

Eighth Edition

CLASSICS OF PUBLIC ADMINISTRATION

Jay M. Shafritz

Albert C. Hyde

CLASSICS
of
PUBLIC
ADMINISTRATION



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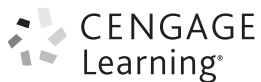
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Eighth Edition

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PREFACE

Be assured—the editors are not so bold as to assert that these are *the* classics of public administration. The field is so diverse that there can be no such list. However, we do contend that it is possible to make a list of many of the discipline's most significant writers and provide representative samples of their work. That is what we have attempted here. It is readily admitted that writers of equal stature have not found their way into this collection and that equally important works of some of the authors included here are missing. Considerations of space and balance necessarily prevailed.

The primary characteristic of a classic in any field is its enduring value. We have classic automobiles, classic works of literature, and classic techniques for dealing with legal, medical, or military problems, and so on. Classics emerge and endure through the years because of their continuing ability to be useful. *The Three Musketeers* is as good an adventure story today as it was in 1844 when Alexandre Dumas wrote it. But how many other nineteenth-century novels can you name? Few have general utility for a twenty-first-century audience. It has been no different with the professional literature of public administration. Much has been written, but what is still worth reading today or will be tomorrow? The intent of this collection is to make readily available some of the most worthwhile material from the past that will be equally valuable for tomorrow.

We had three criteria for including a selection. First, the selection had to be relevant to a main theme of public administration. It had to be a basic statement that was consistently echoed or even attacked in subsequent years. It also had to be important—of continuing relevance. This leads to our second criterion: significance. The selection had to be generally recognized as a significant contribution to the realm and discipline of public administration. An unrecognized classic seems to us to be a contradiction. As a general rule, we asked ourselves, “Should the student of public administration be expected to be able to identify this author and his or her basic themes?” If the answer was yes, then it was so because such a contribution has long been recognized by the discipline as an important theme by a significant writer. Whereas the editors can and expect to be criticized for excluding this or that particular article or writer, it would be difficult to honestly criticize us for our inclusions. The writers chosen are among the most widely quoted and reprinted practitioners and academics in public administration. The basic idea of this book was simply to bring them together. The final criterion for inclusion was readability. We sought selections that would be read and appreciated by people with or without a substantial background in public administration.

Selections are arranged in chronological order. While past editions have started with Woodrow Wilson in 1887, this edition includes four new/old readings, beginning with Confucius in ancient China, that address themes that are essential to understanding the development of public administration as part of state-building. And while *Classics* has always been a collection of readings about U.S. public administration, these four new/old selections are a reminder that before the American experience, there existed other forms of public administration as part of other states: China, Rome, and Prussia, among others.

Our hope is still that when presented in chronological order, the collection will give the reader a sense of the continuity of the discipline's thinking and show how the various writers and themes literally build on or depart from each other. This also facilitates introducing the writers' themes as representative of a particular era. Obviously, many authors can span (and have spanned) the decades with their contributions to the literature of the discipline. Nevertheless, the selections reprinted here should be viewed and discussed in their historical context. Although many of the selections might seem quite old to a student readership, do not for a moment think that they are dated. They are considered classics in the first place because of their continuing value to each new generation.

We are pleased that this text is so widely used in schools of, and courses on, public administration. We naturally hesitate to change a product that has proved so useful to our peers. But this edition of

Classics has a number of changes. The publishing world has changed and textbooks have been greatly affected by the digital revolution. In some cases, selections we have included in the past were unavailable or the rights to reprint prohibitively expensive. While we are aware that the textbook market is becoming in many ways a rental market, our aim remains to make this book affordable for use in the classroom as both a main resource or as a supplement to other required textbooks. Even more importantly, we hoped that that this might be a book that would remain in the students' professional collection after graduation for future reference and not have to be sold back to help pay down student loans. Even when some previous classics were not available, we have—using fair use doctrine—included a short excerpt on a critical idea, discussed the central theme and included the full reference for the student to find for further reading.

Classics is organized in five sections, concluding with the new section for the twenty-first century, which was added in the last edition. It is even more apparent that the pace and scale of political, economic, social, technological, and now ecological change in the environment since 2000 does represent a new era. Consequently, it needs to be discussed as such. The global economy and environment demands a broader, deeper, and truly global perspective on the purpose and design of public administration—whether it is in the United States, the European Union, Russia, China, Brazil, India, South Africa, or wherever. We fully expect that much will be different within our field as American public administration meets global governance issues. Future editions will surely reflect this inevitable movement.

In past editions, we have thanked many of our colleagues and friends for their help in the preparation of the current and earlier editions. The list has grown longer with each edition. We thought for this edition we would simply acknowledge the obvious—that a work like *Classics of Public Administration* is the result of an ongoing conversation with old and new colleagues and increasingly old and new students. It has been our great fortune to have colleagues and friends who have both supported the book and taken the time to educate us about what they feel is truly classic about our field.

Two special notes of appreciation are warranted. Professor Eric Zeemering at Northern Illinois University Public Administration Department has been instrumental in keeping us current on the progress and direction of intergovernmental relations. Professor David Rosenbloom of The American University remains our oldest and most frequent advisor on classics.

Finally, we thank the publishing team at Cengage Learning, including Amy Bither, Carolyn Merrill, Corinna Dibble, Alexandra Ricciardi, and Farah Fard.

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CLASSICS
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Part One

EARLY VOICES AND THE FIRST QUARTER CENTURY

| *ANCIENT TIMES TO 1920s* |



Writings on public administration go back to ancient civilization.¹ The ancient Egyptians and Babylonians left considerable advice on the techniques of management and administration. So did the civilizations of China, Greece, and Rome. Modern management techniques can be traced from Alexander the Great's use of staff² to the assembly-line methods of the arsenal of Venice;³ from the theorizing of Niccolo Machiavelli on the nature of leadership⁴ to Adam Smith's advocacy of the division of labour;⁵ and from Robert Owen's assertion that "vital machines" (employees) should be given as much attention as "inanimate machines"⁶ to Charles Babbage's contention that there existed "basic principles of management."⁷

The history of the world can be viewed as the rise and fall of public administrative institutions. Those ancient empires that rose and prevailed were those with better administrative institutions than their competitors. Brave soldiers have been plentiful in every society but they were ultimately wasted if not backed up by administrators who could feed and pay them. Marcus Tullius Cicero, the ancient Roman orator, is usually credited with first saying that "the sinews of war are infinite money."

CHINA: THE FIRST ADMINISTRATIVE STATE

This edition of *Classics* seeks to extend public administration perspective by looking further back into history and examining where successful states were created and assessing the role and responsibility of public administration. The truly first classic administrative state was China. As Francis Fukuyama makes clear in his exceptional comparative history of state building: "The Chinese created a uniform, multilevel administrative bureaucracy, something that never happened in Greece or Rome"⁸ (p. 92). While this state was "enormously despotic," this centralized bureaucracy held together a group of people accounting for nearly a quarter of the world's population for over two thousand years. The driving force was military. As Fukuyama observes, the chief impetus of Chinese state formation was "war and the requirements of war that led to a consolidation of a system of ten thousand political units into a single state in the space of eighteen hundred years that motivated the trained bureaucrats and administrators" (p. 94).

Etienne Balazs in his work, *Chinese Civilization and Bureaucracy* noted that China was the first real society to create a class of 'scholar-officials' who because of their domination of education were the first bureaucratic elite⁹. He argued that the class of mandarins (as they were known) were generalists whose primary function was to govern. He cites Mencius (Book 3, pp. 249–250) in the Chinese Classics: "Great men have their proper business and little men have their proper business ... some labour with their minds, some labour with their strength. Those who labour with their minds govern others, those who labour with their strength are governed by others."

Reprinted here is a short selection from the Analects of Confucius along with the translator's note explaining Confucius's ideal of government. Confucius, a Chinese teacher and philosopher, lived from 551–479 BCE, but his writings (or 'teachings' is perhaps the better term) were collected, edited, and reinterpreted within the Chinese Classics well after his death. Confucius's pronouncements usually followed a prompt in the form of a question about government, its purpose, and especially its conduct. Confucianism is as much about morality and justice in government as it is a personal code for those who wished to govern.

The reemergence of China as the world's number two and possibly in the next fifteen years the number one economic power has made Confucius's ideas both classic and highly contemporary. A *Wall Street Journal* review of a 2015 book by Michael Schuman, *Confucius: And the World He Created*, offers the following assessment of Confucius's influence through more than two millennia:

“Perhaps no one would be more surprised by his influence than Confucius himself. During his life he had few followers, and his ideas were slow to take hold even after his demise. Eventually, though, by the second century B.C.E., they became prized as ideological scaffolding for strong imperial rule and were adopted as the basis for a national civil-service exam system, a status that Confucius's ideas maintained until the 19th century. For all of their association with authority, though, at different times in China's history the sage's words were also invoked to demand accountability.”¹⁰

ROME: THE MODERN STATE AND PUBLIC LIFE

If China was the first modern administrative state, then Rome was certainly the first administrative empire. Rome, like Egypt, Persia, and other empires before it, conquered much of the ancient world (well, at least that which centered around the Mediterranean) because it had an organizational doctrine that made its soldiers far more effective than competing forces—and because its legions were backed up by a sophisticated administrative system of supply based on regular if not equitable taxes. The Roman Empire only fell when its legions degenerated into corps of mercenaries and when its supply and tax bases were corrupted. Napoleon was wrong. Armies do not “march on their stomachs,” as he said; they march on the proverbial backs of the tax collectors and on the roads built by administrators. Regular pay allows for discipline. Strict discipline is what makes a mob an army. A disciplined military, obedient to the leaders of the state, is a precondition for civilization. This is the classic chicken and egg problem. Which comes first—effective public administration or an effective military? The rise and fall of ancient Rome proved that you could not have one without the other.

Early bureaucrats in ancient Rome and modern Europe wore uniforms that paralleled military dress. In contrast, the household servants of rulers traditionally wore livery. It indicated that the wearer was not free but the servant of another. Government administrators are still considered servants in this sense; they are public servants because they, too, have accepted obligations that mean they are not completely free. Indeed, until early in the twentieth century many otherwise civilian public officials in Europe—most notably diplomats—had prescribed uniforms.

Both victorious soldiers and successful managers tend to be inordinately admired and disproportionately rewarded as risk-takers. True, the specific risks and rewards are different; but the phenomenon is the same. They both may have to put their careers, and sometimes significant parts of their anatomy as well, “on the line” to obtain a goal for their state or organization. Notice again the military language, for “the line” originally referred to the line of battle where they faced the enemy. This is why line officers today are still those who perform the services for which the organization exists. This is the direct link between the Roman centurion and the fire chief, hospital director, or school principal. Life on the line is still a daily struggle.

But Rome's contribution to public administration and state building was based on more than its superior military and engineering prowess. Rome defined and debated the social and legal principles of government and citizenship. The Roman state was deeply concerned with justice, social responsibility, morality and legitimacy. And while history gives the Roman heads of state the limelight, political scientists and public administration pay attention to Cicero. The treatises and speeches of the Roman ex-counsel—arguably Rome's foremost philosopher and educator—were legendary. His dialogue, *The Republic*, examined and defended the roles and objectives of political organizations, the need for justice in society, and the demands on those who managed the affairs of the state. A second great work—*The Laws*—expounded on the principals of natural law.

Reprinted here is an excerpt from Cicero's best known work, *On Duties*. Written in the last year of his life as a letter to his son, it would be his final effort (he was murdered on orders of Mark Antony shortly after the assassination of Caesar in 44 BCE) to spell out and defend the ideals of public behaviour and the responsibilities of citizens and more importantly those in public life who would be engaged in administering the affairs of the state.

EARLY THOUGHTS ON PUBLIC POLICY AND PUBLIC MANAGEMENT

It is possible to find most of the modern concepts of management, leadership, and public affairs in other writers during the classical, medieval, and premodern worlds. Two final selections are offered for examination as “pre-classics.” The first—from Jeremy Bentham—helped set the stage for our understanding of what public policies governments should pursue and how they should make policy choices.

Jeremy Bentham (1748–1832) was a British philosopher, jurist, and social reformer. His most important book, *An Introduction to the Principles of Morals and Legislation*, published in 1780, contains a section called “On the Principle of Utility” where he explains how this should shape efforts attempted to better society. Essentially, he argued that governments should seek to do the greatest good for the greatest number of people. Institutions should strive for an optimal level of welfare—in that an action must meet the test of showing the performance of which “will be more productive of pleasure than pain, more productive of happiness than unhappiness”—than of any alternatives.

This test of public policy - that laws proposed and policies formulated to enact those laws show “the greatest happiness for the greatest number” included two other dimensions. First, policies had to explain “who benefits.” Obviously, this test would have significant political ramifications, especially in any society where inequality was rampant. A second aspect demanded real measurement using social facts and data. Simply liking or disliking a policy proposal, especially because of political persuasion, was not sufficient—there had to be some determination of effect. Bentham's work launched Utilitarianism—the school of thought that would be more fully fleshed out in the next century by John Stuart Mill (1806–1873). Mill is best known for his seminal work *On Liberty* which debates the limits of control over the individual that can be legitimately exercised by the state supposedly acting on behalf of society.

A final reading is offered that shows public policy in another light. Carl Philipp Gottfried (or Gottlieb) von Clausewitz (1780–1831) was a Prussian general and military theorist who was arguably the best-known theorist on modern war and strategy. Although the linkage between the development of modern public administration and military development is an important theme, the excerpts from his classic work *On War* (1832) deal with a very different set of problems of administrative matters—what we call today “information uncertainty and implementation.”

Clausewitz first advises that the “fog of war” magnifies both sides of the problems of information. First, there is the problem of knowing whether what we think we know is actually true—when often it is false. Then there is the issue of trusting one's own sense of judgement about whether to act and how. A hundred years later, Simon and Lindblom and others would confront the issue of how much information decision-makers can handle. Clausewitz's great chasm between conception and execution has only grown wider in our new century of big data and analytics.

A second slightly longer chapter advises on “Friction in War.” This is really a detailed discussion of the problems of implementation that Pressman and Wildavsky and Bardach among others would confront. Clausewitz provides the modern student enduring questions that go to the heart of how organizations set objectives and execute actions to accomplish them. He constantly warns of the need for a certain amount of humility—and that generals, policymakers, and doers need to be wary of the dangers of overconfidence.

CIVIL SERVICE REFORM AND MERIT IN U.S. GOVERNMENT

American public administration did not invent the concept of creating a public service that would be based on merit. Would-be reformers of American government in the late nineteenth century not only borrowed from the European experience but also were fond of noting that possessing such systems was an essential step in “enlightenment” for the United States if it were to develop as a civilized nation. The first real steps toward creating a modern state of public administration in the United States were taken following the Civil War. At the heart of the matter was the struggle to limit the spoils system of rewarding political party members with government job appointments, as opposed to establishing a civil service system where appointments and tenure were based on merit.¹¹

While federal civil service reform is generally dated from the post–Civil War period, the political roots of the reform effort go back much earlier—to the beginning of the republic. Thomas Jefferson was the first president to face the problem of a philosophically hostile bureaucracy. While sorely pressed by his supporters to remove Federalist officeholders and replace them with Republican partisans, Jefferson was determined not to remove officials for political reasons alone. He maintained in a letter in 1801 to William Findley that, “Malconduct is a just ground of removal; mere difference of political opinion is not.” With occasional defections from this principle, even by Jefferson himself, this policy was the norm rather than the exception down through the administration of Andrew Jackson. President Jackson’s rhetoric on the nature of public service was far more influential than his administrative example. In claiming that all men, especially the newly enfranchised who did so much to elect him, should have an equal opportunity for public office, Jackson played to his plebeian constituency and put the patrician civil service on notice that they had no natural monopoly on public office. The spoils system, used only modestly by Jackson, flourished under his successors. The doctrine of rotation of office progressively prevailed over the earlier notion of stability in office.

