, the difference in corruption would be much higher than the difference for a country level of corruption in two randomly selected years.

Table 10 represents the indicators for the NPM principles which are listed as follows: Size of Government (0 large; 10 small), Voice and accountability index (-2.5 weak; 2.5 strong), Regulatory quality index (-2.5 weak; 2.5 strong), Competitiveness (0 worst; 100 best), Economic freedom, overall index (0 minimum; 100 maximum), and Innovations index (0 low; 100 high).

Table 10. Descriptive Statistics NPM principles

Variable	Mean	Std. Dev.	Min	Max	Observations
Sizeof~t overall	6.003691	.8870283	4.082812	7.712289	N = 324
between		.8524322	4.722162	7.386976	n = 27
within		.2914188	4.577743	7.43122	T = 12
Voicea~x overall	1.094074	.3432869	.22	1.69	N = 351
between		.3404492	.4484615	1.584615	n = 27
within		.0769038	.6556125	1.475613	T = 13
Regu~25w overall	1.17792	.4383051	.15	2.05	N = 351
between		.42912	.4815385	1.832308	n = 27
within		.1195028	.7909972	1.530997	T = 13
Compet~c overall	71.83148	6.480648	60.1	82.8	N = 54
between		6.53142	61	82.4	n = 27
within		.3797964	70.93148	72.73148	T = 2
Econom~x overall	69.01323	5.811115	53	83	N = 378
between		5.550964	57.64286	79.28571	n = 27
within		2.004589	61.72751	74.9418	T = 14
Inn~0100 overall	48.84851	7.387039	34.2	64.8	N = 268
between		7.315965	37.87	62.97	n = 27
within		1.636416	43.77851	54.3374	T-bar = 9.92593

For the Size of government, the overall and the within are calculated over 324 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 13. The mean is slightly higher than the medium value of the index. The average index for the size of government varies between 4.08 (Greece 2015) and 7.71 (Latvia 2007) (Teorell et al. 2021). Instead, the average level for the index for the size of government for each country varies between 4.72 and 7.38. The index for the size of government within varies between 4.57 and 7.43.

For the Voice and accountability index, the overall and the within are calculated over 351 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 13. The mean is higher than the medium value of the index. The average level of voice and accountability varies between 0.22 (Hungary 2019) and 1.69 (Sweden 2012) (The Global Economy 2021). Instead, the average level of the Voice and accountability index for each country varies between 0.44 and 1.58. The Voice and accountability index within varies between 0.65 and 1.47.

For the Regulatory quality index, the overall and the within are calculated over 351 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 13. The mean is higher than the medium value of the index. The average level of the Regulatory quality index varies between 0.15 (Greece 2016) and 2.05 (Netherlands 2017) (The Global Economy 2021). Instead, the average level of the Regulatory quality index for each country varies between 0.48 and 1.83. The Regulatory quality index within varies between 0.79 and 1.5.

For Competitiveness, the overall and the within are calculated over 54 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 2. The mean is higher than the medium value of the index. The average level of competitiveness varies between 60.1 (Croatia 2018) and 82.8 (Germany 2018) (The Global Economy 2021). Instead, the average level of Competitiveness for each country varies between 61 and 82.4. The Competitiveness within varies between 70.93 and 72.73.

For the Economic freedom index, the overall and the within are calculated over 378 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 14. The mean is slightly higher than the medium value of the index. The average level of the Economic freedom index varies between 53 (Greece 2016) and 83 (Netherlands 2017) (The Global Economy 2021). Instead, the average level of the Economic freedom index for each country varies between 57.64 and 79.29. The Economic freedom index within varies between 61.73 and 74.94.

For the Innovations index, the overall and the within are calculated over 268 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 9.93. The mean is slightly lower than the medium value of the index. The average level of innovations varies between 34.2 (Greece 2011) and 64.8 (Sweden 2012) (The

Global Economy 2021). Instead, the average level of the Innovations index for each country varies between 37.87 and 62.97. The Innovations index within varies between 43.78 and 54.34.

Observing the standard deviation from the mean also for the indicators of NPM principles it can be affirmed that the variation between countries is much larger, and more like the overall variation, than the one observed within countries over time. Therefore, if you were to draw two countries randomly from the data, the difference in the index value would be much higher than the difference for a country index value in two randomly selected years.

Table 11 represents the indicators for the factors correlated to corruption which are listed as follows: GDP per capita, Purchasing Power Parity (PPP GDP), Ethnic fractionalization (0 perfectly homogeneous; 1 highly fragmented), Globalization index (0 low; 100 high) Political rights index, (7 weak; 1 strong), Political stability index (-2.5 weak; 2.5 strong).

Table 11. Descriptive Statistics factors correlate to corruption.

Variable	Mean	Std. Dev.	Min	Max	Observations
GDPper~r overall	40246.44	17900.7	16636.91	115256	N = 324
between		17940.08	18880.53	110009.3	n = 27
within		3090.17	30699.05	61756.21	T = 12
Ethnic~n overall	.2512489	.1646737	.0396	.58505	N = 350
between		.1678291	.0396	.58505	n = 25
within		4.88e-17	.2512489	.2512489	T = 14
Glo~0100 overall	83.40247	4.266234	72.38	91.31	N = 324
between		4.177285	75.88917	90.2825	n = 27
within		1.159873	79.8933	87.8133	T = 12
Politi~k overall	1.171958	.41145	1	3	N = 378
between		.3286785	1	2	n = 27
within		.254925	.2433862	2.314815	T = 14
Polit~25 overall	.7470655	.3866038	-.47	1.51	N = 351
between		.3657923	-.0107692	1.399231	n = 27
within		.1422887	.2501425	1.277835	T = 13

For the PPP GDP, the overall and the within are calculated over 324 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 12. The average PPP GDP varies between 16636.91\$ (Bulgaria 2007) and 115256\$ (Luxemburg 2007) (The Global Economy 2021). Instead, the average PPP GDP for each country

varies between 18880.53\$ and 110009.3\$. The PPPGDP within-country varies between 30699.05\$ and 61756.21\$.

For Ethnic fractionalization, the overall and the within are calculated over 350 country-year data. The between instead is calculated over the 25 countries, and the average number of years a country was observed is 14. This indicator misses data for Malta and Luxemburg. The mean is close to the lower value of the index. The average Ethnic fractionalization varies between 0.04 (Italy from 2007 to 2021) and 0.58 (Latvia from 2007 to 2021) (Teorell et al. 2021). The average level of Ethnic fractionalization for each country is the same as the overall one. The Ethnic fractionalization within-country is 0.25.

For the Globalization index, the overall and the within are calculated over 324 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 12. The mean is close to the higher value of the index. The average globalization varies between 72.38 (Latvia 2009) and 91.31 (Netherlands 2015) (The Global Economy 2021). The average level of globalization for each country varies between 75.89 and 90.28. The Globalization index within-country varies between 79.89 and 87.81.

For the Political rights index, the overall and the within are calculated over 378 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 14. The mean is close to the higher value of the index. The average of the Political rights index varies between 1 and 3 (all the countries are rated between 1 and 2 only Hungary has been assigned a 3 between 2016 and 2020) (The Global Economy 2021). The average level of political rights for each country varies between 1 and 2.

For the Political stability index, the overall and the within are calculated over 324 country-year data. The between instead is calculated over the 27 countries, and the average number of years a country was observed is 12. The mean is slightly higher than the medium value of the index. The average Political stability index varies between -0.47 (Spain 2009) and 1.51 (Belgium 2018) (The Global Economy 2021). The average level of political stability for each country varies between -0.01 and 1.4. The Political stability index within-country varies between 0.25 and 1.28. Observing the standard deviation, it can be affirmed that the variation between countries is much larger, and more like the overall variation, than the one observed within countries over time.

Table 12 shows the correlation coefficients of the indicators of corruption with the indicators for the NPM principles. On the first row are listed respectively the indicators as follows: Control of corruption (-2.5 weak; 2.5 strong) and Corruption Perceptions Index, (0 high corruption;

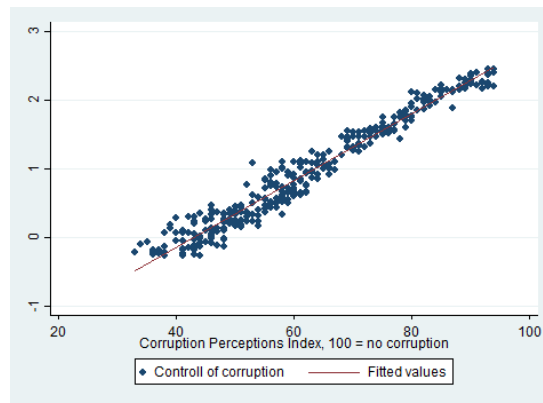
100 no corruption), Size of Government (0 large; 10 small), Voice and accountability index (-2.5 weak; 2.5 strong), Regulatory quality index (-2.5 weak; 2.5 strong), Competitiveness (0 worst; 100 best), Economic freedom, overall index (0 minimum; 100 maximum), and Innovations index (0 low; 100 high). For the first column, the order is the same. I have chosen to use the correlation coefficient for the analysis of the correlation because it is a standardized easily comprehensible measure. “The correlation coefficient is a statistical measure of the strength of the relationship between the relative movements of two variables. [It is standardized according to Pearson’s R measure and] the values range between -1.0 and 1.0. [...] A correlation of -1.0 shows a perfect negative correlation, while a correlation of 1.0 shows a perfect positive correlation. A correlation of 0.0 shows no linear relationship between the movement of the two variables” (Investopedia 2021). Please note that the table is taken from the calculations by me developed on Stata software and that for the calculation I have used the Stata command “pwwcorr, print (.10)” hence, here are listed only correlation coefficients significant at the 10% level or better.

Table 12. Analysis of Correlation between corruption and NPM principles⁴.

	Contro~n	Corru~10	Sizeof~t	Voicea~x	Regu~25w	Compet~c	Econom~x
Controllof~n	1.0000						
Corruptio~10	0.9787	1.0000					
SizeofGove~t	-0.5521	-0.5418	1.0000				
Voiceandac~x	0.9239	0.8921	-0.5027	1.0000			
Regulato~25w	0.8945	0.8689	-0.3037	0.8823	1.0000		
Competitiv~c	0.9148	0.9213	-0.5050	0.8677	0.8821	1.0000	
Economicfr~x	0.6737	0.6746	-0.0028	0.6192	0.8259	0.5723	1.0000
Innovat~0100	0.8977	0.8795	-0.4536	0.8659	0.8853	0.9224	0.6359

In this matrix, we find eight relationships. In these results, the first row of each column shows us that the correlation between the same variable (i.e. Control of Corruption – Control of Corruption) is equal to 1, predictable results but that indicates that there are no mistakes in the running of the data. The correlation between the two indicators for corruption is 0.98 which indicates that there is a strong positive correlation between the two indicators.

⁴ The relationship between Innovations index and Innovations index (correlation coefficient = 1) is not shown due to graphic reasons, and it is irrelevant to the current analysis.

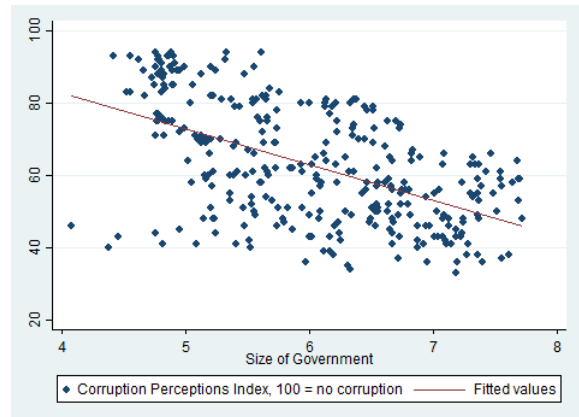
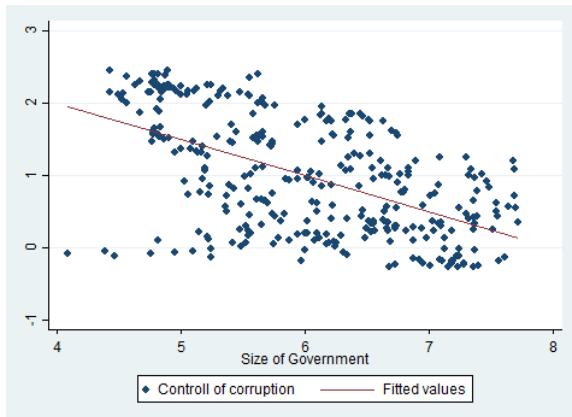


Picture 1. Linear relationship Control of Corruption - Corruption perception index.

The correlation between Control of corruption and Size of Government is -0.55 , and for Corruption perception and Size of Government is -0.54 , which indicates that there is a moderate negative relationship between the two variables. This indicates that if the size of government is smaller the levels of corruption will be higher, and vice versa. Additionally, we can notice that the correlation between the size of government and the other indicators of NPM principles is between moderate and weak and it is always negative.

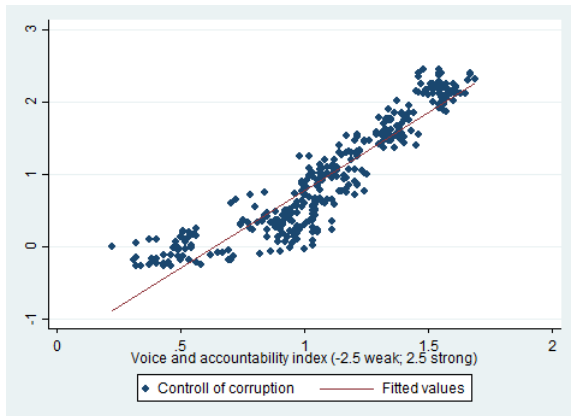
Picture 2. Linear relationship Control of Corruption -Size of Government.

Picture 3. Linear relationship Corruption perception index-Size of government.

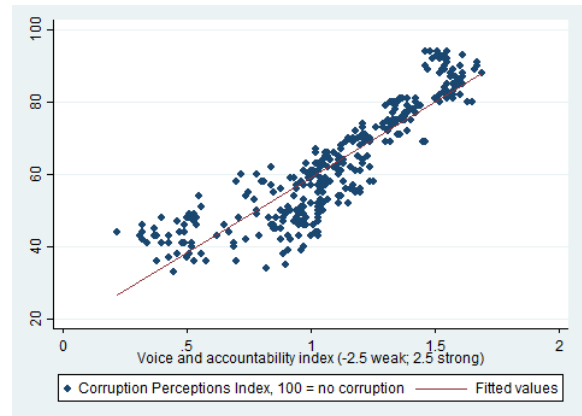


The correlation between Control of corruption and Voice and accountability index is 0.92 , and for Corruption perception and Voice and accountability index is 0.89 , which indicates that there is a strong positive relationship between the two variables. This indicates that if the voice and accountability are higher the levels of corruption will be lower, and vice versa. Additionally, we can notice that voice and accountability have a strong positive relationship with regulatory quality,

competitiveness, and innovations; a moderate positive relationship with economic freedom; and a moderate negative relationship with the size of government.



Picture 4. Linear relationship Control of Corruption-Voice and accountability index.

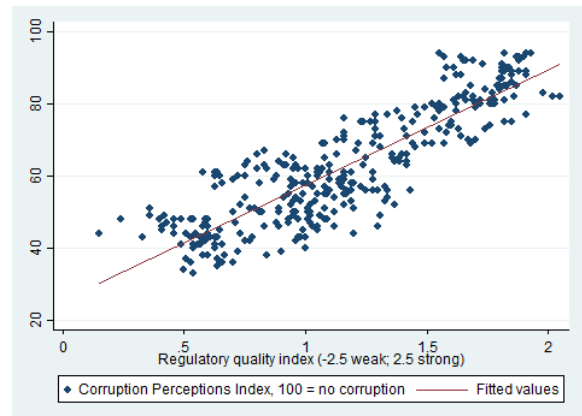
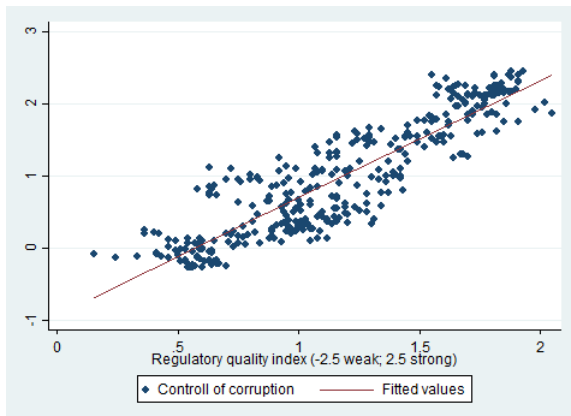


Picture 5. Linear relationship Corruption perception index- Voice and accountability index.

The correlation between Control of corruption and Regulatory quality index is 0.89, and for Corruption perception and Regulatory quality index is 0.87, which indicates that there is a strong positive relationship between the two variables. This indicates that if the regulatory quality is higher the levels of corruption will be lower, and vice versa. Additionally, we can notice that regulatory quality has a strong positive relationship with voice and accountability, competitiveness, economic freedom, and innovation; and a weak negative relationship with size of government.

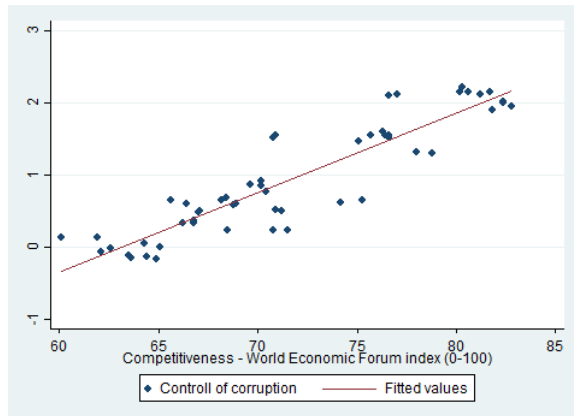
Picture 6. Linear relationship Control of Corruption-Regulatory quality index.

Picture 7. Linear relationship Corruption perception index- Regulatory quality index.

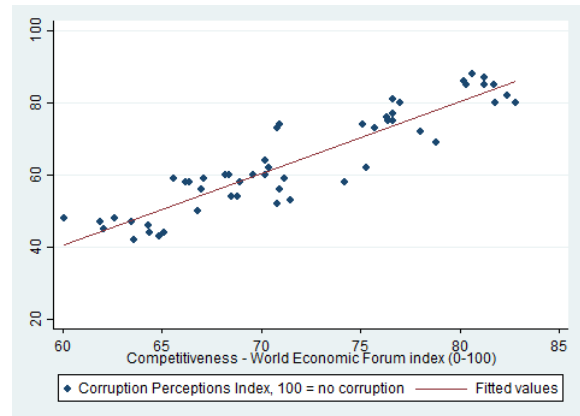


The correlation between Control of corruption and Competitiveness is 0.91, and for Corruption perception and Competitiveness is 0.92, which indicates that there is a strong positive relationship between the two variables. This indicates that if the competitiveness is higher the levels

of corruption will be lower, and vice versa. Additionally, we can notice that competitiveness has a strong positive relationship with regulatory quality, voice, and accountability, and innovations; a moderate positive relationship with economic freedom; and a moderate negative relationship with the size of government.