Depending on one’s point of view, the advent of modern merit systems¹² is either an economic, political, or moral development. Economic historians would maintain that the demands of industrial expansion—a dependable postal service, a viable transportation network, and so on—necessitated a government service based on merit. Political analysts could argue rather persuasively that it was the demands of an expanded suffrage and democratic rhetoric that sought to replace favoritism with merit. Economic and political considerations are so intertwined that it is impossible to say which factor is the true origin of the merit system. The moral impetus behind reform is even more difficult to define. As moral impulses tend to hide economic and political motives, the weight of moral concern undiluted by other considerations is impossible to measure. Nevertheless, the cosmetic effect of moral overtones was of significant aid to the civil service reform movement, because it accentuated the social legitimacy of the reform proposals.

With the ever-present impetus of achieving maximum public services for minimum tax dollars, business interests were quite comfortable in supporting civil service reform, one of a variety of strategies they used to have power pass from the politicians to themselves. The political parties of the time were almost totally dependent for financing on assessments made on the wages of their members in public office. With the decline of patronage, the parties had to seek new funding sources, and American business was more than willing to assume this new financial burden—and its concomitant influence.

Civil service reform was both an ideal—an integral symbol of a larger national effort to establish a new form of more responsive government; and an institutional effort—a series of internal reforms intent on creating new bureaucratic authority structures. Historians have sought to capture how the “Progressive Era” reflected the interplay between reform movements at the federal level and state and local governments in the context of political and social changes occurring after the Civil War.¹³ Civil service reform was integral to that vision for change and viewed as embracing, in the words of one of the early reform champions, Dorman Eaton, “certain great principles which embody a theory of political morality, of official obligation, of equal rights, and common justice in government.”¹⁴

Dorman B. Eaton had been appointed chair of the first Civil Service Commission established by President Grant in 1871. When the commission concluded unsuccessfully in 1875, Eaton went to England at the request of President Rutherford B. Hayes to undertake a study of the British civil service system. His report—published as a book in 1880 with the title *Civil Service in Great Britain: A History of Abuses and Reforms and their Bearing upon American Politics*—obviously advocated the adoption of the merit system in America. His book enumerated the principles the civil service system would entail, as the listing of brief excerpts illustrates:

1. “Public office creates a relation of trust and duty of a kind which requires all authority and influence pertaining to it to be exercised with the same absolute conformity to moral standards, to the spirit of the constitution and the laws, and to the common interest of the people...
2. In filling offices, it is the right of the people to have the worthiest citizens in the public service for the general welfare...
3. The personal merits of the candidate—are in themselves the highest claim upon an office...
4. Party government and the salutary activity of parties are not superseded, but they are made purer and more efficient, by the merit system of office which brings larger capacity and higher character to their support...”¹⁵

When President Garfield was assassinated in 1881 by an insane and disappointed office-seeker, the movement for civil service reform would finally produce legislative results. Eaton would be prominent in providing the language for the Pendleton Act of 1883, which created a federal civil service system based on merit. Under the act, a civil service commission was established and a class of civil service was created where employees would be hired through open competitive examinations and promoted and retained based on merit. Thus, at the federal level, progress toward implementing reform was generally measured in terms of the percentage of government employees who were in the classified service. While the Pendleton Act did not make civil service mandatory for all federal agencies, coverage under civil service would grow from 10 percent in the 1880s to nearly 70 percent between the world wars.¹⁶

However, the relatively rapid categorization of federal positions under civil service was not all that it seemed to be. Frederick Mosher noted in his examination of the public service that the ranks of the civil service were largely concentrated in entry-level employees. Indeed, the requirement that entrance to federal service “be permitted only at the lowest grade” was specifically removed by the Congress, creating “an open civil service with no prohibition of what we now call lateral entry.”¹⁷ Within two decades of its existence, the Civil Service Commission would be bemoaning the lack of upward mobility and promotions for the talented workers they felt had been selected for employment under civil service, a situation Mosher notes that would not be remedied until the 1940s. Thus it was relatively easy for a federal agency to accept civil service as the new norm because it applied to entry-level hires and did not preclude an agency from appointing—via lateral entry—higher-level employees of their own choosing.

Civil service reform was also an important issue for state and local governments. While only three states (Massachusetts in 1883, New York in 1884, and Ohio in 1902) passed legislation that required civil service for municipalities, adoption of civil service reform was widespread. But a distinction about the means of adoption should be made especially where it concerns the importance of requiring civil service procedures by law. Some assessments of the adoption of civil service reform during the first quarter of the twentieth century conclude that the Pendleton Act was a weak statute in that it did not require federal agencies to classify their positions under civil service and did not mention state and local governments. Another interpretation of the fact that only three states enacted statewide legislation on civil service reform would be that it reaffirms the “relative autonomy” that most cities enjoyed from higher governmental authority, be it federal or state.¹⁸

Still, over 200 cities adopted civil service reform by the 1930s, the majority from states that did not have a mandatory state statute. The National Civil Service Reform League, which regularly reported on which states and municipalities had adopted the “competitive system,” noted in their 1911 report

six variations for adoption of civil service from charter provisions to popular votes establishing local commissions.¹⁹

Thinking back on the premises of civil service reform and the promise of the merit system could not be more instructive, especially now, when some states and local governments have moved away from civil service. In 1996, the State of Georgia passed legislation terminating civil service coverage for new state employees. Other states, notably Florida, South Carolina, Arkansas, Missouri, and North Dakota, have followed suit.²⁰ In a 2006 survey of state reform efforts, 28 of the 50 states were identified as having expanded the numbers of “at-will employees” or public sector workers who are not under the protection of civil service guidelines.²¹ Public administration has always been in a debate about how to make the public workforce more responsive and productive—only this time it is the bureaucracy and over-protectionism of the civil service that is the target of reform.

CALLING FOR A NEW DISCIPLINE ON RUNNING A GOVERNMENT

While Alexander Hamilton,²² Thomas Jefferson,²³ Andrew Jackson,²⁴ and other notables of the first century of the republic have dealt with the problem of running the administrative affairs of the state, it was not until 1887 that we find a serious claim made that public administration should be a self-conscious, professional field. This came from Woodrow Wilson’s famous 1887 essay, “The Study of Administration.” Although it attracted slight notice at the time, it has become customary to trace the origins of the academic discipline of public administration to that essay.

While Woodrow Wilson (1856–1924) would later be president, first of the American Political Science Association, then of Princeton University, and later of the United States, in the mid-1880s he was a struggling young instructor at Bryn Mawr College for Women. During this time he worked on several textbooks now long forgotten; wrote fiction under a pen name (but it was all rejected); and wrote a political essay that remains his most enduring contribution as a political scientist. On November 11, 1886, Wilson wrote to the editor of the *Political Science Quarterly* to whom he had submitted his article.²⁵ Wilson asserted that he had very modest aims for his work, which he thought of as “a semi-popular introduction to administrative studies.” He even said that he thought his work might be “too slight.” Ironically, one hundred years later, the American Society for Public Administration would launch a Centennial’s Agenda Project to identify the critical issues for the field and cite the publication of Wilson’s essay as “generally regarded as the beginning of public administration as a specific field of study.”²⁶

In “The Study of Administration,” Wilson attempted to refocus political science’s study of governments. Rather than be concerned with the great maxims of lasting political truth, he argued that political science should concentrate on how governments are administered. This was necessary because, in his words, “It is getting harder to run a constitution than to frame one.”

Wilson wanted the study of public administration to focus not only on personnel problems, as many other reformers of the time had advocated, but also on organization and management in general. The reform movement of the time, which had already secured the passage of the first lasting federal civil service reform legislation, the Pendleton Act of 1883, had a reform agenda that both started and ended with merit appointments. Wilson sought to move the concerns of public administration a step further by investigating the “organization” and “methods of our government offices” with a view toward determining “first, what government can properly and successfully do, and secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or energy.” Wilson was concerned with organizational efficiency and economy—that is, productivity in its most simplistic formulation.

By authoring this essay, Wilson is also credited with positing the existence of a major distinction between politics and administration. This was a common and necessary political tactic of the reform

movement because arguments that public appointments should be based on fitness and merit, rather than partisanship, necessarily had to assert that “politics” were out of place in public service. In establishing what became known as the politics-administration dichotomy, Wilson was really referring to “partisan” politics. While his subtlety was lost on many, Wilson’s main themes—that public administration should be premised on a science of management and separate from traditional politics—fell on fertile intellectual ground. The ideas of this then-obscure professor eventually became the dogma of the discipline and remained so until after World War II. While the politics-administration dichotomy would be later discredited, his ideas are still highly influential and essential to an understanding of the evolution of public administration.²⁷

THE CASE FOR A POLITICS-ADMINISTRATION DICHOTOMY

A more carefully argued examination of the politics-administration dichotomy was offered by Frank J. Goodnow (1859–1939) in his book, *Politics and Administration*, published in 1900. Goodnow, one of the founders and first president (in 1903) of the American Political Science Association, was one of the most significant voices and writers of the progressive reform movement.²⁸ To Goodnow, modern administration presented a number of dilemmas involving political and administrative functions that had now supplanted the traditional concern with the separation of powers among the various branches of government. Politics and administration could be distinguished, he argued, as “the expression of the will of the state and the execution of that will.”

Reprinted here is Goodnow’s original analysis of the distinction between politics and administration. Note how even Goodnow had to admit that when the function of political decision making and administration was legally separated, there developed a “tendency for the necessary control to develop extra-legally through the political party system.” The articulation of the politics-administration dichotomy also reflected the next phase in the emergence of American public administration. Whereas the first phase before World War I focused primarily on the evils of the patronage and spoils systems and eliminating corruption in municipal government, the second phase would emphasize the growth of public spending and the ascendance of the “new management” in government. City managers, executive budget systems, and centralized and accountability-driven administrative systems were all key reform themes.²⁹

SELF-GOVERNMENT AND THE PROBLEM OF MUNICIPAL ADMINISTRATION

As public administration struggled to establish its identity, it was aided greatly by the progressive reform movement that sought to raise the standards of honesty in government and to enlarge the level of public services provided to citizens, especially in American cities. While the term has its origins in religious concepts that argued for the infinite improvability of the human condition, rather than ordained class distinctions, by the end of the nineteenth century it had come to mean a responsibility of classes for one another and a willingness to use all government and social institutions to give that responsibility legal effect.

To a large extent the movement was a reaction to Social Darwinism, Charles Darwin’s concept of biological evolution applied to the development of human social organization and economic policy. The major influence on American Social Darwinism was the Englishman, Herbert Spencer, who spent much of his career on the application of concepts such as “natural selection” and “survival of the fittest” to his ideas of social science. American Social Darwinists, generally speaking, occupied a wide

range of theories, from an absolute rejection of the idea of government intervention in social development (meaning let the poor fend for themselves) to elaborate methods of developmental influence that could affect the various races into which they believed all humans, even Europeans, were divided (meaning let's educate the poor only well enough so that they can be servants and factory workers). The progressive movement was to a large extent an antidote to, and the repudiation of, this doctrine of Social Darwinism.

In the United States, the progressive movement was most associated with the search for greater democratic participation by the individual in government, and the application of science and specialized knowledge and skills to the improvement of life. Politically, the movement reached its national climax in 1911, with the creation of the Progressive Party as a break between the Republican Party professionals, who backed the incumbent, William Howard Taft, and the Republican opponents of political machine politics and party regularity, who nominated former Republican president Theodore Roosevelt. The split in the Republican Party caused the Democratic candidate, Woodrow Wilson, to be elected in 1912. Wilson in fact represented many of the programs the progressives had supported (banking reforms, antitrust laws, and business regulation), but he did not support many of the progressive interests in national social policy.

The progressives got their name from their belief in the doctrine of progress—that governing institutions could be improved by bringing science to bear on public problems. It was a disparate movement, with each reform group targeting a level of government, a particular policy, and so on. Common beliefs included that good government was possible and that the cure of the evils of democracy is more democracy (per a quote from H. L. Menchen from his book in 1926, *Notes on Democracy*). At the national level, they achieved civil service reform and introduced the direct primary, the initiative, the referendum, and the recall. At the local level, they spawned the commission and council-manager forms of government. It was the progressive influence that initially forged the fledgling discipline of public administration.

As public administration struggled to establish its identity, it was aided greatly by the progressive reform movement that sought to raise the standards of honesty in government and to increase the level of public services provided to citizens, especially in American cities. This effort was further fueled by reform-oriented journalists—the “muckrakers” who publicized both the corruption found among city political machines and the deplorably inadequate living standards and levels of poverty of the working classes, especially among immigrants.³⁰

While the progressive movement sought to offer solutions to many vexing social problems, these problems were often first identified and dug up by the muckrakers. This was President Theodore Roosevelt's term, taken from John Bunyan's *Pilgrim's Progress* (1678), for a journalist who wrote exposés of business and government corruption. Some of the most famous muckrakers were Lincoln Steffens, who, in *The Shame of the Cities* (1904), found many big cities “corrupt and contented”; Ida M. Tarbell, who exposed the monopolistic practices of John D. Rockefeller and forced the breakup of Standard Oil; and Upton Sinclair, whose exposure of the poisonous practices of the meat-packing industry in *The Jungle* (1906) led to the passage of the Pure Food and Drug Act of 1906. Today, anyone who writes an exposé of governmental corruption or incompetence might be called a muckraker, although they prefer to be called investigative journalists.

The effort to control corruption would be realized with the passage of civil service reform legislation and the creation of stronger city charters and city management systems. Efforts to assist the poor and needy would take much greater effort and in fact would follow a different track entirely. Indeed, it was the settlement movement, based on an English model where social-minded upper-class groups would establish “settlement houses” for the poor and live with them in a group setting. The first settlement houses were tried in New York City in the mid-1880s, but the best-known model opened its doors in 1889 in Chicago at Hull House. The founder was a remarkable 29-year-old woman, Jane Addams³¹ (1860–1935), who would lead this movement and provide a unique American definition to the idea of providing a social setting for immigrants to escape the poverty cycle and succeed by their own efforts.

Hull House would be credited with an impressive list of first accomplishments, from establishing the first public playgrounds, public kitchens, and citizenship preparation and special education classes in Chicago to helping bring about the first juvenile courts and public employment bureaus. Addams herself would be a national figure who helped shape the American social work movement. She would be awarded the Nobel Peace Prize in 1931. Out of all her work about political and social reform—for she saw them as inexorably intertwined—a 1904 address is included that was published in the *American Journal of Sociology* in 1905, “Problems of Municipal Administration.” Unlike Woodrow Wilson’s plea for searching for new ways to run government because of the complexities of the time, Addams was highly critical of the founders, those men of the eighteenth century who had no real idea of (or empathy for) “the difficulties and blunders which a self-governing people was sure to encounter.” In her address she lays out a different vision of self-governance and what the roles of government, its administrators, and its citizens should be.³²

THE IMPACT OF SCIENTIFIC MANAGEMENT

At about the same time Woodrow Wilson was calling for a science of management, Frederick W. Taylor (1856–1915) was independently conducting some of his first experiments in a Philadelphia steel plant. Taylor, generally considered the “father of scientific management,” pioneered the development of time and motion studies. Today, scientific management is frequently referred to as pseudo-scientific management because of its conceptualization of people as merely extensions of machines—as human interchangeable parts of a large impersonal production machine. Premised on the notion that there was “one best way” of accomplishing any given task, scientific management sought to increase output by discovering the fastest, most efficient, and least fatiguing production methods. The job of the scientific manager, once the one best way was found, was to impose this procedure on the entire workforce. Classical organization theory would evolve from this notion. If there was one best way to accomplish any given production task, then correspondingly, there must also be one best way to accomplish a task of social organization. Such principles of social organization were assumed to exist and to be waiting to be discovered by diligent scientific observation and analysis.