Picture 8. Linear relationship Control of Corruption -Competitiveness.

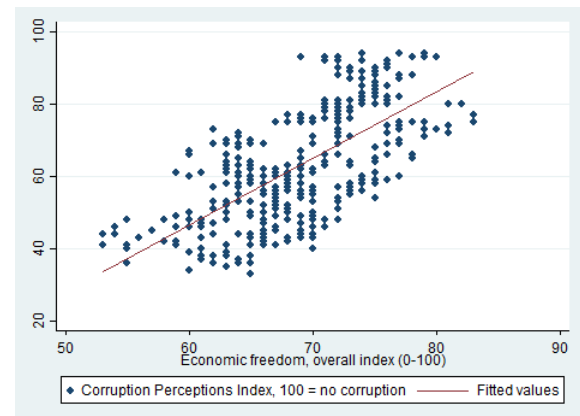
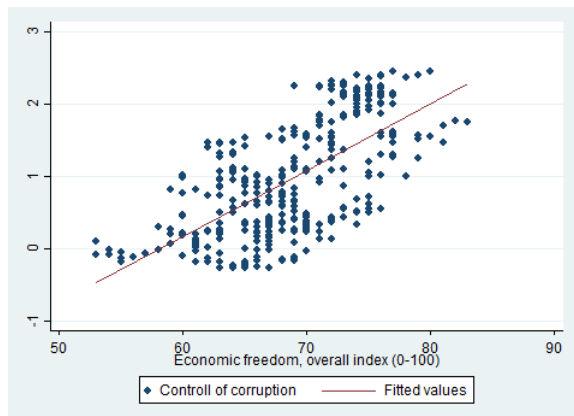


Picture 9. Linear relationship Corruption perception index-Competitiveness.

The correlation between Control of corruption and Economic freedom index is 0.91, and for Corruption perception and Economic freedom, the index is 0.92, which indicates that there is a strong positive relationship between the two variables. This indicates that if economic freedom is higher the levels of corruption will be lower, and vice versa. Additionally, we can notice that economic freedom has a moderate positive relationship with competitiveness, voice and accountability, and innovations; a strong positive relationship with regulatory quality; and a low negative relationship with the size of government.

Picture 10. Linear relationship Control of Corruption -Economic Freedom Index.

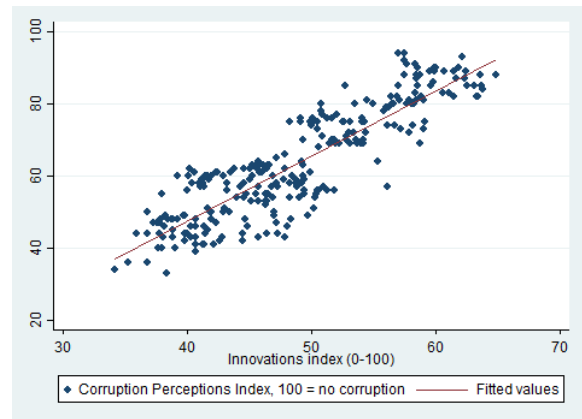
Picture 11. Linear relationship Corruption perception index - Economic Freedom Index.



The correlation between Control of corruption and Innovations Index is 0.90, and for Corruption perception and Innovations Index is 0.88, which indicates that there is a strong positive relationship between the two variables. This indicates that if the level of innovations is higher the levels of corruption will be lower, and vice versa. Additionally, we can notice that the Innovation Index has a strong positive relationship with regulatory quality, voice, and accountability, and competitiveness; a moderate positive relationship with economic freedom; and a low negative relationship with the size of government.



Picture 11. Linear relationship Control of Corruption -Innovations Index.



Picture 12. Linear relationship Corruption perception index - Innovations Index.

Table 13 shows the correlation coefficients of the indicators for the factors correlated to corruption, in relationship to the indicators of corruption and the indicators of NPM principles. On the first row are listed respectively the indicators as follows: GDP per capita, Purchasing Power Parity (PPP GDP), Ethnic fractionalization (0 perfectly homogeneous; 1 highly fragmented), Globalization index (0 low; 100 high) Political rights index, (7 weak; 1 strong), Political stability index (-2.5 weak; 2.5 strong), Control of corruption, Corruption Perceptions Index, Size of Government, Voice and accountability index, Regulatory quality index, Competitiveness, Economic freedom, overall index, and Innovations index. The same order is followed for the first column. In this thesis I will not look for causality between the corruption and NPM principles, therefore there will not be a regression analysis. Nonetheless, I believe that for the sake of research it is important to understand if the factors which represent, in the literature, a correlation to corruption but are not NPM principles are relevant. Please note that the table is taken from the calculations by me developed on Stata software, and that for the calculation I have used the Stata

command “pworth, print (.10)” hence, here are listed only correlation coefficients significant at the 10% level or better.

Table 13. Analysis of Correlation between factors of corruption, correlation and NPM principles⁵

	GDPper~r	Ethnic~n	Glo~0100	Politi~k	Polit~25	Contro~n	Corru~10
GDPpercapi~r	1.0000						
EthnicFrac~n	-0.3041	1.0000					
Globali~0100	0.5795	-0.2618	1.0000				
Politicalr~k	-0.3528	0.0947	-0.3913	1.0000			
Political~25	0.4950	-0.2936	0.3589	-0.4300	1.0000		
Controllof~n	0.7044	-0.2162	0.7620	-0.5155	0.5627	1.0000	
Corruptio~10	0.6683	-0.1791	0.7730	-0.4844	0.5452	0.9787	1.0000
SizeofGove~t	-0.3857	0.3788	-0.6486	0.2464	-0.2866	-0.5521	-0.5418
Voiceandac~x	0.7157	-0.2559	0.7352	-0.6486	0.5901	0.9239	0.8921
Regulato~25w	0.6538	-0.1308	0.6569	-0.4856	0.5809	0.8945	0.8689
Competitiv~c	0.6267	-0.2517	0.8125	-0.4889	0.2872	0.9148	0.9213
Economicfr~x	0.5068		0.4770	-0.3038	0.4787	0.6737	0.6746
Innovat~0100	0.6714	-0.1965	0.7533	-0.4542	0.5394	0.8977	0.8795

In this matrix, we find 13 relationships. The correlation between PPP GDP and corruption indicators is a strong positive relationship. This indicates that if the level of PPP GDP is higher the levels of corruption will be lower, and vice versa. For what regards the NPM principles indicators, PPP GDP has a weak negative relationship with the size of government; a moderate positive relationship with innovation, regulatory quality, economic freedom, and competitiveness; and a strong positive relationship with voice and accountability. PPP GDP has a stronger relationship with corruption than Size of Government, an almost equal relationship with corruption than the Economic Freedom Index, and a weaker relationship with corruption than the Voice and accountability index, Regulatory quality index, Competitiveness, and Innovations index.

The correlation between Ethnic fractionalization and corruption indicators is a weak negative relationship. This indicates that if the level of Ethnic fractionalization is higher the levels of corruption will be higher, and vice versa. For what regards the NPM principles indicators, Ethnic fractionalization has a weak negative relationship with all the indicators, except for the size of government with which has a weak positive relationship. Ethnic fractionalization has a weaker relationship with corruption than all the NPM principles indicators.

⁵ The relationships between the NPM principles variable indicators are not shown due to graphic reasons, and they are irrelevant to the current analysis. If needed refer to Table 12.

The correlation between Globalization Index and corruption indicators is a strong positive relationship. This indicates that if the level of globalization is higher the levels of corruption will be lower, and vice versa. For what regards the NPM principles indicators, globalization has a moderate negative relationship with the size of government; a moderate positive relationship with regulatory quality; a strong positive relationship with innovation, voice and accountability, and competitiveness; and a weak positive relationship with economic freedom. The Globalization index has a stronger relationship with corruption than Size of Government and Economic Freedom, and a weaker relationship with corruption than the Voice and accountability index, Regulatory quality index, Competitiveness, and Innovations index.

The correlation between the Political rights index and corruption indicators is a moderate negative relationship. This indicates that if the level of political rights is higher the levels of corruption will be lower, and vice versa. For what regards the NPM principles indicators, globalization has a weak positive relationship with the size of government; a moderate negative relationship with voice and accountability; and a weak negative relationship with innovation, regulatory quality, economic freedom, and competitiveness. The political rights index has a weaker relationship with corruption than all the NPM principles indicators.

The correlation between the Political stability index and corruption indicators is a moderate positive relationship. This indicates that if the level of Ethnic fractionalization is higher the levels of corruption will be lower, and vice versa. For what regards the NPM principles indicators, political stability has a weak negative relationship with the size of government; a moderate positive relationship with voice and accountability, innovation, and regulatory quality; and a weak positive relationship with economic freedom, and competitiveness. The political stability index has a weaker relationship with corruption than all the NPM principles indicators.

3.2.3 Discussion

Considering the premise that unfortunately there are not enough data to represent all the principles on which is funded NPM, we can still discuss the results coming from the analysis of the gathered data. We can, indeed, affirm that the first hypothesis (NPM principles are correlated to corruption) is confirmed for all the indicators representing NPM principles. For what concerns the second hypothesis (the correlation between corruption and NPM principles is negative) we can see a confirmation for all indicators except the Size of Government which shows a positive correlation to levels of corruption. The NPM principles indicators which have a stronger negative

relationship with the levels of corruption are Voice and accountability index, Regulatory quality index, Competitiveness, and Innovations index. The Economic freedom index also shows a moderate negative correlation to corruption. Instead, the Size of Government is the indicator that shows the least correlation with corruption. These results are relevant to the point of view of theoretical contribution because they show that there is a need for empirical studies both on the general effects of NPM on Public Administration and the effects of NPM on corruption and vice versa. The result that five of the six indicators for NPM principles are not only correlated to corruption but are negatively correlated to corruption can be a starting point to go more in-depth in the analysis and, with both theoretical and empirical research on the subject, examine if there can be some sort of causality between the two variables. From the practical point of view, this study shows that factors like accountability, competitiveness, the presence of clear and effective policies which enhance the promotion of the private sector, innovation both technical and procedural applied to institutions and PSOs, limited role of government in the private economic sphere, regulatory efficiency, and open markets have a negative correlation with corruption. From these results, it could be suggested that, in the domain of public management, governments could implement policies that enhance these factors to later be able to understand if NPM practices have an overall positive effect on the efficiency and effectiveness of PSOs and if there is a negative causality between these factors and corruption.

Of course, if future research is developed on the subject there is the need to take into consideration also other factors that could have an effect both on Public Administration effectiveness and on corruption. For this reason, I believe to have obtained interesting results from the examination on the factors that the literature affirms to be correlated to corruption. From it emerges that the only indicators which show a strong correlation to corruption are the PPP GDP and Globalization; instead, all the others show a moderate to weak correlation with corruption. From these findings, I believe it is necessary to develop further studies to understand if these factors, that the literature defines as a possible cause of corruption, first can be considered an actual cause of corruption and second if at least they are correlated to it. Indeed, if the research will be done on the causality between NPM principles and corruption, ethnic fractionalization might not be the right indicator to be used as a control variable, since its correlation to corruption is relatively weak.

Furthermore, I believe other interesting results, not directly connected to the hypothesis, have come out during the examination of the data. From the descriptive statistics have emerged

two main events that are worth noticing. First, when looking at the between and within the standard deviation, we can observe that for almost all indicators, except for Ethnic fractionalization, the in-between standard deviation from the mean is way greater than the within standard deviation from the mean. This means that the difference in data value between the EU MSs is greater than the difference in a data value that can be observed in a single country over the years. From this observation, we could speculate that the EU MSs have not implemented many policies to affect the indicators analyzed over the last fourteen years, or if these policies have been implemented, they might have not been efficient or effective. This is just a hypothesis, but it could also be a cue for future research. Second, for most of the indicators the mean is higher than the medium value of the overall index, for example for control of corruption (-2.5 weak; 2.5 strong) the mean is 0.98, the minimum value is -0.27 and the maximum value is 2.45. Hence, the general level of Control of corruption in the EU MSs is closer to the strongest level of control rather than to the weakest. The same is present for the Corruption perception index, the Size of government, the Voice and accountability index, the Regulatory quality index, Competitiveness, the Economic freedom index, Globalization, the Political rights index, and the Political stability index.

In conclusion, a correlation between NPM principles and corruption has been found for most of the indicators, and this could be a starting point for future research on causality. Additionally, due to the low presence of empirical studies of the direct effects of NPM practices on Public Administration, I hope this thesis will be a first step towards the development of empirical studies on the subject. In the literature review of the relationship between corruption and NPM, many scholars have affirmed that NPM practices would create perfect situations for corruption and therefore increase the levels of corrupt behavior between the public servants. This analysis cannot reject this hypothesis, first because I was not able to find indicators for all the principles of NPM, second because I have not looked for causality. But I believe that from the results that came out on correlation it can at least be affirmed that in countries where there are higher levels of accountability, competitiveness, the presence of clear and effective policies which enhance the promotion of the private sector, innovation both technical and procedural applied to institutions and PSOs, limited role of government in the private economic sphere, regulatory efficiency, and open markets there are not higher levels of corruption and vice versa. This does not mean that NPM principles can be a solution for corruption but at least it means that these factors should not be the cause of it. Additionally, I am strongly convinced that the issue of corruption and management of Public Administration are strongly intertwined. Corruption is one of the major and

more eradicated problems of Public Administration. Thus, the first finding of the causes of corruption, and second finding possible solutions to it, might not be only an interesting research topic, but it could also be a chance to find practical and affordable solutions to a phenomenon that is present from the dawn of society.

CONCLUSIONS

This thesis has examined the relationship between corruption and NPM, passing through an exhaustive analysis of the models that have characterized Public Administration in the last two centuries, in-depth scrutiny of NPM both as a practice and as a theoretical framework, and thorough examination of the subject of corruption. It does not come out as a surprise that all these subject matters are complex and broad. All of them can be given more interpretation. Public Administration can be seen as all the actions, all the individuals, and all the subject matters the government deals with in all the three branches that constitute the state. Or it can be seen as the body of which activities are connected to the managerial functions whose principal goal is “getting things done”. NPM is an umbrella term that comprehends a set of different enforceable reforms within Public Administrations. The definition chosen in this thesis is that NPM is an “attempt to implement management ideas from business and private sector into public services” (Haynes 2003). This model, as well, can be split into two substances. The methodological one is constituted by its practices and the ideological one which is the more abstract and theoretical trait of the paradigm. For corruption, the division is more direct corruption can be seen as “the abuse of public power for private benefit” (The World Bank) which defines it entirely and without considering any specificity. Or, instead, it can be defined in a narrower way, which is the definition that has been chosen for this thesis: “Corruption is the [public sector staff] intentional non-compliance with the arm’s-length principle aimed at deriving some advantage for oneself or related individuals from this behavior” (Tanzi 1995).

The literature review has demonstrated that, even though there is no effective analysis of the implementation of NPM practices, NPM as an ideology has influenced Public Administration through the ideas that the public sector has absorbed, such as the concept of effective, efficiency, and performance seen as output and outcome. NPM is a general concept and, as often repeated in this thesis, it would be better to consider it an umbrella term rather than the name for a precise and defined set of practices. Something similar happens with the factors that cause corruption. The

literature analyzed in this thesis provides a long list of possible factors that influence corruption, and if we would look more in depth in additional literature we would probably see that there are many more. From this observation, we can conclude that there are a lot of theories on the possible causes for corruption, but few empirical studies confirm this causality.

From two subjects (NPM and corruption) so much analyzed, and on which so much theoretical work has been done we cannot expect anything else other than conflicting opinions, and if this happens for the subjects analyzed by themselves let it alone when they are analyzed as a couple. Indeed, we can affirm that the theoretical debate on the NPM-corruption relationship is a biased one. It is dominated by distinct views, the majority of which focus on themes such as ethics, values, and codes of conduct, which result in two opposed outcomes. On the one hand, the scholars that enhance NPM affirm that a more effective, output-driven, decentralized, competitive, and accountable Public Administration would lead to better functioning of the whole system and therefore through digitalization, transparency, and performance evaluation also corruption will be reduced. On the other hand, we have those who believe that NPM has a series of unintended consequences such as the decline in ethics infrastructure, alienation of personnel, rent-seeking behavior, and less control which led to the flourishing of situations where there is an easy opportunity for corruption. Since the object of this study is so contradictory and the presence of data is scarce, the main obstacle of this thesis was to gather valuable data for the empirical analysis. Fortunately, I have found relevant data to be able to conduct a significant experiment, nonetheless with that amount of data I would have not been able to look for causality between the two variables. I, therefore, hope that this thesis will be a starting point for further research on the matter.

From the data examination, it has been concluded that a correlation between NPM principles and corruption exists and that for most of the indicators this relationship is negative. The NPM principles indicators which have a stronger negative relationship with the levels of corruption are Voice and accountability index, Regulatory quality index, Competitiveness, and Innovations index. The Economic freedom index also shows a moderate negative correlation to corruption. Instead, the Size of Government is the indicator that shows the least correlation with corruption. The result that five of the six indicators for NPM principles are not only correlated to corruption but are negatively correlated to corruption can be a starting point to go more in-depth in the analysis and, with both theoretical and empirical research on the subject, examine if there can be some sort of causality between the two variables. This analysis cannot reject the hypothesis that NPM practices create situations for the proliferation of corrupt behavior. But I believe that from the

results that came out on correlation it can at least be affirmed that in countries where there are higher levels of accountability, competitiveness, the presence of clear and effective policies which enhance the promotion of the private sector, innovation, regulatory efficiency, and open markets are not recorded higher levels of corruption and vice versa. This does not mean that NPM principles can solve the problem of corruption but at least it could be taken into consideration the option that these factors might not be its cause.

Furthermore, from the descriptive statistics have emerged two main events that are worth noticing. In the descriptive statistics for most indicators, the in-between standard deviation from the mean was way greater than the in within standard deviation from the mean. This means that the difference in data value between the EU MSs is greater than the difference in a data value that can be observed in a single country over the years. From this observation, we could speculate that the EU MSs have not implemented many policies to affect the indicators analyzed over the last fourteen years, or if these policies have been implemented, they might have not been efficient or effective. This is just a hypothesis, but it could also be a cue for future research. Second, it has been found that the mean of the indicators for all EU MSs is closer to the maximum value that there is for that indicator, and it is farther from the minimum.