Strangely enough, while Taylor’s 1911 book *Principles of Scientific Management*³³ is the work for which he is best known, the credit for coining the term *scientific management* belongs not to Taylor but to an associate of his, Louis D. Brandeis (1856–1941). Brandeis, who would later be a Supreme Court justice, needed a catchy phrase to describe the new-style management techniques of Taylor and his disciples when he was to present arguments that railroad rate increases should be denied before the Interstate Commerce Commission. Brandeis and his associates dramatically argued that the railroads could save “a million dollars a day” by applying scientific management methods. The highly publicized hearings beginning in 1910 caused a considerable sensation and vastly expanded Taylor’s reputation. Ironically, Taylor was initially opposed to the phrase, thinking that it sounded too academic. But he quickly learned to embrace it. So did the rest of the country. In the first half of the twentieth century, scientific management was gospel and Frederick W. Taylor was its prophet.³⁴ Taylor’s greatest public-sector popularity came in 1912 after he presented his ideas to a Special Committee of the House of Representatives to Investigate the Taylor and Other Systems of Shop Management. A portion of that testimony is reprinted here.

Taylor’s comprehensive statement of scientific management principles was focused on what he called the duties of management. These duties included:

1. Replacing traditional rule-of-thumb methods of work accomplishment with systematic, more scientific methods of measuring and managing individual work elements
2. Studying scientifically the selection and sequential development of workers to ensure optimal placement of workers into work roles

3. Obtaining the cooperation of workers to ensure full application of scientific principles
4. Establishing logical divisions within work roles and responsibilities between workers and management

What seems so obvious today was revolutionary in 1912. Taylor himself even insisted in his *Principles of Scientific Management* that scientific management was neither a great invention, nor a new discovery.” Nevertheless, it did “involve a certain combination of elements which have not existed in the past, namely, old knowledge so collected, analyzed, grouped and classified into laws and rules that it constitutes a science.”³⁵ (pp. 139–140)

BUDGETING REFORM AS A CORNERSTONE OF PUBLIC ADMINISTRATION

Perhaps the other most significant early scholar of public administration along with Frank Goodnow (remember that Woodrow Wilson abandoned scholarship for politics) was William F. Willoughby (1867–1960). He was a member of the Taft Commission of 1912, which issued the first call for a national executive budgeting system, and later director of the Institute for Governmental Research, which would become part of the Brookings Institution. He also had a key role in writing the Budget and Accounting Act of 1921, which would finally accomplish the objectives of the Taft Commission by establishing an executive budget system at the national level along with the Budget Office and the General Accounting Office.

Willoughby wrote widely on the myriad issues of public administration. He believed that public administration had universal aspects that were applicable to all branches of government.³⁶ His early public administration text³⁷ was the first of a trilogy covering all three branches of government,³⁸ but it is his early work on budgetary reform that is of special interest. Writing in 1918, he outlined developments that were leading to the creation of modern budget systems in state governments. In an excerpt from *The Movement for Budgetary Reform in the States*,³⁹ Willoughby argues that budget reform would involve three major threads: (1) how budgets would advance and provide for popular control, (2) how budgets would enhance legislative and executive cooperation, and (3) how budgets would ensure administrative and management efficiency. This was rather prophetic when you consider such public financial headlines on taxpayer’s revolts from “Proposition 13” movements to grassroots tea party protests, and other forms of expenditure and revenue limitation laws (thread 1: popular control); continued infighting and increasing gridlock between the executive and legislative branches over budgetary control, deficits, and balanced budgets (thread 2: executive-legislative cooperation); and the effectiveness or lack of it in overburdened budgeting systems in maintaining managerial practices (thread 3: management effectiveness).

These early voices—Wilson, Goodnow, Taylor, and Willoughby—all had profound influences on the development of public administration. To begin with, they identified many of the critical themes that would be permanent parts of the field of study that is modern public administration. But to an even greater extent, they were prophetic voices, writing at a time when government employment and expenditures were still at very modest levels. At the turn of the century in 1900, federal, state, and local governments included slightly more than a million employees combined. Total government outlays were less than \$1.5 billion or just over 3 percent of U.S. gross domestic product. By the 1920s, government employment would triple and expenditures would be at just less than \$90 billion or about 12 percent of GDP.⁴⁰ Modern public administration would be founded on a scope that was without precedent in the United States’ brief experience. In short, public administration was to be a field of study, not about a function or an enterprise, but rather about an entire major sector of what would grow to be the largest and most influential economy in the twentieth century.

PUBLIC ADMINISTRATION AND THE NEW ROLE OF GOVERNMENT

The aftermath of World War I marked the beginning of this change process for public administration. At the conclusion of all previous wars, the U.S. government had quickly returned to basic minimal levels. However, this time the scope and influence of government in U.S. life would not diminish. The United States was changing from a rural agricultural society to an urban industrial nation. This required a considerable response from public administration because so many new functions and programs would be established. The number of paved highways would increase tenfold in the 1920s. Cities would install traffic management systems, and states would impose driving tests. As the population became increasingly urban, vastly expanded programs would be needed in public parks and recreation, public works, public health, and public safety. Public administration as an activity was booming throughout the 1920s. The federal government's response to the Great Depression of the 1930s would make public administration all the more pervasive as part of American life.⁴¹

Public administration theorists, such as Dwight Waldo,⁴² Vincent Ostrom,⁴³ Nicholas Henry,⁴⁴ and Howard McCurdy,⁴⁵ have described the pattern of development within public administration after the First World War as a period of orthodoxy. The tenets of this orthodox ideology held that "true democracy and true efficiency are synonymous, or at least reconcilable,"⁴⁶ that the work of government could be neatly divided into decision making and execution, and that administration was a science with discoverable principles. The initial imprint of the scientific management movement, the progressive reform political movement, and the politics-administration dichotomy became central focuses for public administration as both a profession and a field of study.

A critical linkage for the study of administration was its concern, indeed almost obsession, with organization and control. By definition, control was to be built into organizational structure and design to ensure both accountability and efficiency. In fact, early management theorists assumed that organization and control were virtually synonymous. Remember that traditional administrative notions were based on historical models provided by the military and the Roman Catholic Church, which viewed organizational conflict as deviancy to be severely punished. When government units were small, less significant, and relatively provincial, the management of their organizations was less consequential. However, as the size, scope, and level of effort increased, pressures for better organization and control mounted. Under the influence of the scientific management movement, public administration became increasingly concerned with understanding bureaucratic forms of organization. The division of labour; span of control; organizational hierarchy and chain of command; reporting systems; departmentalization; and the development of standard operating rules, policies, and procedures became critical concerns to scholars and practitioners in the field.

Bureaucracy emerged as a dominant feature of the contemporary world. Virtually everywhere one looked in both developed and developing nations, economic, social, and political life were extensively and ever-increasingly influenced by bureaucratic organizations. Bureaucracy, while often used as a general invective to refer to any organization that is perceived to be inefficient, is more properly used to refer to a specific set of structural arrangements. It may also be used to refer to specific kinds of behaviour patterns that are not restricted to formal bureaucracies. It is widely assumed that the structural characteristics of organizations correctly defined as "bureaucratic" influence the behaviour of individuals—whether clients or bureaucrats—who interact with them.

THE THEORY OF BUREAUCRACY

Contemporary thinking along these lines begins with the work of the brilliant German sociologist Max Weber (1864–1920). His analysis of bureaucracy, first published in 1922 after his death, is still the main point of departure for all further analyses on the subject. Drawing on studies of ancient bureaucracies

in Egypt, Rome, China, and the Byzantine Empire, as well as on the more modern ones emerging in Europe during the eighteenth and nineteenth centuries, Weber used an “ideal-type” approach to extrapolate from the real world the central core of features characteristic of the most fully developed bureaucratic form of organization. Weber’s “Bureaucracy,” reprinted here, is neither a description of reality nor a statement of normative preference. It is merely an identification of the major variables or features that characterize bureaucracies. The fact that such features might not be fully present in a given organization does not necessarily imply that the organization is nonbureaucratic. It may be an immature rather than a fully developed bureaucracy.

Weber’s work on bureaucracy was not translated into English and made generally available until 1946. Still, his influence was phenomenal. Usually credited with being the “father” of modern sociology, Weber’s work emphasized a new methodological rigor that could advance the study of organizations. Weber himself played a crucial role in helping to write a constitution for the Weimar Republic in Germany just before his death in 1920. The experience of the ill-fated Weimar Republic, certainly not attributable in any way to Weber, added perhaps another point of support to Woodrow Wilson’s contention that it is harder to run a constitution than to frame one. Yet the clarity and descriptive quality of Weber’s analysis of bureaucratic organizations provided both orthodox theorists and critics with a reference point from which to debate both the good and bad effects of bureaucratic structures.

CRITICAL THINKING ABOUT INDIVIDUALS AND BEHAVIOUR

In these early days, there was also great concern about how individuals within organizations operated and how decisions were made. Mary Parker Follett (1868–1933)⁴⁷ made significant contributions in public administration’s quest to understand how organizations worked. Indeed, one might say that she was a major voice for what today would be called participatory management. She wrote about the advantages of exercising “power with” as opposed to “power over.” Her “law of the situation” was contingency management in its humble origins. Reprinted here is her discussion, “The Giving of Orders,” which draws attention to the problems caused when superior-subordinate roles inhibit the productivity of the organization.

Follett was one of the first to focus on the theory of individuals within organizations. By the late 1920s research was under way at the Hawthorne experiments (to be discussed in more depth in the next section) by Elton Mayo (1880–1949)⁴⁸ and his associates from the Harvard Business School. This major examination of traditional scientific management principles sought to confirm the relationship between conditions and management interventions in work environment and productivity but ended up launching the human relations approach.⁴⁹ The Hawthorne experiments would support Follett’s suggestions that workers were more responsive to peer pressure than to management controls and that factories, indeed all work settings, are above all social situations.

A FIRST TEXTBOOK FOR PUBLIC ADMINISTRATION

While Woodrow Wilson provided the rationale for public administration to be an academic discipline and professional specialty, it remained for Leonard D. White (1891–1958) to articulate more clearly its preliminary objectives. A U.S. Civil Service commissioner from 1934 to 1937, White spent most of his career at the University of Chicago.⁵⁰ In the preface to his pioneering 1926 book *Introduction to the Study of Public Administration*, the first text in the field, he noted four critical assumptions that formed the basis for the study of public administration: (1) administration is a unitary process that

can be studied uniformly, at the federal, state, and local levels; (2) the basis for study is management, not law; (3) administration is still an art, but the ideal of transference to a science is both feasible and worthwhile; and (4) the recognition that administration “has become, and will continue to be the heart of the problem of modern government.”⁵¹ Reprinted here is the preface and first chapter from White’s 1926 book, which, through four decades and four editions, became one of the most influential of public administration texts.⁵²

White’s text was remarkable for its restraint in not taking a prescriptive cookbook approach to public administration. He recognized that public administration was above all a field of study that had to stay close to reality—the reality of its largely untrained practitioner base that still professed great belief in the art of administration. Even more interesting, his work avoided the potential pitfall of the politics-administration dichotomy. Defining public administration as emphasizing the managerial phase, he left unanswered “the question [of] to what extent the administration itself participates in formulating the purposes of the state”⁵³ and avoided any controversy as to the precise nature of administrative action. As government in the United States began to expand, both in the size of its organizations and budgets and the extent of its reach in terms of scope of responsibility and new functions, public administration would begin to explore, examine, and debate its own future.

NOTES

1. For histories of ancient public administration, see William C. Beyer, “The Civil Service of the Ancient World,” *Public Administration Review* 19 (Spring 1959); Michael T. Dalby and Michael S. Werthman, eds., *Bureaucracy in Historical Perspective* (Glenview, Ill.: Scott, Foresman, 1972); E. N. Gladden, *A History of Public Administration: Volume 1. From the Earliest Times to the Eleventh Century* (London: Frank Cass, 1972).
2. William W. Tam, *Alexander the Great* (Boston: Beacon Press, 1956); Donald W. Engels, *Alexander the Great and the Logistics of the Macedonian Army* (Berkeley: University of California Press, 1978).
3. Frederic Chapin Lane, *Venetian Ships and Shipbuilders of the Renaissance* (Baltimore: The Johns Hopkins Press, 1934).
4. See Machiavelli, *The Discourses* (1513) and *The Prince* (1532). For a modern appreciation, see Anthony Jay, *Management and Machiavelli: An Inquiry into the Politics of Corporate Life* (New York: Holt, Rinehart and Winston, 1967).
5. See Smith’s *The Wealth of Nations* (1776), Chapter 1.
6. Robert Owen (1771–1858) was a Welsh industrialist, social reformer, and utopian socialist who was one of the first writers to consider the importance of the human factor in industry. His model factory communities, New Lanark in Scotland and New Harmony in Indiana, were among the first to take a modern approach to personnel management. For biographies, see J. F. C. Harrison, *Quest for the New Moral World: Robert Owen and the Owenites in Britain and America* (New York: Scribner’s, 1960); Sidney Pollard, ed., *Robert Owen, Prophet of the Poor* (Lewisburg, Pa.: Bucknell University Press, 1971).
7. Charles Babbage (1792–1871) is the English inventor best known as the “father” of the modern computer, but he also built upon the assembly line concepts of Adam Smith and anticipated the scientific management techniques of Frederick W. Taylor. See his *On the Economy of Machinery and Manufactures* (London: Charles Knight, 1832).
8. Francis Fukuyama, *The Origins of Political Order*, pg. 94 (Farrar, Straus & Giroux, 2011). He devotes six chapters to China – its development of the state, its capabilities, its fall after the rise of Europe, and its rise again.
9. See Etienne Balazs, *Chinese Civilization and Bureaucracy* (1964 Yale University Press).