To conclude, this thesis shows meaningful results that might be considered to develop further studies. I am strongly convinced that the issue of corruption is strongly interwound with public management. It should be a subject of common interest, and besides being an interesting area for theoretical study, an analysis with significant results on this matter could give a contribution to society as a whole, granting practical and affordable solutions to one of the major and more eradicated problems of Public Administration.

EXECUTIVE SUMMARY

The object of this thesis is to understand if a new model of public sector management (NPM) and the oldest disease of human society (corruption) are somewhat correlated. The first chapter includes a historical overview of the subject and practice of managing Public Administration. Like other fundamental concepts in political science, Public Administration has no universally accepted definition. In the literature review, I have decided to just analyze the subject starting from an introduction to the many definitions it has, moving to the analysis of its nature, and finally an analysis of the possible scope that can be assigned to it. The term Public Administration is divided into two particles Public and Administration. “Public” from Latin “publicus” is a blend of “poplicus” which means ‘of the people and “pubes” which means ‘adult’ (Oxford Dictionary), thus something that is in service of the people. Administration, from the Latin verb “administer”, to manage and be responsible for the running of private or public affairs (Oxford Dictionary). Hence, when we refer to Public Administration, we refer to the administration of public affairs. The term has been used in two distinct senses. The first is the wider sense for which Public Administration comprehends all the activities of a government, from the legislative, the executive, to the judicial branch. The second is the narrower sense in which as Public Administration we envisage all the activities that are exclusively connected to the executive branch. This first chapter has the scope of showing how management theory and practice have evolved, and how the theories and practices applied to the private sector have influenced the ways to manage the public one. In it is shown how the inner structure of Public Administration both in theory and in practice has moved from an emphasis on bureaucracy, hierarchical order, impersonality, unchangeable job responsibility, and strong control over the people that constitute it (traditional model of public administration); towards a more flexible type of structure with an emphasis on the objectives and not on the processes, a more horizontal order with a focus on empowerment, teamwork, and decentralization of power (NPM) (Rainey 2014). The classical theories of the Traditional Model of Public Administration are developed at the beginning of the 20th century and focus on immovable and clearly defined structures and processes, and their main objective was to run the state stably and predictably. The cornerstones of this were the ideologies of the three contemporaries Max Webber (1947), Woodrow Wilson (1887), and Fredric Taylor (1911), and at the time it was applied it was considered a broad and progressive movement of reforms. Before the ‘20s the public sphere was strongly interwound with the rulers and this led to high levels of corruption and favoritism. The

traditional model reforms had the scope of eradicating corruption and institute forms of administrations that had to be more formal (bureaus).

In the aftermath of the Second World War the public sector, together with the private one, complied with a set of rules that followed the traditional model of public administration (Gerth et Mills 1970). The turning point which led to a radical change was the economic boom that happened between the 50s and the '60s. In this period there was a higher demand for commodities, derived from the birth of a new middle class, that had the means for a new type of consumption. The new economic power of the masses generated the need for a different type of industry that could combine mass production with cost-efficiency, and the consequence was a detachment from the standardized manuals of the Weberian bureaucracy. This is the context in which the public management reforms were born. Among these reforms in the '70s, after the oil crisis, a new model developed, a model that would dominate the scenes of the public sectors for thirty years, and that has not declined yet. This model was named in various ways the most common have been "managerialism" (Pollitt 1993), "market-based Public Administration" (Lan et Rosenbloom 1992), and "new public management" coined by the scholar Christopher Hood in 1991 (Hughes 2003). The choice went for NPM. The usefulness of this name lies in its convenience as a shorthand name for the wide set of similar administrative doctrines which dominated the bureaucratic reform agenda in many of the OECD group of countries from the late 1970s. The first two exponents of the reform were Prime Minister Thatcher and President Clinton. The anglophone countries were the first to implement these types of reforms, mostly because traditionally they have always had a strong connection between the public and private sector. The NPM approach is based on the critic of bureaucracy and the traditional model of Public Administration. NPM can be defined as a two-level phenomenon. The higher level is the one in which NPM is conceived as a general theory or doctrine which defines how the public sector can be improved with the implementation of business concepts, techniques, and values. The lower level, the more practical one, is the one for which NPM is a bundle of specific concepts and practices. This thesis concentrates on the higher-level phenomenon of NPM. In the assessment of this higher level of NPM, we can affirm that the main goal was to reform an antiquated system that has been demonstrated to be ineffective and cost-inefficient. The main scope of these reforms is to increase accountability, responsibility, productivity, trust, likability, organizational functionality, and efficiency. Hence, the key objective of these reforms is to apply to the public sector a more business-like methodology so to improve the whole system. The main theorist of this new model is Christopher Hood (1991) who has

developed the 7 doctrines of NPM, and Patrick Dunleavy (2005) who defined NPM as a combination of disaggregation, competition, incentivization. In conclusion, in this first chapter, I have analyzed the two cardinal models of Public Administration. They have characterized two different periods in which there were different needs. The traditional model of Public Administration appears where there is a need for structure and order, after the industrial revolution, in a period where science was seen as the solution. It is a scientific method based on the research for the best procedure. NPM comes instead in a period of public management reforms, where the traditional model was seen as antiquated and where the business had adopted a whole new style (the managerial one) which was seen as the perfect solution to make the system more efficient and more cost-effective.

The second chapter analyses at the theoretical level the relationship between corruption and NPM. To try to understand if NPM reforms are correlated to corruption it is fundamental to understand if NPM has had an impact on society. The initial analysis developed in this chapter will be a literature review of the subject. The first difficult step is assessing the nature of NPM. The main objective of this new model was to have an impact on efficiency, effectiveness, accountability, performance, etc. Although if these objectives have been reached or not, cannot be concluded with a straightforward answer. NPM is not a well-defined or coherent set of rules, indeed it can be deemed more near to a representation of a whole set of changes that have been applied to PSOs from the '80s up until nowadays (Wegrich 2009). The reason why NPM has been defined as a set of doctrinal beliefs (Barzelay 2002), could be found in its origins. NPM was born as an ideological response to the perception that Public Administration, in western democracies, had become inefficient and dispersive, and this new model, which took inspiration from the private sector (at the time productive), was seen as the right recipe to solve any problem. In conclusion, either we see the nature of NPM in various models, that anyway does not give us any form of specificity, or we accept a very broad definition that delineates NPM as an "attempt to implement management ideas from business and private sector into public services" (Haynes 2003). I strongly believe that, for the objective of this thesis, this definition gives us a broader room for maneuver to understand which characteristics we need to focus on to complete the study. The principles of NPM are delineated both by methods and by a general ideology of how the state should look like. The work of Public Administrations has been affected by NPM and the two main objectives, efficiency, and effectiveness have been adopted in public organizations all over the world. Also, no matter the extent to which NPM reforms have affected Public Administrations, performance is nonetheless seen as output and outcome, as opposed to the older view where it was seen as input

and process (Anderson et al. 2016). Public Administrations, both in developed and developing countries, have adopted measures following the basic principles of NPM such as competition between public and private providers, incentives to public employees, and the disaggregation of public organizations (Dunleavy et al. 2005).

In the analysis of corruption, we must lay out some basic preconditions. Indeed, in this thesis corruption is examined as a negative trait of society and only in the public sector context. Corruption is present also in the private sector, but this is not relevant to the aim of the research. Similarly, to the previous analysis, corruption is another subject that has received many definitions, but differently from NPM, even though it might be difficult to describe, it is a phenomenon that when seen is easily recognizable. It is for sure a complex phenomenon, with multiple causes and effects, and being present in various and different contexts it tends to have a chameleonic character changing form and function independence to the environment. When speaking about corruption we can both refer to a structural and political problem but also a cultural and individual moral problem. Therefore, its definition tends to change in respect to which problem wants to be addressed, it is either defined analyzing its “morality” and as “misuse of public power”, or instead in a more strict and legal sense defined through the wordings of criminal law (Andvig and Fjeldstad 2001). Corruption can be seen as “the abuse of public power for private benefit” (The World Bank) which defines it entirely and without considering any specificity. Or, instead, it can be defined in a narrower way, which is the definition that has been chosen for this thesis: “Corruption is the [public sector staff] intentional non-compliance with the arm’s-length principle aimed at deriving some advantage for oneself or related individuals from this behavior” (Tanzi 1995). When speaking about the factors that are correlated to corruption, from the literature review it emerges that the factors which result to have more correlation with lower levels of corruption are: efficiency of bureaucracy, clear and necessary set of rules and regulations, property rights, accountability of civil servants, the low discretionary power of administrators, effective controls, the appointment of officials through meritocracy, security of employment, economic freedom, freedom of press, globalization, fiscal decentralization and economic development of the state. The factors that instead show some incongruence in the literature or no correlation are public sector wages, penalties imposed on criminal acts, market and political competition, political rights and democracy, political instability, ethnic diversity, physical and political decentralization, transparency, and government size. I have used some of these factors for my analysis in the third chapter unfortunately not all of them are present enough available data to develop an empirical

analysis and therefore those will be excluded. Lastly in this second chapter, I have, through a literature review, searching for any type of confirmation to my research question. The outcome was that the debate on the NPM-corruption relationship is a biased one. It is dominated by distinct views and all of them focus on themes such as ethics, the war between bureaucratic and managerial values, and on which are the best solutions to achieve the best codes of conduct (V on Maravic 2007). This results in two contradictory opinions on the subject. The scholars that enhance NPM affirm that a more effective, output-driven, decentralized, competitive, and accountable Public Administration would lead to better functioning of the whole system, and therefore, through digitalization, transparency, and performance evaluation also corruption will be reduced. On the other hand, we have those who believe that NPM has a series of unintended consequences such as the decline in ethics infrastructure, alienation of personnel, rent-seeking behavior, and less control which leads to the development of situations where there is an easy opportunity for corruption.

The third and last chapter is the analytical chapter which encloses the empirical core of this research. I have decided to develop my analysis on the 27 Member States (MSs) of the European Union (EU). The reason why I have decided to do so is that they are all developed countries, despite the similarities they show clear differences in their administrative structure which gives the chance for the development of a comparative study, and, being part of the EU, they have all been influenced by it and all must preserve some administrative standards. My unit of analysis will be at the macro level since my variables are represented by indicators at the state level. I will use a longitudinal temporal framework between 2007 and 2010 so too be able to understand the variables over a longer period, and I have chosen 2007 as the initial year because is the year of the accomplishment of the fifth enlargement of the EU-27, which signed the inclusion of the CEE countries in the EU. To analyze as complete as possible I have decided to introduce the chapter with a clustering of the EU countries, to be able to give a general background of their historical development on the subject. The division is the following: Anglophone European Countries (Ireland, United Kingdom), Germanic Countries (Austria, Germany, Netherlands), Nordic Countries (Denmark, Finland, Sweden), Southern European (France, Greece, Italy, Portugal, Spain), CEE Countries (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovak Republic), and finally not located in this historical-geographical division (Belgium, Cyprus, Luxemburg, Malta). The hypothesis of my research is: NPM principles are correlated to corruption, and the correlation between NPM principles and corruption is negative. For both hypotheses, I found both confirmation and contrasting opinions in

the literature. To obtain my results, I used panel data analysis methods to examine the data at a two-dimensional level: cross-sectional data (between countries) and longitudinal data (between years). From the examination of my data, I have found confirmation of my two hypotheses. It resulted that there is a correlation between NPM principles and corruption, and for most indicators this correlation is negative. The indicators of NPM principles that have the strongest negative correlation with the level of corruption are the influence and accountability index, the regulatory quality index, and the competitiveness and innovation index. The economic freedom index also shows a moderate negative correlation with corruption. Instead, the size of government is the indicator least correlated with corruption. I believe these results to be relevant from a theoretical point of view as they show that empirical research is needed on the impact of NPM on public administration in general and on the impact of NPM on corruption. The finding that five of the six indicators of the NPM principle are not only correlated with corruption but also negatively correlated with corruption can be used as a starting point for an in-depth analysis to examine whether there can be a causal relationship between these two variables through theoretical and empirical research on the subject. I believe that in terms of the relevant findings, it is at least possible to say that countries with higher levels of accountability, competitiveness, clear and effective policies to promote the private sector, innovation, regulatory efficiency, and open markets do not experience higher levels of corruption and vice versa. This does not mean that the NPM principle is the answer to corruption, but at least one can consider the possibility that these factors may not be the cause of corruption. In conclusion, this thesis has shown important results that can be considered in the development of further research. Corruption has been present in our society for centuries if not even longer. I believe that finding a solution to this problem should be a shared interest. However, the absence of empirical studies on the practices implemented in the public sector might be an obstacle along the way. The obstacle that with this thesis I have tried to partially diminish.

BIBLIOGRAPHY

Books

- Amundsen I. (1999), *Political Corruption: An Introduction to the Issue*, Bergen, Chr. Michelsen Institute.
- Bezes P. (2009), *Réinventer l'Etat. Les réformes de l'administration française*, Paris, Presses Universitaires de France.
- Bhuyan A. (2019), *Public Administration: Concepts and Theories*, Gauhati, Registrar.
- Clarke J., Newman J. (1997), *The Managerial State: Power, Politics and Ideology in the Remaking of Social Welfare*, London, Sage Publications Ltd.
- Dimock M. (1903), *Public Administration*, New York, Rinehart, 1st edition.
- Fry B. (1989), *Mastering public administration : from Max Weber to Dwight Waldo*, New Jersey, Chatham, 1st edition.
- Gerth H., Mills C. (1970), *From Max Weber: Essay in Sociology*, London, Routledge.
- Girling J. (1997), *Corruption, Capitalism and Democracy*, London, Routledge.
- Gulick L., Urwick L. (1937), *Notes on the theory of organization*, New York, Institute of Public Administration.
- Haynes P. (2003), *Managing complexity in the public services*, Maidenhead, Open University Press.
- Heidenheimer A., M. Johnston, LeVine V., (1989), *Political Corruption. A Handbook*, New Brunswick, Transaction Publishers.
- Hughes O., (2003) *Public Management and Administration an introduction*, New York, Palgrave Macmillan, 3rd edition
- Huntington S. (1968), *Political Order in Changing Societies*, Connecticut, Yale University Press.
- Kuhlmann S., Wollmann H. (2014), *Introduction to comparative public administration. Administrative systems and reforms in Europe*, Cheltenham, Edward Elgar.
- Lane J (2000), *New Public Management: An Introduction*, London, Routledge.
- Massey A., Pyper R. (2005), *Public management and modernization in Britain*, London, Palgrave Macmillan.
- Mooney J., Riley A. (1939), *The principles of organization*, New York, London, Harper & Brothers.
- Myrdal G. (1968), *Asian drama: An Enquiry into the Poverty of Nations*, New York, The Twentieth Century Fund.
- Osborne D., Gaebler T., (1997), *Reinventing Government – How the Entrepreneurial Spirit is Transforming the Public Sector*, New York, Auflage.
- Peter G. (2001), *The Future of Governing*, Kansas, University Press of Kansas, 2nd edition.
- Pfiffner J. (1946), *Public Administration*, New York, The Ronald Press Company.

- Pollitt C., Bouckaert G. (2011), *Public Management Reform, A comparative analysis – New Public management, Governance, and the Neo-Weberian State*, New York, Oxford University Press, 3rd edition.
- Self P. (1993), *Government by the Market: The Politics of Public Choice*, London, Macmillan.
- Shah A., (2007), *Performance Accountability and Combating Corruption*, Washington, The International Bank for Reconstruction and Development, 1st edition.
- Stillman R. (1987), *The American Bureaucracy*, Chicago, Nelson Hall.
- Tänzler D., Maras K. (2012), *The Social Construction of Corruption in Europe*, Routledge, 1st edition.

Book Chapters

- Banfield E. (1979), « Corruption as a feature of governmental organization », M. Ekpo (Ed.), *Bureaucratic Corruption in Sub-Saharan Africa: Towards a Search for Causes and Consequences*, Washington D.C., University Press of America.
- Barzelay M. (2002), « Origins of the New Public Management: An International View from Public Administration/Political Science », McLaughlin K., Osborne S.P., Ferlie E. (Eds), *New Public Management: Current Trends and Future Prospects*, London, Routledge.
- Cuervo-Cazurra A. (2014), « Corruption », Cooper C. (Ed.), *Wiley Encyclopedia of Management*, 3rd edition, Marblehead, John Wiley & Sons.
- Ekpo M. (1979), « Gift-giving and bureaucratic corruption in Nigeria », Ekpo M. (Ed.), *Bureaucratic Corruption in Sub-Saharan Africa: Toward a Search for Causes and Consequences*, Washington D.C., University Press of America.
- Enemu F. (2000), « Problems and prospects of local governance », Hyden G., Olowu D., Ogendo H. (Eds.), *African Perspectives of Governance*, Trenton, Africa World Press.
- Gregory R. (1995), «Accountability, Responsibility and Corruption: Managing The 'Public Production Process'», Boston J. (Ed), *The State Under Contract*, Boston, Bridget Williams Books.
- Hoos J., Vass L., Jenei G. (2003), « Public Administration and Public Management: Approaches and Reforms », Potucek M., Leloup L., Jenei G, Varadi L. (Eds), *Central and Eastern Europe: Theories, Methods, Practices*, NISPAcee.
- Ongaro E., van Thiel S., Massey A., Pierre J., Wollmann H. (2018) « Public Administration and Public Management Research in Europe: Traditions and Trends », Ongaro E., van Thiel S. (Eds), *The Palgrave Handbook of Public Administration and Management in Europe*, London, Palgrave Macmillan.
- Painter M., Peters G. (2010), « Administrative traditions in comparative perspective. Families, groups and hybrids », Painter M., Peters G. (Eds.), *Tradition and administration*, New York, Palgrave Macmillan.
- Rugge, F. (2013), « The intransigent context », Pollitt C. (Ed.), *Context in public policy and management: The missing link?*, Cheltenham, Edward Elgar.