10. Howard French, "A Sage for All Seasons," *Wall Street Journal*, April 10, 2015.
11. The two most definitive histories of the first era of civil service reform remain Paul Van Riper's *History of the United States Civil Service* (Evanston, Ill.: Row, Peterson, 1958) and J. Shafritz's *Public Personnel Management: The Heritage of Civil Service Reform* (New York: Praeger 1975).
12. Equating civil service reform with modernization was not an exaggeration. *The American City* magazine, the leading voice on urban development, noted in 1911, "Any city in the present state of municipal advancement and progress which has no provision for civil service is as much behind the times as a city without electric lights, telephones or street cars." *The American City* (1911)—Board of Freeholders, City of Kansas City.
13. Two especially insightful histories are William E. Nelson, *The Roots of American Bureaucracy 1830–1900* (Harvard University Press, 1982) and Ari Hoogenboom, *Outlawing the Spoils: A History of the Civil Service Reform Movement 1865–1883* (Urbana, Ill.: University of Illinois Press, 1961).
14. Dorman Eaton, *Civil Service in Great Britain: A History of Abuses and Reforms and Their Bearing upon American Politics* (New York: Harper & Brothers, 1880).
15. Eaton pp. 3–4.
16. See Chapters 1 and 2, *Personnel Management in Government*, 5th edition by J. Shafritz et al. (New York: Marcel Dekker, 2001) for an overview of the progression of civil service coverage in both the federal and state and local sectors.
17. Frederick C. Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968), p. 69.
18. This particular assessment, in addition to being a superb methodological illustration of neo-institutionalism, has an excellent summary history of early civil service adoption efforts: Pamela S. Tolbert and Lynne G. Zucker, "Institutional Sources of Change in the Formal Structure of Organizations: The Diffusion of Civil Service Reform 1880–1935," *Administrative Science Quarterly* 28, no. 1 (March 1983): 22–39.
19. This early accounting is according to Albert De Roode, "Civil Service Reform in Municipalities," *The American City* Vol. IV Jan 1911 pp. 20–25.
20. Perhaps the most comprehensive assessment of the state civil service trends over the last decade is *Civil Service Reform in the States* edited by J. Edward Kellough and Lloyd Nigro (State University of New York Press, 2006) with chapters devoted to eight different state reform experiences by different authors.
21. These trends were reported in a recent symposium in *Review of Public Personnel Administration*, June 2006: "Civil Service Reform Today," edited by James S. Bowman and Jonathan P. West.
22. See Lynton K. Caldwell, "Alexander Hamilton: Advocate of Executive Leadership," *Public Administration Review* 4, no. 2 (1944); Lynton K. Caldwell, *The Administrative Theories of Hamilton and Jefferson* (Chicago: University of Chicago Press, 1944); Leonard D. White, *The Federalists: A Study in Administrative History* (New York: Macmillan, 1948).
23. See Lynton K. Caldwell, "Thomas Jefferson and Public Administration," *Public Administration Review* 3 (1943); Leonard D. White, *The Jeffersonians: A Study in Administrative History, 1801–1829* (New York: Macmillan, 1951).
24. See Albert Somit, "Andrew Jackson as Administrator," *Public Administration Review* 8 (summer 1948); Leonard D. White, *The Jacksonians: A Study in Administrative History, 1829–1861* (New York: Macmillan, 1954).
25. Wilson's letter was reprinted in *Political Science Quarterly* (December 1941).
26. James Carroll and Alfred Zuck, "*The Study of Administration*" Revisited: *Report on the Centennial Agendas Project* (Washington, D.C.: American Society for Public Administration, 1985).
27. For accounts of the influence of Wilson's essay, see Louis Brownlow, "Woodrow Wilson and Public Administration," *Public Administration Review* 16 (Spring 1956); Richard J. Stillman, "Woodrow

Wilson and the Study of Administration: A New Look at an Old Essay,” *American Political Science Review* 67 (June 1973); Jack Rabin and James S. Bowman, eds., *Politics and Administration: Woodrow Wilson and American Public Administration* (New York: Marcel Dekker, 1984). However, revisionist scholars have contended that Wilson’s influence was far more a post–World War II than a contemporary phenomenon. Paul Van Riper notes that none of the early public administration scholars cited Wilson’s essay. In “The American Administrative State: Wilson and the Founders—An Unorthodox View,” *Public Administration Review* 43 (November–December 1983), Van Riper writes: “In reality, any connection between Wilson’s essay and the later development of the discipline is pure fantasy! An examination of major political and social science works of the period between 1890 and World War I shows no citation whatever of the essay.” Then how did Wilson’s essay become so influential? According to Daniel W. Martin, “The Fading Legacy of Woodrow Wilson,” *Public Administration Review* 48 (March–April 1988): “My simple answer, although too simple an answer, is the glowing reprint of Wilson’s article in the December 1941 *Political Science Quarterly*. It was a masterwork of public relations, complete with a photo static copy of Wilson’s tentative letter of submission.” Thereafter, Wilson’s essay, cited only modestly in the interwar period, grew to its current influence.

28. For appreciations, see Charles G. Haines and Marshall E. Dimock, eds., *Essays on the Law and Practice of Governmental Administration: A Volume in Honor of Frank J. Goodnow* (Baltimore: The Johns Hopkins Press, 1935); Lurton W. Blassingame, “Frank J. Goodnow: Progressive Urban Reformer,” *North Dakota Quarterly* (Summer 1972).
29. Leonard White comments extensively on the new management in his monograph on social trends in the United States as part of a series commissioned by the President’s Research Committee on Social Trends, charted by President Hoover in 1929. See *Trends in Public Administration* (New York: McGraw-Hill, 1933).
30. There are any number of excellent historical and social science works on the progressive reform era in the late nineteenth century in the United States, but Martin J. Schiesl’s work, *The Politics of Efficiency* (Berkeley: University of California Press, 1977), provides a superb contextual assessment of municipal reform from an administrative perspective.
31. Jane Addams’s works are extensive—she was a prolific writer and lecturer. Her autobiographical account, *Twenty Years at Hull House*—perhaps her best-known book—is still in print today. Most scholars would choose her 1902 work, *Democracy and Social Ethics* (most recently reprinted by the University of Illinois Press, Urbana in 2002), as her first major work—the book that pushed her into national prominence. For the reader who wants a broad selection of the range of Addams’s works there is *The Jane Addams Reader*, edited by Jean Bethke Ekstein (New York: Basic Books, 2002).
32. For an interesting comparative examination of the settlement movement exemplified by Jane Addams and of the Municipal Research Movement led by the New York Bureau of Municipal Research and other champions of the city manager movement such as Henry Bruere, see Camilla Stivers, *Bureau Men, Settlement Women: Constructing Public Administration in the Progressive Era* (Lawrence, Kan.: University Press of Kansas, 2000).
33. Frederick W. Taylor, *Principles of Scientific Management* (New York: Harper and Bros., 1911). Taylor’s other major book is *Shop Management* (New York: Harper and Bros., 1903).
34. For biographies, see Frank Barkley Copley, *Frederick W. Taylor: Father of Scientific Management* (New York: Harper and Bros., 1923); Subhir Kakar, *Frederick Taylor: A Study in Personality and Innovation* (Cambridge, Mass.: MIT Press, 1970).
35. Frederick W. Taylor, *Principles of Scientific Management* (New York: Harper and Bros., 1911 (pp. 139–140)
36. Marshall Dimock, “W. F. Willoughby and the Administrative Universal,” *Public Administrative Review* 35 (September–October 1975).

37. William F. Willoughby, *Principles of Public Administration* (Baltimore: The Johns Hopkins Press, 1927).
38. The other two were *Principles of Judicial Administration* (Washington, D.C.: Brookings Institution, 1929) and *Principles of Legislative Organization and Administration* (Washington, D.C.: Brookings Institution, 1936).
39. William F. Willoughby, *The Movement for Budgetary Reform in the States* (New York: D. Appleton and Company for the Institute for Government Research, 1918), pp. 1–8.
40. Solomon Fabricant, *The Trend of Government Activity in the United States since 1900* (New York: National Bureau of Economic Research, 1952), pp. 11–24.
41. For explanations of the growth of government during the 1920s, see Geoffrey Perret, *America in the Twenties: A History* (New York: Simon and Schuster, 1982), pp. 251–252, 426, 429, 431, 463, and 490.
42. Dwight Waldo, *The Administrative State: A Study of the Political Theory of American Public Administration* (New York: Ronald Press, 1948), pp. 206–207.
43. Vincent Ostrom, *The Intellectual Crisis in American Public Administration*, rev. ed. (Tuscaloosa: University of Alabama Press, 1974), p. 36.
44. Nicholas Henry, *Public Administration and Public Affairs* (Englewood Cliffs: Prentice-Hall, 1975), pp. 8–9.
45. Howard E. McCurdy, *Public Administration: A Bibliographic Guide to the Literature* (New York: Marcel Dekker, 1986), p. 22.
46. Waldo, *The Administrative State*, p. 206.
47. For her collected papers, see Henry C. Metcalf and Lyndall Urwick, eds., *Dynamic Administration: The Collected Papers of Mary Parker Follett* (New York: Harper and Bros., 1942); for an appreciation of her contributions, see Elliot M. Fox, “Mary Parker Follett: The Enduring Contribution,” *Public Administration Review* 28 (December 1968).
48. For a biography, see Lyndall F. Urwick, *The Life and Work of Elton Mayo* (London: Urwick, Orr and Partners, 1960).
49. The definitive account of the studies themselves is to be found in F. J. Roethlisberger and William J. Dickson, *Management and the Worker* (Cambridge, Mass.: Harvard University Press, 1939).
50. For appreciations of White’s varied intellectual contributions to public administration, see John M. Gaus, “Leonard Dupree White 1891–1958,” *Public Administration Review* 18 (Summer 1958); Herbert J. Storing, “Leonard D. White and the Study of Public Administration,” *Public Administration Review* 25 (March 1965).
51. Leonard D. White, *Introduction to the Study of Public Administration* (New York: Macmillan, 1926), p. viii.
52. The fourth, and last, edition would be published in 1955.
53. White, p. 2.

The Analects of Confucius

Confucius

I go on to a brief discussion of Confucius¹ views on government or what we may call his principles of political science. It could not be in his long intercourse with his disciples but that he should enunciate many maxims bearing on character and morals generally, but he never rested in the improvement of the individual. "The empire brought to a state of happy tranquility" was the grand object which he delighted to think of; that it might be brought about as easily as "one can look upon the palm of his hand" was the dream which it pleased him to indulge in. He held that there was in men an adaptation and readiness to be governed, which only needed to be taken advantage of in the proper way. There must be the right administrators, but given those, and "the growth of government would be rapid, just as vegetation is rapid in the earth; yea, their government would display itself like an easily-growing rush."

The same sentiment was common from the lips of Mencius. Enforcing it one day, when conversing with one of the petty princes of his time, he said in his peculiar style, "Does your Majesty understand the way of the growing grain? During the seventh and eighth months, when drought prevails, the plants become dry. Then the clouds collect densely in the heavens, they send down torrents of rain, and the grain erects itself as if by a shoot. When it does so, who can keep it back?" Such, he contended, would be the response of the mass of the people to any true "shepherd of men." It may be deemed unnecessary that I should specify this point, for it is a truth applicable to the people of all nations.

Speaking generally, government is by no device or cunning craftiness; human nature demands it. But in no other family of mankind is the characteristic so largely developed as in the

Chinese. The love of order and quiet, and a willingness to submit to "the powers that be," eminently distinguish them. Foreign writers have often taken notice of this, and have attributed it to the influence of Confucius' doctrines as inculcating subordination; but it existed previous to his time. The character of the people moulded his system, more than it was moulded by it.

This readiness to be governed arose, according to Confucius, from "the duties of universal obligation, or those between sovereign and minister, between father and son, between husband and wife, between elder brother and younger, and those belonging to the intercourse of friends." Men as they are born into the world, and grow up in it, find themselves existing in those relations. They are the appointment of Heaven. And each relation has its reciprocal obligations, the recognition of which is proper to the Heaven-conferred nature. It only needs that the sacredness of the relations be maintained, and the duties belonging to them faithfully discharged, and the "happy tranquility" will prevail all under heaven. As to the institutions of government, the laws and arrangements by which, as through a thousand channels, it should go forth to carry plenty and prosperity through the length and breadth of the country, it did not belong to Confucius, "the throneless king," to set them forth minutely. And indeed they were existing in the records of "the ancient sovereigns." Nothing new was needed. It was only requisite to pursue the old paths, and raise up the old standards. "The government of Win and Woo," he said, "is displayed in the records,—the tablets of wood and bamboo. Let there be the men, and the government will flourish, but without the men, the government decays and ceases."¹

Translator's Note

Book 12

The Duke Ching, of Ch'i, asked Confucius about government. Confucius replied, "There is government, when the prince is prince, and

Source: *The Analects of Confucius* translated by James Legge (1893), Excerpts from Books 12, 13, & 20, 1780.

the minister is minister; when the father is father, and the son is son”

“Good!” said the duke; “if, indeed, the prince be not prince, the minister not minister, the father not father, and the son not son, although I have my revenue, can I enjoy it?”

The Master said, “Ah! it is Yu, who could with half a word settle litigations!”..

The Master said, “In hearing litigations, I am like any other body. What is necessary, however, is to cause the people to have no litigations.”

Tsze-chang asked about government. The Master said, “The art of governing is to keep its affairs before the mind without weariness, and to practice them with undeviating consistency.”

The Master said, “By extensively studying all learning, and keeping himself under the restraint of the rules of propriety, one may thus likewise not err from what is right.”

The Master said, “The superior man seeks to perfect the admirable qualities of men, and does not seek to perfect their bad qualities. The mean man does the opposite of this.”

Chi K'ang asked Confucius about government. Confucius replied, “To govern means to rectify. If you lead on the people with correctness, who will dare not to be correct?”

Chi K'ang, distressed about the number of thieves in the state, inquired of Confucius how to do away with them. Confucius said, “If you, sir, were not covetous, although you should reward them to do it, they would not steal.”

Chi K'ang asked Confucius about government, saying, “What do you say to killing the unprincipled for the good of the principled?” Confucius replied, “Sir, in carrying on your government, why should you use killing at all? Let your evinced desires be for what is good, and the people will be good. The relation between superiors and inferiors is like that between the wind and the grass. The grass must bend, when the wind blows across it.”

Tsze-chang asked, “What must the officer be, who may be said to be distinguished?” The Master said, “What is it you call being distinguished?”

Tsze-chang replied, “It is to be heard of through the state, to be heard of throughout his clan.”

The Master said, “That is notoriety, not distinction.

“Now the man of distinction is solid and straightforward, and loves righteousness. He examines people's words, and looks at their countenances. He is anxious to humble himself to others. Such a man will be distinguished in the country; he will be distinguished in his clan.

“As to the man of notoriety, he assumes the appearance of virtue, but his actions are opposed to it, and he rests in this character without any doubts about himself. Such a man will be heard of in the country; he will be heard of in the clan.”

Book 13

Tsze-lu asked about government. The Master said, “Go before the people with your example, and be labourious in their affairs.”

He requested further instruction, and was answered, “Be not weary in these things.” Chung-kung, being chief minister to the head of the Chi family, asked about government. The Master said, “Employ first the services of your various officers, pardon small faults, and raise to office men of virtue and talents.”

Chung-kung said, “How shall I know the men of virtue and talent, so that I may raise them to office?” He was answered, “Raise to office those whom you know. As to those whom you do not know, will others neglect them?”

Tsze-lu said, “The ruler of Wei has been waiting for you, in order with you to administer the government. What will you consider the first thing to be done?”

The Master replied, “What is necessary is to rectify names.”

“So! indeed!” said Tsze-lu. “You are wide of the mark! Why must there be such rectification?”

The Master said, “How uncultivated you are, Yu! A superior man, in regard to what he does not know, shows a cautious reserve.

“If names be not correct, language is not in accordance with the truth of things. If language be not in accordance with the truth of things, affairs cannot be carried on to success.

“When affairs cannot be carried on to success, proprieties and music do not flourish. When proprieties and music do not flourish,

punishments will not be properly awarded. When punishments are not properly awarded, the people do not know how to move hand or foot. ...

The Master said, "Though a man may be able to recite the three hundred odes, yet if, when intrusted with a governmental charge, he knows not how to act, or if, when sent to any quarter on a mission, he cannot give his replies unassisted, notwithstanding the extent of his learning, of what practical use is it?"

The Master said, "When a prince's personal conduct is correct, his government is effective without the issuing of orders. If his personal conduct is not correct, he may issue orders, but they will not be followed."

The Master said, "The governments of Lu and Wei are brothers."