- Savoie D. (1998), « Fifteen Years of Reform: What have We Learned? », Peters G., Savoie D. (Eds), *Taking Stock – Assessing Public Sector Reforms*, Montreal, McGill-Queen's University Press.
- Shah A. (2005), « On Getting the Giant to Kneel – Approaches to a Change in the Bureaucratic Culture », Shah A. (Ed), *Fiscal Management, Public Sector Governance and Accountability Series*, The World Bank, Washington D.C., The World Bank.
- Shedler K., Proeller I. (2002), « The New Public Management, A perspective from mainland Europe», McLaughlin K., Osborne S., Ferlie E. (Eds), *New Public Management*, London, Routledge.
- Sumah S. (2018), « Corruption, Causes and Consequences », Bobek V. (Ed.), *Trade and Global Market*, IntechOpen.
- Tanzi V. (1995), « Corruption: Arm's-length Relationships and Markets », Fiorentini G, Pelzman S. (Eds.), *The Economics of Organised Crime*, Cambridge, Cambridge University Press.

Working Paper

- Andvig J., Fjeldstad O. (2001), *Corruption A Review of Contemporary Research*, R2001:7, Chr. Michelsen Institute.
- Bai J., Jayachandran S., Malesky E., Olken B.A. (2013), *Does economic growth reduce corruption? Theory and evidence from Vietnam*, W19483, National Bureau of Economic Research.
- Boyle, R. (2014), *Public sector reform in Ireland*, 266887, Dublin, Institute of Public Administration.
- Çetin S., Turan E., Hamşioğlu O., (09-11 Nov. 2017), *The Phenomenon of Corruption in Public Administration* , 3rd International Congress on Political, Economic and Social Studies (ICPESS).
- Christensen T., Laegreid P. (2004), *The fragmented state: the challenges of combining efficiency, institutional norms and democracy*, WP 3-2004, Bergen: UNIFOB, AS, Stein Rokkan Centre for Social Studies.
- Dong B., Torgler B. (2011), *Democracy, property rights, income equality, and corruption*, EEM Working Paper.
- Kaufmann D., Wei S.J. (1999), *Does "grease money" speed up the wheels of commerce?*, W7093, National Bureau of Economic Research.
- Lambsdorff J. (1999a), *Corruption in international research – a review*, Transparency International Working Paper, Berlin.
- Lynn L. E., Stein S., (Nov. 2001), *Public Management*, Handbook of Public Administration, Sage Publications.
- Paldam M. (1999), *The big pattern of corruption: Economics, culture and the seesaw dynamics*, 199911, Department of Economics, University of Aarhus.
- Polidano C. (Nov. 1999), *The new public management in developing countries*, 13, University of Manchester, IDPM Public Policy and Management.

- Pope J. (Ed.) (1997), *National Integrity Systems: The TI source book*, Washington DC, TI and EDI.
- Shah A., World Bank (Jan. 2006), *Corruption and Decentralized Public Governance*, WPS3824, World Bank Policy Research Working Paper.
- Tanzi V. (1998), *Corruption around the world: Causes, Consequences Scope and Cures*, WP/98/63, International Monetary Fund.
- Van Rijckeghem C., Weder B. (1997), *Corruption and the rate of temptation: do low wages in the civil service cause corruption*, International Monetary Fund Working Paper, IMF, Washington DC.
- World Bank (2000), *Helping countries combat corruption. Progress at the World Bank since 1997*, Operational Core Services & Poverty Reduction and Economic Management Network, Washington DC, World Bank.

Scientific articles

- Acemoglu D., Verdier T. (1998) « Property rights, corruption and the allocation of talent: a general equilibrium approach », *The Economic Journal*, 108(450), pp. 1381-1403.
- Aidt T., Dutta J., Sena V. (2008), « Governance regimes, corruption and growth: theory and evidence », *Journal of Comparative Economics*, 36(2), pp. 195-220.
- Alexeev M., Song Y. (2013), « Corruption and product market competition: an empirical investigation », *Journal of Development Economics*, 103, pp. 154-166.
- Alford J., Hughes O. (2008) « Public value pragmatism as the next phase of public management », *The American Review of Public Administration*, 38, pp. 130–148.
- Ali A., Isse H. (2003), « Determinants of economic corruption: a cross-country comparison », *Cato Journal*, 22, pp. 449-466.
- Alonso J., Clifton J., Diaz-Fuentes D. (2011) « Did New Public Management matter? An empirical analysis of outsourcing and decentralization effects on public sector size », *Munich Personal RePEc Archive*, pp. 1-38.
- Andersen L., Boesen A., Pedersen L. (2016) « Performance in public organizations: Clarifying the conceptual space », *Public Administration Review*, 76, pp. 852–862.
- Arvate P., Curi A., Rocha F., Miessi Sanches F. (2010), « Corruption and the size of government: causality tests for OECD and Latin American countries », *Applied Economics Letters*, 17(10), pp. 1013-1017.
- Azfar O., Gurgur T. (2008), « Does corruption affect health outcomes in the Philippines? », *Economics of Governance*, 9(3), pp. 197-244.
- Azfar O., Nelson Jr. W. (2007), « Transparency, wages, and the separation of powers: an experimental analysis of corruption », *Public Choice*, 130(3-4), pp. 471- 493.
- Badinger H., Nindl E. (2014), « Globalisation and corruption, revisited », *The World Economy*, 37(10), pp. 1424-440.
- Bala A., Koxhaj A. (2017), « Key Performance Indicators (KPIs) in the Change Management of Public Administration », *European Scientific Journal*, 13(4).

- Becker G. (1968), « Crime and Punishment: An Economic Approach », *Journal of Political Economy*, 76(2), pp. 169-217.
- Begovic B. (2005), « Corruption: Concepts, types, causes and consequences », *CADAL*, 26, pp. 1-8.
- Bennett V., Pierce L., Snyder J., Toffel M. (2013), « Customer-driven misconduct: how competition corrupts business practices », *Management Science*, 59(8), pp. 1725-1742.
- Bertok J., Beth E. (2005) « Public sector integrity a framework for assessment », *International Public Management Review*, 4(1).
- Bhattacharyya S., Hodler R. (2010), « Natural resources, democracy and corruption », *European Economic Review*, 54(4), pp. 608-621.
- Bhattacharyya S., Hodler R. (2015), « Media freedom and democracy in the fight against corruption », *European Journal of Political Economy*, 39, pp. 13-24.
- Bovens, M. (2007), « Analysing and assessing accountability: A conceptual framework1 » *European Law Journal*, 13(4).
- Bovens, M., Schillemans, T., Hart, P. T. (2008), « Does public accountability work? An assessment tool » *Public Administration*, 86(1).
- Brewer G. A., Choi Y., Walker R. M. (2007), « Accountability, Corruption and Government Effectiveness in Asia: an Exploration of World Bank Governance Indicators », *International Public Management Review*, 8(2), pp. 200-219.
- Brunetti A., Weder B. (2003), « A free press is bad news for corruption », *Journal of Public Economics*, 87(7), pp. 1801-1824.
- Campante F., Chor D., Do Q. (2009), « Instability and the incentives for corruption », *Economics and Politics*, 21(1), pp. 42-92.
- Charron N. (2009), « The impact of socio-political integration and press freedom on corruption », *The Journal of Development Studies*, 45(9), pp. 1472-1493.
- Chowdhury A., Shil N. C. (2017) « Performance Measurement Systems in The Context of New Public Management: Evidence from Australian Public Sector and Policy Implications for Developing Countries », *Problems of Management in the 21st century*, 12(1), pp. 7-19.
- Christensen T., Laegreid P., (2001), « New public management: the effects of contractualism and devolution on political control », *Public Management Review*, 3(1), pp. 73-94.
- Christensen T., Laegreid P., Wise L. (2002), « Transforming administrative policy », *Public Administration*, 80, pp. 153–178.
- Dahler-Larsen P. (2014) « Constitutive Effects of Performance Indicators: Getting beyond unintended consequences », *Public Management Review*, 16 (7).
- Dell'Anno R., Teobaldelli D. (2015), « Keeping both corruption and the shadow economy in check: the role of decentralization », *International Tax and Public Finance*, 22(1), pp. 1-40.
- Dimant E., Tosato E. (2000) « Causes and Effects of Corruption: what has past decade's empirical research thought us? A survey », *Journal of Economic Surveys*, 00(0), pp. 1-22.
- Dimant E., Tosato G. (2017), « Causes and effects of corruption: what has past decade's empirical research taught us? A survey », *Journal of Economic Surveys*, 00(0), pp. 1–22.