The Master said of Ching, a scion of the ducal family of Wei, that he knew the economy of a family well. When he began to have means, he said, "Ha! here is a collection!" When they were a little increased, he said, "Ha! this is complete!" When he had become rich, he said, "Ha! this is admirable!"

When the Master went to Weil Zan Yu acted as driver of his carriage.

The Master observed, "How numerous are the people!"

Yu said, "Since they are thus numerous, what more shall be done for them?" "Enrich them, was the reply.

"And when they have been enriched, what more shall be done?" The Master said, "Teach them."

The Master said, "If there were any of the princes who would employ me, in the course of twelve months, I should have done something considerable. In three years, the government would be perfected."

The Master said, "If good men were to govern a country in succession for a hundred years, they would be able to transform the violently bad, and dispense with capital punishments. True indeed is this saying!"

The Master said, "If a truly royal ruler were to arise, it would still require a generation, and then virtue would prevail."

The Master said, "If a minister make his own conduct correct, what difficulty will he have in assisting in government? If he cannot

rectify himself, what has he to do with rectifying others?"

The disciple Zan returning from the court, the Master said to him, "How are you so late?" He replied, "We had government business." The Master said, "It must have been family affairs. If there had been government business, though I am not now in office, I should have been consulted about it."

The Duke Ting asked whether there was a single sentence which could make a country prosperous. Confucius replied, "Such an effect cannot be expected from one sentence.

"There is a saying, however, which people have—"To be a prince is difficult; to be a minister is not easy."

"If a ruler knows this,—the difficulty of being a prince,—may there not be expected from this one sentence the prosperity of his country?"

The duke then said, "Is there a single sentence which can ruin a country?" Confucius replied, "Such an effect as that cannot be expected from one sentence. There is, however, the saying which people have—"I have no pleasure in being a prince, but only in that no one can offer any opposition to what I say!"

"If a ruler's words be good, is it not also good that no one oppose them? But if they are not good, and no one opposes them, may there not be expected from this one sentence the ruin of his country?"

The Duke of Sheh asked about government.

The Master said, "Good government obtains when those who are near are made happy, and those who are far off are attracted."

Tsze-hsia! being governor of Chu-fu, asked about government. The Master said, "Do not be desirous to have things done quickly; do not look at small advantages. Desire to have things done quickly prevents their being done thoroughly. Looking at small advantages prevents great affairs from being accomplished."

Book 20

Tsze-chang asked Confucius, saying, "In what way should a person in authority act in order that he may conduct government properly?"

The Master replied, “Let him honor the five excellent, and banish away the four bad, things;—then may he conduct government properly.” Tsze-chang said, “What are meant by the five excellent things?” The Master said, “When the person in authority is beneficent without great expenditure; when he lays tasks on the people without their repining; when he pursues what he desires without being covetous; when he maintains a dignified ease without being proud; when he is majestic without being fierce.”

Tsze-chang said, “What is meant by being beneficent without great expenditure?” The Master replied, “When the person in authority makes more beneficial to the people the things from which they naturally derive benefit;—is not this being beneficent without great expenditure? When he chooses the labours which are proper, and makes them labour on them, who will repine? When his desires are set on benevolent government, and he secures it, who will accuse him of covetousness? Whether he has to do with many people or few, or with things great or small, he does not dare to indicate any disrespect;—is not this to maintain a dignified ease without any pride? He adjusts his clothes and cap, and throws a dignity into his looks, so that, thus dignified, he is looked

at with awe;—is not this to be majestic without being fierce?”

Tsze-chang then asked, “What are meant by the four bad things?” The Master said, “To put the people to death without having instructed them;—this is called cruelty. To require from them, suddenly, the full tale of work, without having given them warning;—this is called oppression. To issue orders as if without urgency, at first, and, when the time comes, to insist on them with severity;—this is called injury. And, generally, in the giving pay or rewards to men, to do it in a stingy way;—this is called acting the part of a mere official.”

The Master said, “Without recognizing the ordinances of Heaven, it is impossible to be a superior man.

“Without knowing the force of words, it is impossible to know men.”

NOTE

1. With these ideas—not very enlarged—of the relations of society, Confucius dwelt much on the necessity of personal correctness of character on the part of those in authority, in order to secure the right fulfilment of the duties implied in them.

On Duties

Marcus Tullius Cicero

(72) But those who are equipped by nature to administer affairs must abandon any hesitation over winning office and engage in public life. For only in this way can either the city be ruled or greatness of spirit be displayed. No less than philosophers, and I suspect even more so, must those who choose public life acquire the magnificent disdain for human affairs that I stress, and tranquillity of mind and freedom from care. Otherwise, how will they live without anxiety, with seriousness and with constancy? (73) This is easier for philosophers in that there is less in their life which is vulnerable to the blows of fortune, and their needs are fewer; and if they do meet with misfortune, their fall can not be so severe. It is with good reason, therefore, that greater impulses to achieve greater things are aroused in the spirits of those engaged in public life than of those who live quietly; therefore they need greatness of spirit and freedom from anguish all the more.

When anyone does undertake public business, he should remember to reflect not only on how honourable that is, but also on whether he has the capacity to succeed. Here he must take thought so that indolence does not make him despair prematurely, nor greed spur him to over-confidence. Before you approach any business, thorough preparations must be made.

(74) Most men consider that military affairs are of greater significance than civic; I must deflate that opinion. For men have not infrequently sought war out of desire for glory. This has most often been true of men of great spirit and talent, and all the more so if military service suits them and they love the business of warfare. However, if we are prepared to judge the matter correctly, many achievements of

civic life have proved greater and more famous than those of war.¹

(75) Themistocles may rightly be praised, and his name possess greater renown than Solon's, Salamis may be summoned as a witness to a famous victory, which may indeed be ranked above the counsel that Solon showed when he instituted the Areopagus; in fact, however, the latter should be judged no less splendid than the former. For the former benefit was a single one; the latter will serve the city for ever: by that counsel the very laws of the Athenians and their ancestral institutions are preserved. Themistocles could claim to have helped the Areopagus in nothing; the Areopagus, however, might truly claim to have assisted him: the very war was waged according to the counsel of the senate that Solon had established.² (76) The same may be said about Pausanias and Lysander. It may be thought that their achievements won for Sparta imperial rule. But they cannot begin to be compared with the laws and discipline instituted by Lycurgus, which were, rather, the very causes of their having armies so well trained and courageous. I did not consider that Marcus Scaurus in my boyhood³ yielded anything to Gaius Marius; nor Catulus to Pompey when I myself was involved in public life. Arms have little effect abroad if there is no counsel at home. Africanus was outstanding as a man and as a general. But when he destroyed Numantia he benefited the republic no more than did Publius Nasica at the same time, when, though a civilian, he killed Tiberius Gracchus. The deed, it is true, was not a matter merely of civilian methods: effected as it was by physical force, it involved methods appropriate to war. However, it was civic counsel that prompted it, and no army was involved.

(77) The best expression of all this is the verse which, I gather, is often attacked by shameless and envious men:

Let arms yield to the toga, and laurels to
laudation.⁴

Source: *Cicero de Officiis*. Translated by Andrew P. Peabody. BOSTON: LITTLE, BROWN, AND COMPANY. 1887.

To mention no others, when I held the helm of the republic, did not arms then yield to the toga? Never was there more serious danger to the republic than then, and never was there greater quiet. Through my vigilance and my counsel the very arms swiftly slipped and fell from the hands of the most audacious citizens. Was any achievement of war ever so great? What military triumph can stand comparison?⁵ (78) I am allowed to boast to you, Marcus my son. For yours it is both to inherit my glory and to imitate my deeds. Pompey himself, indeed, whose military exploits won lavish praise, paid me the tribute of saying in the hearing of many that he would have won his third triumph in vain had my service to the republic not ensured that he had somewhere to celebrate it.⁶ Therefore the courageous deeds of civilians are not inferior to those of soldiers. Indeed the former should be given even more effort and devotion than the latter.

(79) That honourableness that we seek from a lofty and magnificent spirit is in general produced not by bodily strength, but by strength of spirit. However, we must exercise the body, training it so that when it has to attend to business or endure hard work it is able to obey counsel and reason. The honourableness that we seek depends entirely upon the concern and reflection of the spirit. In this field the civilians who are in charge of public affairs provide no less a benefit than those who wage war. And so it is by often their counsel that a war may be avoided or terminated, and sometimes declared; it was through Marcus Cato's counsel that the Third Punic war was declared, and his authority had effect even after his death.⁷ (80) We must therefore value the reason which makes decisions above the courage which makes battle; yet we must be careful to do that because we have reasoned about what is beneficial, and not merely for the sake of avoiding war. Moreover, war should always be undertaken in such a way that one is seen to be aiming only at peace.

It is the mark of a truly brave and constant spirit that one remain unperturbed in difficult times, and when agitated not be thrown, as the saying goes, off one's feet, but rather hold fast to reason, with one's spirit and counsel ready to hand.

(81) That is the mark of a great spirit; but this is the mark also of great intellectual talent: to anticipate the future by reflection, deciding somewhat beforehand how things could go in either direction, and what should be done in either event, never acting so that one will need to say, 'I had not thought of that.' Such is the work of a spirit not only great and lofty but also relying on good sense and good counsel. To charge rashly into battle and engage the enemy hand to hand is monstrous and beastlike. But if the necessity of the occasion demands, one must fight hand to hand, preferring death to slavery or dishonourableness. (82) (In the case of destroying and plundering cities it is particularly important to take care that nothing is done with recklessness or cruelty.)

It is also the mark of a great man in times of unrest to punish the guilty but to preserve the mass of people, holding fast to what is upright and honourable, whatever fortune may bring. For just as some, as I have mentioned above, put war before civic affairs, so you will find many to whom dangerously hot-headed counsels seem greater and more brilliant than calm and considered ones. (83) We must never purposefully avoid danger so as to appear cowardly and fearful, yet we must avoid exposing ourselves pointlessly to risk. Nothing can be stupider than that. When confronting danger, therefore, we should copy the doctor, whose custom it is to treat mild illnesses mildly, though he is forced to apply riskier, double-edged, remedies to more serious illnesses. Only a madman would pray for a facing storm during a calm; but when a storm does arise the wise man meets it using all his reason. That is particularly so when a successful outcome may bring more good than the period of uncertainty evil. The dangers attending great undertakings fall sometimes upon their authors and sometimes upon the nation. Again, some are called to put their lives at risk, others their glory and the goodwill of their fellow-citizens. We must, therefore, be more eager to risk our own than the common welfare, and readier to fight when honour and glory, than when other advantages, are at stake.

(84) However, many have been found who were willing to pour out on their country's behalf not only money, but even life itself, yet

they would not make the slightest sacrifice of glory, not even when the nation was crying out for it. Callicratidas, for example, had as the Spartan general in the Peloponnesian war performed many notable deeds. At the last, however, he undermined them all by disobeying the counsel of those who thought the fleet should have left Arginusae rather than engage the Athenians. His reply was that if the Spartans lost their fleet they could build another, whereas for him, flight was impossible without disgrace. That blow was a moderate one to the Spartans. But this was ruinous: when Cleombrotus recklessly engaged Epaminondas because he feared unpopularity, all Sparta's resources were destroyed. How much better Quintus Maximus! Ennius writes of him:

One man alone restored our affairs by delaying; our safety he preferred to all thought of his fame. Therefore the hero's glory now shines, and ever more brightly.⁸

We must avoid that type of error even in civic affairs. For there are those who do not dare to say what they think, however excellent it may be, through fear of unpopularity.

(85) In general those who are about to take charge of public affairs should hold fast to Plato's two pieces of advice: first to fix their gaze so firmly on what is beneficial to the citizens that whatever they do, they do with that in mind, forgetful of their own advantage. Secondly, let them care for the whole body of the republic rather than protect one part and neglect the rest.⁹ The management of the republic is like a guardianship, and must be conducted in the light of what is beneficial not to the guardians, but to those who are put in their charge.¹⁰ By consulting the interests of some of the citizens and neglecting others, they bring upon the city the ruinous condition of unrest and strife. Consequently some appear as *populares*, and others as devotees of the best men, but few as champions of everyone.¹¹ (86) That was the reason for serious strife in Athens. In our republic it has caused not merely unrest but even disastrous civil war.¹² That is something which any serious, courageous, citizen who is worthy of pre-eminence in the republic will shun with hatred. He will devote himself entirely to the republic, pursuing neither

wealth nor power, and will protect the whole in such a way that the interest of none is disregarded. He will expose no one to hatred or unpopularity by making false accusations. He will, in sum, so adhere to justice and what is honourable that in preserving them he will endure any reverse, however serious, and face death rather than abandon those things I have mentioned.

(87) Electioneering and the struggle for positions of honour is an altogether wretched practice. Again Plato's words on the subject are splendid: those who compete between themselves over who should administer the republic act as if sailors were to fight over which of them should be principal helmsman. Similarly he advises that we should consider as enemies those who take up arms against us, not those who want to protect the republic in the way each judges best.¹³

It was in that way that Publius Africanus and Quintus Metellus used to disagree with one another, without bitterness.¹⁴

(88) Furthermore we should not listen to those who think we should be deeply angry with our opponents, and consider that that is what a great-spirited and courageous man does. For nothing is more to be praised, nothing more worthy of a great and splendid man than to be easily appeased and forgiving. Among free peoples who possess equality before the law we must cultivate an affable temper and what is called loftiness of spirit. Otherwise, if we are angry with those who approach us when it is inconvenient or make over-bold demands on us, we shall become unhelpfully and hatefully sour. We must, however, recommend gentleness and forgiveness on the understanding that we may exercise severity for the sake of the republic; for without that the city cannot be governed. Punishment and correction should never be insulting. It should be undertaken in accordance with what is useful to the republic, not to the one who administers the punishment or reprimand. (89) We must be careful that the punishment should not be heavier than the offence, and that we do not have some beaten when others charged with the same offence are not even summoned. It is particularly when punishing that one should restrain one's anger: a man who is angry when

he goes to punish will never maintain that intermediate course between too much and too little that the Peripatetics approve. They are in fact right to approve if only they did not praise angriness, calling it a beneficial gift of nature. For surely anger should be denied on all occasions.¹⁵ Our prayer should be that those in charge of the republic be like the laws, which are led to punish not through anger, but through fairness.¹⁶

(90) When things are going well and as we would wish, we should make a great effort to avoid haughtiness, scorn and arrogance. Unreliability is revealed as much in reacting excessively to success as to adversity. It is a splendid achievement to face all of life with equanimity, never altering the expression of one's face, as we hear that Socrates and Gaius Laelius did. Philip, king of Macedon, may have been surpassed in deeds and glory by his son, but I note that he was both more affable and more humane. Philip, therefore, was always a great man, while Alexander often acted most dishonourably. They seem to give us good advice, then, who warn that the more we excel, the more humbly we should behave. According to Panaetius, his pupil and friend Africanus used to say that when frequent skirmishing has made horses fierce and high-spirited, men are accustomed to give them to trainers so that they may have gentler mounts to ride. Similarly, men whom success has made unbridled and overconfident should be led into the training-ring of reason and learning, so that they perceive the frailty of human affairs and the variability of fortune.

(91) Even in times of extreme good fortune we very much need to make use of our friends' counsel, and it is then more than previously that we should attribute to them authority. At this time too must we beware of giving ear to flatterers or of allowing ourselves to be fawned upon. It is easy to be fooled in this, for we think that we are the kind of people who ought to be praised. Consequently countless blunders arise, when such opinions so inflate men that they become the objects of dishonourable mockery and fall into serious errors.

So much for that subject.

(92) Our judgement should be that the achievements which are greatest and show

the greatest spirit are those of the men who rule the republic. For their government reaches extremely widely and affects the greatest number. Many men of great spirit, however, have lived and still live lives of leisure. Some, limiting themselves to their own business, investigate and examine great matters of some kind. Others have taken a middle course between philosophy and the administration of the republic: enjoying their own personal wealth, they neither increase this by every possible method nor prevent those close to them from making use of it, sharing it rather with friends and the republic too if the need arise. Their wealth should in the first place be well won, and not dishonourably or invidiously acquired. Secondly, it should be increased by reason, industriousness, thrift. Thirdly, it should be available for the benefit of as many as possible, provided they are worthy of it, and be at the command not of lust and luxury but of liberality and beneficence.¹⁷

A man who observes these rules may live not only in a grand, impressive, and spirited manner, but also with simplicity and trustworthiness, a true friend of other men.

(93) Next we must discuss the one remaining element of honourableness. Under this appear a sense of shame and what one might call the ordered beauty of a life, restraint and modesty, a calming of all the agitations of the spirit, and due measure in all things.¹⁸ Under this heading is included what in Latin may be called *decorum* (seemliness); the Greek for it is *prepon*. The essence of this is that it cannot be separated from what is honourable: for what is seemly is honourable, and what is honourable is seemly. It is easier to grasp than to explain what the difference is between 'honourable' and 'seemly'. (94) For whatever it may be, what is seemly is manifested then, when the honourable precedes it. For this reason, what is seemly appears not only in the part of the honourable that we must discuss here, but also in the first three parts: it is seemly to use reason and speech sensibly, to do what one does with forethought, in everything to see and to gaze on what is true. On the other hand, mistakes, errors, lapses, misjudgements are as unseemly as delirious insanity. Seemly, too, is everything that is just, but what is unjust, being

dishonourable, is unseemly. There is a similar story to tell about courage: what is done in a great and manly spirit seems worthy of a human being and seemly, as for the opposite, being dishonourable, it is unseemly.

NOTES

1. C. himself aspired to a triumph (p. 31, n. 2), while knowing he could never match his illustrious contemporaries. The whole discussion of public life from 69 on is leading up to 78 where C. urges his son to follow in his footsteps. Cf. 11.45 for his son's own military bent.
2. C. appears to subscribe to the tradition that Solon first established the Areopagus, which Plutarch says he found in 'most writers' (Solon 19). Plutarch and Aristotle, however, held that the Areopagus already existed and that Solon created a new Council of 400. This version, perhaps based on a confusion of the two councils, suited C.'s point here that civil achievements are the basis of military, for it was the Areopagus that contributed naval pay at the time of the Athenian victory at Salamis.
3. C. indicates the time (the end of the second century BC) when this comparison was being made, and the place, for both men were important to his home town of Arpinum. Marius was a native son and M. Aemilius Scaurus, who took an interest in the town, congratulated C.'s grandfather on his opposition to the introduction of the secret ballot.
4. The verse, 'Cedant arma togae, concedat laurea laudi' comes from Book III of C.'s poem *On His Own Times*. From the time of its composition in 60 BC, it was derided for its assonance and its conceit. At this time C. defended it against the gibes of Antony (*Philippic* 11.20). See Introduction, pp. xi, xv, xviii.
5. The triumph involved a great procession of soldiers, captives and spoils led by the victorious commander in regal dress, C. moved heaven and earth to try to secure one after he was hailed Imperator (the necessary preliminary) by his soldiers for his victory in Cilicia in 51.
6. In the Greek examples of 75–6, Solon and Lycurgus provide the necessary institutions long before Themistocles, Pausanias and Lysander achieve their military successes; the Roman examples are pairs of contemporaries in which the statesman excels the general. The two themes come together in the comparison of Pompey and C. in 78.
7. Up until his death in 149 BC, the Elder Cato ended every speech in the Senate with 'Carthage must be destroyed'. He had his way posthumously in 146.
8. From Book XII of the *Annales*.
9. See *Republic* I 342e, V 465d–6c, VII 519e, IV 420b.
10. 'Management' translates *procuratio* and 'guardianship' *tutela*, both terms of civil law for relationships in private life based on faith (*fides*). *Tutela* is the relationship of a guardian to a person legally unable to manage his own affairs, notably minors and women; *procuratio* is the supervision of another man's business interests, in theory without payment, such as Atticus undertook for C. and other friends (Nepos, *Atticus* 15.3).
11. The contrast is between two types of politics, not two parties. *Popularis* was usually applied to individuals claiming to represent the interests of the people, as opposed to the Senate and the upper orders generally: they stressed the sovereignty of the popular assemblies and the importance of the office of tribune of the plebs, and advocated economic and social reforms to help the poor. The *optimates* favoured the interests of the *optimi* or 'best men' (their own flattering term) and upheld the authority of the Senate, resisting distributions of wealth and property. C. liked to think of himself as promoting the harmony of all the orders but his sympathy with the Senate and his defence of private property mark him as an Optimate, though a moderate one.
12. C. points to the political conflicts at Athens between oligarchs and democrats at the end of the fifth century BC. In Rome he thinks of the conflicts of his own time, involving actual armies, between Marius and Sulla, then

Caesar and Pompey. That between the tyrannicides and Antony and Octavian lay ahead.

13. C. exploits, in a rather misleading way, the famous ship analogy of *Republic* VI 488. It is not clear where he found the second piece of Platonic advice.
14. In C.'s *Laelius de amicitia* 77, Laelius claims that Scipio Aemilianus disagreed with Q. Metellus Macedonicus without bitterness, but in the *De Re Publica* 1.31 he calls Metellus a leader of the 'slanderers and enemies' of Scipio.
15. Aristotle described the virtues as middle states between two extremes. Thus mildness was intermediate between irascibility and 'angerlessness'; the mild man would be angry on appropriate occasions and to the appropriate degree (*Nicomachean Ethics* IV.5). C. here follows the Stoics in thinking the wise man should be free of all passions (p. 28, n. 1), but, in deference to his son's current instructor, notes the Peripatetic view (see Introduction, p. xvii) that appropriate anger was useful (*Tusculan Disputations* IV.43). C. also uses the standard of 'the middle way' in his discussions of seemliness (1.130, 1.140) and political liberality (11.59, 11.60).
16. Aristotle himself compares the rule of law to that of passionless reason in *Politics* 111.16, *Rhetoric* 1.1.7.
17. C. may have been thinking of his friend Atticus who took a great interest in politics and, according to his biographer Nepos (*Atticus* 2.4–6), observed high standards in acquiring and using his wealth.
18. What these apparently disparate virtues, here grouped together, have in common are first, limit and appropriateness to context, and secondly, concern with appearance and not offending others. Thus impulse must obey the limit set by reason so that the passions are moderated (102); the sense of shame must respect the conventions of society (99, 128, 148); one's life must be appropriate to one's 'roles' (107, 115); and behaviour must fit one's age and civic status (122–5). Immoderate passions are visible and offend (102); but one must also regulate aspects of living such as jokes and conversation (103–4, 132–6), gait and dress (128–31) and houses (138–40), all of which are in the public eye.

Of the Principle of Utility

Jeremy Bentham

1. Nature has placed mankind under the governance of two sovereign masters, *pain* and *pleasure*. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it. In words a man may pretend to abjure their empire: but in reality he will remain subject to it all the while. The *principle of utility* recognises this subjection, and assumes it for the foundation of that system, the object of which is to rear the fabric of felicity by the hands of reason and of law. Systems which attempt to question it, deal in sounds instead of sense, in caprice instead of reason, in darkness instead of light.

But enough of metaphor and declamation: it is not by such means that moral science is to be improved.

2. The principle of utility is the foundation of the present work: it will be proper therefore at the outset to give an explicit and determinate account of what is meant by it. By the principle of utility is meant that principle which approves or disapproves of every action whatsoever, according to the tendency which it appears to have to augment or diminish the happiness of the party whose interest is in question: or, what is the same thing in other words, to promote or to oppose that happiness. I say of every action whatsoever; and therefore not only of every action of a private individual, but of every measure of government.

Source: Jeremy Bentham, *An Introduction to the Principles and Morals of Legislation*, 1780.

3. By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness, (all this in the present case comes to the same thing) or (what comes again to the same thing) to prevent the happening of mischief, pain, evil, or unhappiness to the party whose interest is considered: if that party be the community in general, then the happiness of the community: if a particular individual, then the happiness of that individual.

4. The interest of the community is one of the most general expressions that can occur in the phraseology of morals: no wonder that the meaning of it is often lost. When it has a meaning, it is this. The community is a fictitious *body*, composed of the individual persons who are considered as constituting as it were its *members*. The interest of the community then is, what?—the sum of the interests of the several members who compose it.

5. It is in vain to talk of the interest of the community, without understanding what is the interest of the individual. A thing is said to promote the interest, or to be *for* the interest, of an individual, when it tends to add to the sum total of his pleasures: or, what comes to the same thing, to diminish the sum total of his pains.

6. An action then may be said to be conformable to the principle of utility, or, for shortness sake, to utility, (meaning with respect to the community at large) when the tendency it has to augment the happiness of the community is greater than any it has to diminish it.

7. A measure of government (which is but a particular kind of action, performed by a particular person or persons) may be said to be conformable to or dictated by the principle of utility, when in like manner the tendency which it has to augment the happiness of the community is greater than any which it has to diminish it.

8. When an action, or in particular a measure of government, is supposed by a man to be conformable to the principle of utility, it may be

convenient, for the purposes of discourse, to imagine a kind of law or dictate, called a law or dictate of utility: and to speak of the action in question, as being conformable to such law or dictate.

9. A man may be said to be a partisan of the principle of utility, when the approbation or disapprobation he annexes to any action, or to any measure, is determined by, and proportioned to the tendency which he conceives it to have to augment or to diminish the happiness of the community: or in other words, to its conformity or unconformity to the laws or dictates of utility.

10. Of an action that is conformable to the principle of utility, one may always say either that it is one that ought to be done, or at least that it is not one that ought not to be done. One may say also, that it is right it should be done; at least that it is not wrong it should be done: that it is a right action; at least that it is not a wrong action. When thus interpreted, the words *ought*, and *right* and *wrong*, and others of that stamp, have a meaning: when otherwise, they have none.

11. Has the rectitude of this principle been ever formally contested? It should seem that it had, by those who have not known what they have been meaning. Is it susceptible of any direct proof? it should seem not: for that which is used to prove every thing else, cannot itself be proved: a chain of proofs must have their commencement somewhere. To give such proof is as impossible as it is needless.

12. Not that there is or ever has been that human creature breathing, however stupid or perverse, who has not on many, perhaps on most occasions of his life, deferred to it. By the natural constitution of the human frame, on most occasions of their lives men in general embrace this principle, without thinking of it: if not for the ordering of their own actions, yet for the trying of their own actions, as well as of those of other men. There have been, at the same time, not many, perhaps, even of the most intelligent, who have been disposed to embrace it purely and without reserve. There are even few who have not taken some occasion or other to quarrel with it, either on account of their not understanding always how to apply it, or on account of some prejudice or other which they

were afraid to examine into, or could not bear to part with. For such is the stuff that man is made of: in principle and in practice, in a right track and in a wrong one, the rarest of all human qualities is consistency.

13. When a man attempts to combat the principle of utility, it is with reasons drawn, without his being aware of it, from that very principle itself. His arguments, if they prove any thing, prove not that the principle is *wrong*, but that, according to the applications he supposes to be made of it, it is *misapplied*. Is it possible for a man to move the earth? Yes; but he must first find out another earth to stand upon.

14. To disprove the propriety of it by arguments is impossible; but, from the causes that have been mentioned, or from some confused or partial view of it, a man may happen to be disposed not to relish it. Where this is the case, if he thinks the settling of his opinions on such a subject worth the trouble, let him take the following steps, and at length, perhaps, he may come to reconcile himself to it.

1. Let him settle with himself, whether he would wish to discard this principle altogether; if so, let him consider what it is that all his reasonings (in matters of politics especially) can amount to?
2. If he would, let him settle with himself, whether he would judge and act without any principle, or whether there is any other he would judge and act by?
3. If there be, let him examine and satisfy himself whether the principle he thinks he has found is really any separate intelligible principle; or whether it be not a mere principle in words, a kind of phrase, which at bottom expresses neither more nor less than the mere avowal of his own unfounded sentiments; that is, what in another person he might be apt to call *caprice*?
4. If he is inclined to think that his own approbation or disapprobation, annexed to the idea of an act, without any regard to its consequences, is a sufficient foundation for him to judge and act upon, let him ask himself whether his sentiment is to be a standard of right and wrong, with respect to every other man, or whether

every man's sentiment has the same privilege of being a standard to itself?

5. In the first case, let him ask himself whether his principle is not despotical, and hostile to all the rest of human race?
6. In the second case, whether it is not anarchical, and whether at this rate there are not as many different standards of right and wrong as there are men? and whether even to the same man, the same thing, which is right today, may not (without the least change in its nature) be wrong tomorrow? and whether the same thing is not right and wrong in the same place at the same time? and in either case, whether all argument is not at an end? and whether, when two men have said, 'I like this,' and 'I don't like it,' they can (upon such a principle) have any thing more to say?
7. If he should have said to himself, No: for that the sentiment which he proposes as a standard must be grounded on reflection, let him say on what particulars the reflection is to turn? if on particulars having relation to the utility of the act, then let him say whether this is not deserting his own principle, and borrowing assistance from that very one in opposition to which he sets it up: or if not on those particulars, on what other particulars?
8. If he should be for compounding the matter, and adopting his own principle in part, and the principle of utility in part, let him say how far he will adopt it?
9. When he has settled with himself where he will stop, then let him ask himself how he justifies to himself the adopting it so far? and why he will not adopt it any farther?
10. Admitting any other principle than the principle of utility to be a right principle, a principle that it is right for a man to pursue; admitting (what is not true) that the word *right* can have a meaning without reference to utility, let him say whether there is any such thing as a *motive* that a man can have to pursue the dictates of it: if there is, let him say what that motive is, and how it is to be distinguished from those which enforce the dictates of utility: if not, then lastly let him say what it is this other principle can be good for?

On War

Carl von Clausewitz

VI. Information in War

By the word "Information," we denote all the knowledge which we have of the enemy and his country; therefore, in fact, the foundation of all our ideas and actions. Let us just consider the nature of this foundation, its want of trustworthiness, its changefulness, and we shall soon feel what a dangerous edifice War is, how easily it may fall to pieces and bury us in its ruins. For although it is a maxim in all books that we should trust only certain information, that we must be always suspicious; that is only a miserable book-comfort, belonging to that description of knowledge in which writers of systems and compendiums take refuge for want of anything better to say.