- Drechsler W., Randma-Liiv T. (2015), « In some central and eastern European countries, Some NPM tools may sometimes work: A reply to Dan and Pollitt's 'NPM can work' », *Public Management Review*, 18(10), pp. 1-7.
- Dunleavy P., Hood, C. (1994) « From old public administration to new public management », *Public Money & Management*, 14(3), pp. 9–16.
- Dunleavy P., Margetts H., Bastow S., Tinkler J. (2005) « New Public Management Is Dead – Long Live Digital-Era Governance », *Oxford University Press*, 16(3), pp. 467-494.
- Erlingsson G., Bergh A., Sjölin M. (2008) «Public Corruption in Swedish Municipalities – Trouble Looming on the Horizon? », *Local Government Studies*, 34(5), pp. 595-608.
- Falconer P. (2021) « Public Administration and the New Public Management: Lessons from the UK Experience », *Glasgow Caledonian University*, pp. 1-17.
- Fan C., Lin C., Treisman D. (2009), « Political decentralization and corruption: evidence from around the world », *Journal of Public Economics*, 93, pp. 14–34.
- Fisman R., Gatti R. (2002), « Decentralization and corruption: evidence across countries », *Journal of Public Economics*, 83(3), pp. 325-345.
- Fredriksson M. and Pallas J. (2018), « New Public Management », *The International Encyclopedia of Strategic Communication IESC*, word count: 2004.
- Goel R., Budak J. (2006), « Corruption in transition economies: effects of government size, country size and economic reforms », *Journal of Economics and Finance*, 30(2), pp. 240-250.
- Goel R., Nelson M. (2010), « Causes of corruption: history, geography and government », *Journal of Policy Modeling*, 32(4), pp. 433-447.
- Goldsmith A. (1999) « Slapping the grasping hand: Correlates of political corruption in emerging markets », *American Journal of Economics and Sociology*, pp. 866-883.
- Hammerschmid G., Palaric E., Thijs N. (2018), « A comparative overview of public administration characteristics and performance in EU28 », *Publications Office of the European Union*, B-1049, pp 1-108.
- Haque M. (2000), « Significance of accountability under the new approach to public governance », *International Review of Administrative Sciences*, 66(4), pp. 99-617.
- Hood C. (1991), «A public management for all seasons? » *Public Administration*, 69(1), pp. 3-19.
- Hood, C. (1995) « Control over bureaucracy: cultural theory and institutional variety » *Journal of Public Policy*, 15(03), 207–230.
- Hood, C. (2000) « The art of the state: culture, rhetoric, and public management » *Oxford, UK: Oxford University Press*.
- Jann W. (2003) « State, administration and governance in Germany. Competing traditions and dominant narratives », *Public Administration*, 81, pp. 95–118.
- Katsamunskaja P. (2012) « Classical and Modern Approaches to Public Management » *Economic Alternatives*, 1, pp 74-81.
- Khan M. (1996), « A typology of corrupt transactions in developing countries », *IDS Bulletin*, 8(5).

- Knott J. H., Miller G. J. (2006) «Social welfare, corruption and credibility», *Public Management Review*, 8(2), pp. 227-252.
- König, K. (1997) « Entrepreneurial management or executive administration: the perspective of classical administration », *Public Management and Administrative Reform in Western Europe*, pp. 217–36.
- Kotera G., Okada K., Samreth S. (2012), « Government size, democracy, and corruption: an empirical investigation », *Economic Modelling*, 29(6), pp. 2340-2348.
- Lalountas D.A., Manolas G.A., Vavouras I. (2011), « Corruption, globalization and development: how are these three phenomena related?», *Journal of Policy Modeling*, 33(4), pp. 636-648.
- Lapuente V., Van de Walle S. (2020) « The effects of new public management on the quality of public services », *Wiley Periodicals LLC*, 33, pp. 461-475.
- Lederman D., Loayza N., Soares R. (2005), « Accountability and corruption: political institutions matter », *Economics and Politics*, 17(1), pp. 1-35.
- Lindstedt C., Naurin D. (2010), « Transparency is not enough: making transparency effective in reducing corruption », *International Political Science Review*, 31(3), pp. 301-322.
- Maesschalck J. (2004), «The Impact of New Public Management Reforms on Public Servants' Ethics: Towards a Theory», *Public Administration*, 82(2), pp. 465–489.
- Médard J. (1998), « Postface in Le Clientélisme Politique dans les Sociétés Contemporaines », *Presses Universitaires de France*, pp. 307-316.
- Meyer-Sahling J. (2009), « Varieties of legacies: A critical review of legacy explanations of public administration reform in East Central Europe », *International Review of Administrative Sciences*, 75(3), pp. 509–528.
- Montinola G., Jackman R. (2002), « Sources of corruption: a cross-country study », *British Journal of Political Science*, 32(1), pp. 147-170.
- Myint U. (2000), « Corruption: Causes, Consequences and Cures », *Asia-Pacific Development Journal*, 7(2), pp. 33-58.
- Nye J. (1967), « Corruption and political development », *American Political Science Review*, 61(2), pp. 417-427.
- Paldam M. (2001), « Corruption and religion adding to the economic model», *Kyklos*, 54(2-3), pp. 383-413.
- Paldam M. (2002), « The cross-country pattern of corruption: economics, culture and the seesaw dynamics », *European Journal of Political Economy*, 18(2), pp. 215-240.
- Paldam M., Gundlach E. (2008), « Two views on institutions and development: the grand transition vs the primacy of institutions », *Kyklos*, 61(1), pp. 65-100.
- Pedersen J., Löfgren K. (2012), « Public sector reforms: New public management without marketization? The Danish case, *International Journal of Public Administration* », 35, pp. 435–447.
- Pellegrini L., Gerlagh R. (2004), « Corruption's effect on growth and its transmission channels », *Kyklos*, 57(3), pp. 429-456.

- Pellegrini L., Gerlagh R. (2008), « Causes of corruption: a survey of cross-country analyses and extended results », *Economics of Governance*, 9, pp. 245-263.
- Polidano C., Hulme D. (1999), « Public Management Reform in Developing Countries », *Public Management Review*, 1(1), pp. 121-132.
- Pommer E., Van Houwelingen P. (2016), « Public administration in Europe », *Zarządzanie Publiczne*, 2(36).
- Poutvaara P. (2014) « Public-sector outsourcing », *IZA World of Labor*, pp 1-10.
- Rhodes R. (1991), « Theory and Methods in British Public Administration: the view from Political Science », *Political Studies*, 39(3), pp. 533-534.
- Saha S., Gounder R., Su J. (2009), « The interaction effect of economic freedom and democracy on corruption: a panel cross-country analysis », *Economics Letters*, 105(2), pp. 173-176.
- Sandholtz W., Koetzle W. (2000), « Accounting for corruption: economic structure, democracy, and trade », *International Studies Quarterly*, 44(1), pp. 31–50.
- Sharafutdinova G. (2010), « What explains corruption perceptions? The dark side of political competition in Russia's regions », *Comparative Politics*, 42(2), pp. 147-166.
- Shleifer A., Vishny R. (1993) « Corruption », *The Quarterly Journal of Economics*, pp. 599-617.
- Tambulasi R. I. C. (2009) « All that glitters is not gold: new public management and corruption in Malawi's local governance », *Development Southern Africa*, 26(2), pp. 173-188.
- Tampieri L. (2005), « Performance Evaluation Indexes in Public Administration Some issues of their actual usefulness », *Uprava*, 3(2), pp. 59-82.
- Temmes M. (1998) « Finland and new public management », *International Review of Administrative Sciences*, 64, pp. 451–456.
- Thapa I. (2020), « Public Administration: Meaning, Scope and Its Nature », *Public Administration Campus Tribhuvan University*.
- Treisman D. (2000) « The causes of corruption: a cross national study », *Journal of Public Economics*, pp. 399-457.
- Treisman D. (2007), « What have we learned about the causes of corruption from ten years of cross-national empirical research? », *Annual Review of Political Science*, 10, pp. 211-244.
- Van de Walle S., Hammerschmid G. (2011) « The Impact of the New Public: Challenges for Coordination and Cohesion in European Public Sectors », *Heladuskultuur – Administrative Culture*, 12(2), pp. 190-209.
- Van Rijckeghem C., Weder B. (2001), « Bureaucratic corruption and the rate of temptation: do wages in the civil service affect corruption, and by how much? », *Journal of Development Economics*, 65(2), pp. 307-331.
- Von Maravic P. (2003), « Public Management Reform and Corruption – Conceptualizing the Unintended Consequences », *Administrație Și Management Public*, pp. 126-143.
- Von Maravic P., Rechar C. (2003), « New Public Management and Corruption: IPMN Dialogue and Analysis », *International Management Review*, 4(1), pp. 84-130.

- Von Maravic P., Reichard C. (2003) « New Public Management and Corruption: Impn Dialogue and Analysis Patrick », *International Public Management Review*, 4(1).
- Walker H. (1930), « Theory and practice in state administrative organization », *National Municipal Review*, 19(4), pp 249-254.
- Wegrich K., (2009) « Public Management Reform in the United Kingdom: Great Leaps, Small Steps, and Policies as their Own Cause », *International Handbook of Public Management Reform*, pp. 137-154.
- Zia Y., Khan M. (2014) « A Comparative Review of Traditional and New Public Administration and Critique of New Public Management », *The Dialogue*, 9(4).

Official documents

- OECD (2003a), The e-government imperative: main findings, OECD Observer Report, available at www.oecd.org/publication/Pol_brief.
- OECD (2005a) « Public sector integrity », Framework for Assessment, available at <https://doi.org/10.1787/9789264010604-en>.
- OECD (2005b), Modernising Government, The Way Forward, Paris.
- World Bank (1999), « Corruption in Economic Development », Policy Research Working Paper, WPS 2048, p. 4.

Website

- CIPD (2021), available at <https://www.cipd.co.uk>, accessed on 26 August 2021.
- Financial Dictionary (2021), available at <https://financial-dictionary.thefreedictionary.com>, accessed 26 August 2021.
- Investopedia (2021), available at <https://www.investopedia.com>, accessed on 26 August 2021.
- Management Study Guide (2021), available at <https://www.managementstudyguide.com>, accessed 28 August 2021.
- STATA (2021), available at <https://www.stata.com>, 20 September 2021.
- Teorell J., Sundström A., Holmberg S., Rothstein B., Alvarado Pachon N., Dalli C. (2021), *The Quality of Government Standard Dataset*, version Jan21, University of Gothenburg: The Quality of Government Institute, <http://www.qog.pol.gu.se>, accessed 5 September 2021.
- The Global Economy (2021), available at <https://www.theglobaleconomy.com>, accessed 18 September 2021.
- The World Bank Group (2021), available at <http://www1.worldbank.org>, accessed on 26 August 2021.