Great part of the information obtained in War is contradictory, a still greater part is false, and by far the greatest part is of a doubtful character. What is required of an officer is a certain power of discrimination, which only knowledge of men and things and good judgment can give. The law of probability must be his guide. This is not a trifling difficulty even in respect of the first plans, which can be formed in the chamber outside the real sphere of War; but it is enormously increased when in the thick of War itself one report follows hard upon the heels of another; it is then fortunate if these reports in contradicting each other, show a certain balance of probability, and thus themselves call forth a scrutiny. It is much worse for the inexperienced when accident does not render him this service, but one report supports another, confirms it, magnifies it, finishes off the picture with fresh touches of colour, until necessity in

urgent haste forces from us a resolution which will soon be discovered to be folly, all those reports having been lies, exaggerations, errors, etc., etc. In a few words, most reports are false, and the timidity of men acts as a multiplier of lies and untruths. As a general rule every one is more inclined to lend credence to the bad than the good. Every one is inclined to magnify the bad in some measure, and although the alarms which are thus propagated, like the waves of the sea, subside into themselves, still, like them, without any apparent cause they rise again. Firm in reliance on his own better convictions, the chief must stand like a rock against which the sea breaks its fury in vain. The rôle which is not easy; he who is not by nature of a buoyant disposition, or trained by experience in War, and matured in judgment, may let it be his rule to do violence to his own natural conviction by inclining from the side of fear to that of hope; only by that means will he be able to preserve his balance. This difficulty of seeing things correctly, which is one of the greatest frictions in War makes things appear quite different to what was expected. The impression of the senses is stronger than the force of the ideas resulting from methodical reflection, and this goes so far that no important undertaking was ever yet carried out without the Commander having to subdue new doubts in himself at the time of commencing the execution of his work. Ordinary men who follow the suggestions of others become, therefore, generally undecided on the spot; they think that they have found circumstances different to what they had expected, and this view gains strength by their again yielding to the suggestions of others. But even the man who has made his own plans when he comes to see things with his own eyes, will often think he has done wrong. Firm reliance on self must make him proof against the seeming pressure of the moment; his first conviction will in the end prove true, when the foreground scenery which fate has pushed on to the stage of

Source: *On War*, Carl von Clausewitz (1873) Translated by J. J. Graham, Published by N. Trübner. (London)

War, with its accompaniments of terrific objects is drawn aside, and the horizon extended. This is one of the great chasms which separate *conception* from *execution*.

VII. Friction in War

As long as we have no personal knowledge of War, we cannot conceive where those difficulties lie of which so much is said, and what that genius, and those extraordinary mental powers required in a General have really to do. All appears so simple, all the requisite branches of knowledge appear so plain, all the combinations so unimportant, that, in comparison with them, the easiest problem in higher mathematics impresses us with a certain scientific dignity. But if we have seen War, all becomes intelligible; and still, after all, it is extremely difficult to describe what it is which brings about this change, to specify this invisible and completely efficient factor.

Everything is very simple in War, but the simplest thing is difficult. These difficulties accumulate and produce a friction, which no man can imagine exactly who has not seen War. Suppose now a traveller, who, towards evening, expects to accomplish the two stages at the end of his day's journey, four or five leagues, with post horses, on the high road—it is nothing. He arrives now at the last station but one, finds no horses, or very bad ones; then a hilly country, bad roads; it is a dark night, and he is glad when, after a great deal of trouble, he reaches the next station, and finds there some miserable accommodation. So in War, through the influence of an infinity of petty circumstances, which cannot properly be described on paper, things disappoint us, and we fall short of the mark. A powerful iron will overcomes this friction, it crushes the obstacles, but certainly the machine along with them. We shall often meet with this result. Like an obelisk, towards which the principal streets of a place converge, the strong will of a proud spirit, stands prominent and commanding, in the middle of the Art of War.

Friction is the only conception which, in a general way, corresponds to that which distinguishes real War from War on paper. The military machine, the army and all belonging to it,

is in fact simple; and appears, on this account, easy to manage. But let us reflect that no part of it is in one piece, that it is composed entirely of individuals, each of which keeps up its own friction in all directions. Theoretically all sounds very well; the commander of a battalion is responsible for the execution of the order given; and as the battalion by its discipline is glued together into one piece, and the chief must be a man of acknowledged zeal, the beam turns on an iron pin with little friction. But it is not so in reality, and all that is exaggerated and false in such a conception manifests itself at once in War. The battalion always remains composed of a number of men, of whom, if chance so wills, the most insignificant is able to occasion delay, and even irregularity. The danger which War brings with it, the bodily exertions which it requires, augment this evil so much, that they may be regarded as the greatest causes of it.

This enormous friction, which is not concentrated, as in mechanics, at a few points, is therefore everywhere brought into contact with chance, and thus facts take place upon which it was impossible to calculate, their chief origin being chance. As an instance of one such chance, take the weather. Here, the fog prevents the enemy from being discovered in time, a battery from firing at the right moment, a report from reaching the General; there, the rain prevents a battalion from arriving, another from reaching in right time, because, instead of three, it had to march perhaps eight hours; the cavalry from charging effectively because it is stuck fast in heavy ground.

These are only a few incidents of detail by way of elucidation, that the reader may be able to follow the author, for whole volumes might be written on these difficulties. To avoid this, and still to give a clear conception of the host of small difficulties to be contended with in War, we might go on heaping up illustrations, if we were not afraid of being tiresome. But those who have already comprehended us will permit us to add a few more.

Activity in War is movement in a resistant medium. Just as a man in water is unable to perform with ease and regularity the most natural and simplest movement, that of walking, so in War, with ordinary powers, one cannot keep even the line of mediocrity. This is the reason

that the correct theorist is like a swimming master, who teaches on dry land movements which are required in the water, which must appear grotesque and ludicrous to those who forget about the water. This is also why theorists, who have never plunged in themselves, or who cannot deduce any generalities from their experience, are unpractical and even absurd, because they only teach what every one knows—how to walk.

Further, every War is rich in particular facts; while, at the same time, each is an unexplored sea, full of rocks, which the General may have a suspicion of, but which he has never seen with his eye, and round which, moreover, he must steer in the night. If a contrary wind also springs up, that is, if any great accidental event declares itself adverse to him, then the most consummate skill, presence of mind and energy, are required; whilst to those who only look on from a distance, all seems to proceed with the utmost ease. The knowledge of this friction is a chief part of that so often talked of, experience in War, which is required in a good General. Certainly, he is not the best General in whose mind it assumes the greatest dimensions, who is the most overawed by it (this includes that class of over-anxious Generals, of whom there are so many amongst the experienced); but a General must be aware of it that he may overcome it, where that is possible; and that he may not

expect a degree of precision in results which is impossible on account of this very friction. Besides, it can never be learnt theoretically; and if it could, there would still be wanting that experience of judgment which is called tact, and which is always more necessary in a field full of innumerable small and diversified objects, than in great and decisive cases, when one's own judgment may be aided by consultation with others. Just as the man of the world, through tact of judgment which has become habit, speaks, acts, and moves only as suits the occasion, so the officer, experienced in War, will always, in great and small matters, at every pulsation of War as we may say, decide and determine suitably to the occasion. Through this experience and practice, the idea comes to his mind of itself, that so and so will not suit. And thus he will not easily place himself in a position by which he is compromised, which, if it often occurs in War, shakes all the foundations of confidence, and becomes extremely dangerous.

It is therefore this friction, or what is so termed here, which makes that which appears easy in War difficult in reality. As we proceed, we shall often meet with this subject again, and it will hereafter become plain that, besides experience and a strong will, there are still many other rare qualities of the mind required to make a man a consummate General.

The Study of Administration

Woodrow Wilson

I suppose that no practical science is ever studied where there is no need to know it. The very fact, therefore, that the eminently practical science of administration is finding its way into college courses in this country would prove that this country needs to know more about administration, were such proof of this fact required to make out a case. It need not be said, however, that we do not look into college programmes for proof of this fact. It is a thing almost taken for granted among us, that the present movement called civil service reform must, after the accomplishment of its first purpose, expand into efforts to improve, not the *personnel* only, but also the organization and methods of our government offices: because it is plain that their organization and methods need improvement only less than their *personnel*. It is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy. On both these points there is obviously much need of light among us; and only careful study can supply that light.

Before entering on that study, however, it is needful:

- I. To take some account of what others have done in the same line; that is to say, of the history of the study.
- II. To ascertain just what is its subject matter.
- III. To determine just what are the best methods by which to develop it, and the most clarifying political conceptions to carry with us into it.

Source: Political Science Quarterly 2 (June 1887).

Unless we know and settle these things, we shall set out without chart or compass.

I

The science of administration is the latest fruit of that study of the science of politics which was begun some twenty-two hundred years ago. It is a birth of our own century, almost of our own generation.

Why was it so late in coming? Why did it wait till this too busy century of ours to demand attention for itself? Administration is the most obvious part of government; it is government in action; it is the executive, the operative, the most visible side of government, and is of course as old as government itself. It is government in action, and one might very naturally expect to find that government in action had arrested the attention and provoked the scrutiny of writers of politics very early in the history of systematic thought.

But such was not the case. No one wrote systematically of administration as a branch of the science of government until the present century had passed its first youth and had begun to put forth its characteristic flower of systematic knowledge. Up to our own day all the political writers whom we now read had thought, argued, dogmatized only about the *constitution* of government; about the nature of the state, the essence and seat of sovereignty, popular power and kingly prerogative; about the greatest meanings lying at the heart of government, and the high ends set before the purpose of government by man's nature and man's aims. The central field of controversy was that great field of theory in which monarchy rode tilt against democracy, in which oligarchy would have built for itself strongholds of privilege, and in which tyranny sought opportunity to make good its claim to receive submission from all competitors. Amidst this high warfare of principles, administration could command no pause for its own consideration. The question was always:

Who shall make law, and what shall that law be? The other question, how law should be administered with enlightenment, with equity, with speed, and without friction, was put aside as “practical detail” which clerks could arrange after doctors had agreed upon principles.

That political philosophy took this direction was of course no accident, no chance preference or perverse whim of political philosophers. The philosophy of any time is, as Hegel says, “nothing but the spirit of that time expressed in abstract thought”; and political philosophy, like philosophy of every other kind, has only held up the mirror to contemporary affairs. The trouble in early times was almost altogether about the constitution of government; and consequently that was what engrossed men’s thoughts. There was little or no trouble about administration—at least little that was heeded by administrators. The functions of government were simple, because life itself was simple. Government went about imperatively and compelled men, without thought of consulting their wishes. There was no complex system of public revenues and public debts to puzzle financiers; there were, consequently, no financiers to be puzzled. No one who possessed power was long at a loss how to use it. The great and only question was: Who shall possess it? Populations were of manageable numbers; property was of simple sorts. There were plenty of farms, but no stocks and bonds: more cattle than vested interests.

I have said that all this was true of “early times”; but it was substantially true also of comparatively late times. One does not have to look back of the last century for the beginnings of the present complexities of trade and perplexities of commercial speculation, nor for the portentous birth of national debts. Good Queen Bess, doubtless, thought that the monopolies of the sixteenth century were hard enough to handle without burning her hands; but they are not remembered in the presence of the giant monopolies of the nineteenth century. When Blackstone lamented that corporations had no bodies to be kicked and no souls to be damned, he was anticipating the proper time for such regrets by full a century. The perennial discords between master and workmen which now so often disturb industrial society began before the

Black Death and the Statute of Labourers; but never before our own day did they assume such ominous proportions as they wear now. In brief, if difficulties of governmental action are to be seen gathering in other centuries, they are to be seen culminating in our own.

This is the reason why administrative tasks have nowadays to be so studiously and systematically adjusted to carefully tested standards of policy, the reason why we are having now what we never had before, a science of administration. The weightier debates of constitutional principle are even yet by no means concluded; but they are no longer of more immediate practical moment than questions of administration. It is getting to be harder to *run* a constitution than to frame one.

Here is Mr. Bagehot’s graphic, whimsical way of depicting the difference between the old and the new in administration:

In early times, when a despot wishes to govern a distant province, he sends down a satrap on a grand horse, and other people on little horses; and very little is heard of the satrap again unless he send back some of the little people to tell what he has been doing. No great labour of superintendence is possible. Common rumour and casual report are the sources of intelligence. If it seems certain that the province is in a bad state, satrap No. 1 is recalled, and satrap No. 2 sends out in his stead. In civilized countries the process is different. You erect a bureau in the province you want to govern; you make it write letters and copy letters; it sends home eight reports *per diem* to the head bureau in St. Petersburg. Nobody does a sum in the province without some one doing the same sum in the capital, to “check” him, and see that he does it correctly. The consequence of this is, to throw on the heads of departments an amount of reading and labour which can only be accomplished by the greatest natural aptitude, the most efficient training, the most firm and regular industry.¹

There is scarcely a single duty of government which was once simple which is not now complex; government once had but a few masters; it now has scores of masters. Majorities formerly only underwent government; they now

conduct government. Where government once might follow the whims of a court, it must now follow the views of a nation.

And those views are steadily widening to new conceptions of state duty; so that at the same time that the functions of government are every day becoming more complex and difficult, they are also vastly multiplying in number. Administration is everywhere putting its hands to new undertakings. The utility, cheapness, and success of the government's postal service, for instance, point towards the early establishment of governmental control of the telegraph system. Or, even if our government is not to follow the lead of the governments of Europe in buying or building both telegraph and railroad lines, no one can doubt that in some way it must make itself master of masterful corporations. The creation of national commissioners of railroads, in addition to the older state commissions, involves a very important and delicate extension of administrative functions. Whatever hold of authority state or federal governments are to take upon corporations, there must follow cares and responsibilities which will require not a little wisdom, knowledge, and experience. Such things must be studied in order to be well done. And these, as I have said, are only a few of the doors which are being opened to offices of government. The idea of the state and the consequent ideal of its duty are undergoing noteworthy change; and "the idea of the state is the conscience of administration." Seeing every day new things which the state ought to do, the next thing is to see clearly how it ought to do them.

This is why there should be a science of administration which shall seek to straighten the paths of government, to make its business less unbusinesslike, to strengthen and purify its organization, and to crown its dutifulness. This is one reason why there is such a science.

But where has this science grown up? Surely not on this side of the sea. Not much impartial scientific method is to be discerned in our administrative practices. The poisonous atmosphere of city government, the crooked secrets of state administration, the confusion, sinecurism, and corruption ever and again discovered in the bureaus at Washington forbid us to believe that any clear conceptions are as yet

very widely current in the United States. No; American writers have hitherto taken no very important part in the advancement of this science. It has found its doctors in Europe. It is not of our making; it is a foreign science, speaking very little of the language of English or American principle. It employs only foreign tongues; it utters none but what are to our minds alien ideas. Its aims, its examples, its conditions, are almost exclusively grounded in the histories of foreign races, in the precedents of foreign systems, in the lessons of foreign revolutions. It has been developed by French and German professors, and is consequently in all parts adapted to the needs of a compact state, and made to fit highly centralized forms of government; whereas, to answer our purposes, it must be adapted, not to a simple and compact, but to a complex and multiform state, and made to fit highly decentralized forms of government. If we would employ it, we must Americanize it, and that not formally, in language merely, but radically, in thought, principle, and aim as well. It must learn our constitutions by heart; must get the bureaucratic fever out of its veins; must inhale much free American air.

If an explanation be sought why a science manifestly so susceptible of being made useful to all governments alike should have received attention first in Europe, where government has long been a monopoly, rather than in England or the United States, where government has long been a common franchise, the reason will doubtless be found to be twofold: first, that in Europe, just because government was independent of popular assent, there was more governing to be done; and, second, that the desire to keep government a monopoly made the monopolists interested in discovering the least irritating means of governing. They were, besides, few enough to adopt means promptly.

It will be instructive to look into this matter a little more closely. In speaking of European governments I do not, of course, include England. She has not refused to change with the times. She has simply tempered the severity of the transition from a polity of aristocratic privilege to a system of democratic power by slow measures of constitutional reform which,

without preventing revolution, has confined it to paths of peace. But the countries of the continent for a long time desperately struggled against all change, and would have diverted revolution by softening the asperities of absolute government. They sought so to perfect their machinery as to destroy all wearing friction, so to sweeten their methods with consideration for the interests of the governed as to placate all hindering hatred, and so assiduously and opportunely to offer their aid to all classes of undertakings as to render themselves indispensable to the industrious. They did at last give the people constitutions and the franchise; but even after that they obtained leave to continue despotic by becoming paternal. They made themselves too efficient to be dispensed with, too smoothly operative to be noticed, too enlightened to be inconsiderately questioned, too benevolent to be suspected, too powerful to be coped with. All this has required study; and they have closely studied it.

On this side of the sea we, the while, had known no great difficulties of government. With a new country, in which there was room and remunerative employment for everybody, with liberal principles of government and unlimited skill in practical politics, we were long exempted from the need of being anxiously careful about plans and methods of administration. We have naturally been slow to see the use or significance of those many volumes of learned research and painstaking examination into the ways and means of conducting government which the presses of Europe have been sending to our libraries. Like a lusty child, government with us has expanded in nature and grown great in stature, but has also become awkward in movement. The vigor and increase of its life has been altogether out of proportion to its skill in living. It has gained strength, but it has not acquired department. Great, therefore, as has been our advantage over the countries of Europe in point of ease and health of constitutional development, now that the time for more careful administrative adjustments and larger administrative knowledge has come to us, we are at a signal disadvantage as compared with the transatlantic nations; and this for reasons which I shall try to make clear.

Judging by the constitutional histories of the chief nations of the modern world, there may be said to be three periods of growth through which government has passed in all the most highly developed of existing systems, and through which it promises to pass in all the rest. The first of these periods is that of absolute rulers, and of an administrative system adapted to absolute rule; the second is that in which constitutions are framed to do away with absolute rulers and substitute popular control, and in which administration is neglected for these higher concerns; and the third is that in which the sovereign people undertake to develop administration under this new constitution which has brought them into power.

Those governments are now in the lead in administrative practice which had rulers still absolute but also enlightened when those modern days of political illumination came in which it was made evident to all but the blind that governors are properly only the servants of the governed. In such governments administration has been organized to subserve the general weal with the simplicity and effectiveness vouchsafed only to the undertakings of a single will.

Such was the case in Prussia, for instance, where administration has been most studied and most nearly perfected. Frederick the Great, stern and masterful as was his rule, still sincerely professed to regard himself as only the chief servant of the state, to consider his great office a public trust; and it was he who, building upon the foundations laid by his father, began to organize the public service of Prussia as in very earnest a service of the public. His no less absolute successor, Frederic William III . . . in his turn, advanced the work still further, planning many of the broader structural features which give firmness and form to Prussian administration today. Almost the whole of the admirable system has been developed by kingly initiative.

Of similar origin was the practice, if not the plan, of modern French administration, with its symmetrical divisions of territory and its orderly gradations of office. The days of the Revolution—of the Constituent Assembly—were days of constitution-*writing*, but they can hardly be called days of constitution-*making*.

The Revolution heralded a period of constitutional development—the entrance of France upon the second of those periods which I have enumerated—but it did not itself inaugurate such a period. It interrupted and unsettled absolutism, but did not destroy it. Napoleon succeeded the monarchs of France, to exercise a power as unrestricted as they had ever possessed.

The recasting of French administration by Napoleon is, therefore, my second example of the perfecting of civil machinery by the single will of an absolute ruler before the dawn of a constitutional era. No corporate, popular will could ever have effected arrangements such as those which Napoleon commanded. Arrangements so simple at the expense of local prejudice, so logical in their influence to popular choice, might be decreed by a Constitutional Assembly, but could be established only by the unlimited authority of a despot. The system of the year VIII was ruthlessly thorough and heartlessly perfect. It was, besides, in large part, a return to the despotism that had been overthrown.

Among those nations, on the other hand, which entered upon a season of constitution-making and popular reform before administration had received the impress of liberal principle, administrative improvement has been tardy and half-done. Once a nation has embarked in the business of manufacturing constitutions, it finds it exceedingly difficult to close out that business and open for the public a bureau of skilled, economical administration. There seems to be no end to the tinkering of constitutions. Your ordinary constitution will last you hardly ten years without repairs or additions; and the time for administrative detail comes late.

Here, of course, our examples are England and our own country. In the days of the Angevin kings, before constitutional life had taken root in the Great Charter, legal and administrative reforms began to proceed with sense and vigor under the impulse of Henry II's shrewd, busy, pushing, indomitable spirit and purpose; and kingly initiative seemed destined in England, as elsewhere, to shape governmental growth at its will. But impulsive, errant Richard and weak, despicable John were not the men to carry out

such schemes as their father's. Administrative development gave place in their reigns to constitutional struggles; and Parliament became king before any English monarch had had the practical genius or the enlightened conscience to devise just and lasting forms for the civil service of the state.

The English race, consequently, has long and successfully studied the art of curbing executive power to the constant neglect of the art of perfecting executive methods. It has exercised itself much more in controlling than in energizing government. It has been more concerned to render government just and moderate than to make it facile, well-ordered, and effective. English and American political history has been a history, not of administrative development, but of legislative oversight—not of progress in governmental organization, but of advance in law-making and political criticism. Consequently, we have reached a time when administrative study and creation are imperatively necessary to the well-being of our governments saddled with the habits of a long period of constitution-making. That period has practically closed, so far as the establishment of essential principles is concerned, but we cannot shake off its atmosphere. We go on criticizing when we ought to be creating. We have reached the third of the periods I have mentioned—the period, namely, when the people have to develop administration in accordance with the constitutions they won for themselves in a previous period of struggle with absolute power; but we are not prepared for the tasks of the new period.

Such an explanation seems to afford the only escape from blank astonishment at the fact that, in spite of our vast advantages in point of political liberty, and above all in point of practical political skill and sagacity, so many nations are ahead of us in administrative organization and administrative skill. Why, for instance, have we but just begun purifying a civil service which was rotten full fifty years ago? To say that slavery diverted us is but to repeat what I have said—that flaws in our constitution delayed us.

Of course all reasonable preference would declare for this English and American course of politics rather than for that of any European

country. We should not like to have had Prussia's history for the sake of having Prussia's administrative skill; and Prussia's particular system of administration would quite suffocate us. It is better to be untrained and free than to be servile and systematic. Still there is no denying that it would be better yet to be both free in spirit and proficient in practice. It is this even more reasonable preference which impels us to discover what there may be to hinder or delay us in naturalizing this much-to-be-desired science of administration.

What, then, is there to prevent?

Well, principally, popular sovereignty. It is harder for democracy to organize administration than for monarchy. The very completeness of our most cherished political successes in the past embarrasses us. We have enthroned public opinion; and it is forbidden us to hope during its reign for any quick schooling of the sovereign in executive expertness or in the conditions of perfect functional balance in government. The very fact that we have realized popular rule in its fullness has made the task of *organizing* that rule just so much the more difficult. In order to make any advance at all we must instruct and persuade a multitudinous monarch called public opinion—a much less feasible undertaking than to influence a single monarch called a king. An individual sovereign will adopt a simple plan and carry it out directly: he will have but one opinion, and he will embody that one opinion in one command. But this other sovereign, the people, will have a score of differing opinions. They can agree upon nothing simple: advance must be made through compromise, by a compounding of differences, by a trimming of plans and a suppression of too straight-forward principles. There will be a succession of resolves running through a course of years, a dropping fire of commands running through a whole gamut of modifications.

In government, as in virtue, the hardest of hard things is to make progress. Formerly the reason for this was that the single person who was sovereign was generally either selfish, ignorant, timid or a fool—albeit there was now and again one who was wise. Nowadays the reason is that the many, the people, who are sovereign have no single ear which one can approach, and are selfish, ignorant, timid, stubborn, or foolish

with the selfishnesses, the ignorances, the stubbornnesses, the timidities, or the follies of several thousand persons—albeit there are hundreds who are wise. Once the advantage of the reformer was that the sovereign's mind had a definite locality, that it was contained in one man's head, and that consequently it could be gotten at; though it was his disadvantage that that mind learned only reluctantly or only in small quantities, or was under the influence of some one who let it learn only the wrong things. Now, on the contrary, the reformer is bewildered by the fact that the sovereign's mind has no definite locality, but is contained in a voting majority of several million heads; and embarrassed by the fact that the mind of this sovereign also is under the influence of favorites, who are none the less favorites in a good old-fashioned sense of the word because they are not persons but preconceived opinions; *i.e.*, prejudices which are not to be reasoned with because they are not the children of reason.

Wherever regard for public opinion is a first principle of government, practical reform must be slow and all reform must be full of compromises. For wherever public opinion exists it must rule. This is now an axiom half the world over, and will presently come to be believed even in Russia. Whoever would effect a change in a modern constitutional government must first educate his fellow-citizens to want *some* change. That done, he must persuade them to want the particular change he wants. He must first make public opinion willing to listen and then see to it that it listens to the right things. He must stir it up to search for an opinion, and then manage to put the right opinion in its way.

The first step is not less difficult than the second. With opinions, possession is more than nine points of the law. It is next to impossible to dislodge them. Institutions which one generation regards as only a makeshift approximation to the realization of a principle, the next generation honors as the nearest possible approximation to that principle, and the next worships as the principle itself. It takes scarcely three generations for the apotheosis. The grandson accepts his grandfather's hesitating experiment as an integral part of the fixed constitution of nature.

Even if we had clear insight into all the political past, and could form out of perfectly instructed heads a few steady, infallible, placidly wise maxims of government into which all sound political doctrine would be ultimately resolvable, *would the country act on them?* That is the question. The bulk of mankind is rigidly unphilosophical, and nowadays the bulk of mankind votes. A truth must become not only plain but also commonplace before it will be seen by the people who go to their work very early in the morning; and not to act upon it must involve great and pinching inconveniences before these same people will make up their minds to act upon it.

And where is this unphilosophical bulk of mankind more multifarious in its composition than in the United States? To know the public mind of this country, one must know the mind, not of Americans of the older stocks only, but also of Irishmen, of Germans, of negroes. In order to get a footing for new doctrine, one must influence minds cast in every mould of race, minds inheriting every bias of environment, warped by the histories of a score of different nations, warmed or chilled, closed or expanded by almost every climate of the globe.

So much, then, for the history of the study of administration, and the peculiarly difficult conditions under which, entering upon it when we do, we must undertake it. What, now, is the subject-matter of this study, and what are its characteristic objects?

II

The field of administration is a field of business. It is removed from the hurry and strife of politics; it at most points stands apart even from the debatable ground of constitutional study. It is a part of political life only as the methods of the counting-house are a part of the life of society; only as machinery is part of the manufactured product. But it is, at the same time, raised very far above the dull level of mere technical detail by the fact that through its greater principles it is directly connected with the lasting maxims of political wisdom, the permanent truths of political progress.

The object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle.

It is for this reason that we must regard civil-service reform in its present stages as but a prelude to a fuller administrative reform. We are now rectifying methods of appointment; we must go on to adjust executive functions more fitly and to prescribe better methods of executive organization and action. Civil-service reform is thus but a moral preparation for what is to follow. It is clearing the moral atmosphere of official life by establishing the sanctity of public office as a public trust, and, by making the service unpartisan, it is opening the way for making it businesslike. By sweetening its motives it is rendering it capable of improving its methods of work.

Let me expand a little what I have said of the province of administration. Most important to be observed is the truth already so much and so fortunately insisted upon by our civil-service reformers; namely, that administration lies outside the proper sphere of *politics*. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices.

This is distinction of high authority; eminent German writers insist upon it as of course. Biuntschli, for instance, bids us separate administration alike from politics and from law.² Politics, he says, is state activity "in things great and universal," while "administration, on the other hand," is "the activity of the state in individual and small things. Politics is thus the special province of the statesman, administration of the technical official." "Policy does nothing without the aid of administration"; but administration is not therefore politics. But we do not require German authority for this position; this discrimination between administration and politics is now, happily, too obvious to need further discussion.

There is another distinction which must be worked into all our conclusions, which, though but another side of that between administration and politics, is not quite so easy to keep sight of: I mean the distinction between *constitutional*

and administrative questions, between those governmental adjustments which are essential to constitutional principle and those which are merely instrumental to the possibly changing purposes of a wisely adapting convenience.

One cannot easily make clear to every one just where administration resides in the various departments of any practicable government without entering upon particulars so numerous as to confuse and distinctions so minute as to distract. No lines of demarcation, setting apart administrative from non-administrative functions, can be run between this and that department of government without being run up hill and down dale, over dizzy heights of distinction and through dense jungles of statutory enactment, hither and thither around “ifs” and “buts,” “whens” and “howevers” until they become altogether lost to the common eye not accustomed to this sort of surveying, and consequently not acquainted with the use of the theodolite of logical discernment. A great deal of administration goes about *incognito* to most of the world, being confounded now with political “management,” and again with constitutional principle.

Perhaps this ease of confusion may explain such utterances as that of Niebuhr’s: “Liberty,” he says, “depends incomparably more upon administration than upon constitution.” [Barthold Georg Niebuhr (1776–1831) was a German historian.] At first sight this appears to be largely true. Apparently facility in the actual exercise of liberty does depend more upon administrative arrangements than upon constitutional guarantees; although constitutional guarantees alone secure the existence of liberty. But—upon second thought—is even so much as this true? Liberty no more consists in easy functional movement than intelligence consists in the ease and vigor with which the limbs of a strong man move. The principles that rule within the man, or the constitution, are the vital springs of liberty or servitude. Because dependence and subjection are without chains, are lightened by every easy-working device of considerate, paternal government, they are not thereby transformed into liberty. Liberty cannot live apart from constitutional principle; and no administration, however perfect and liberal its methods,

can give men more than a poor counterfeit of liberty if it rest upon illiberal principles of government.

A clear view of the difference between the province of constitutional law and the province of administrative function ought to leave no room for misconception; and it is possible to name some roughly definite criteria upon which such a view can be built. Public administration is detailed and systematic execution of public law. Every particular application of general law is an act of administration. The assessment and raising of taxes, for instance, the hanging of a criminal, the transportation and delivery of the mails, the equipment and recruiting of the army, and navy, etc., are all obviously acts of administration; but the general laws which direct these things to be done are as obviously outside of and above administration. The broad plans of governmental action are not administrative; the detailed execution of such plans is administrative. Constitutions, therefore, properly concern themselves only with those instrumentalities of government which are to control general law. Our federal constitution observes this principle in saying nothing of even the greatest of the purely executive offices, and speaking only of that President of the Union who was to share the legislative and policy-making functions of government, only of those judges of highest jurisdiction who were to interpret and guard its principles, and not of those who were merely to give utterance to them.

This is not quite the distinction between Will and answering Deed, because the administrator should have and does have a will of his own in the choice of means for accomplishing his work. He is not and ought not to be a mere passive instrument. The distinction is between general plans and special means.

There is, indeed, one point at which administrative studies trench on constitutional ground—or at least upon what seems constitutional ground. The study of administration, philosophically viewed, is closely connected with the study of the proper distribution of constitutional authority. To be efficient it must discover the simplest arrangements by which responsibility can be unmistakably fixed upon officials; the best way of dividing authority

without hampering it, and responsibility without obscuring it. And this question of the distribution of authority, when taken into the sphere of the higher, the originating functions of government, is obviously a central constitutional question. If administrative study can discover the best principles upon which to base such distribution, it will have done constitutional study, an invaluable service. Montesquieu did not, I am convinced, say the last word on this head.

To discover the best principle for the distribution of authority is of greater importance, possibly, under a democratic system, where officials serve many masters, than under others where they serve but a few. All sovereigns are suspicious of their servants, and the sovereign people is no exception to the rule; but how is its suspicion to be allayed by *knowledge*? If that suspicion could be clarified into wise vigilance, it would be altogether salutary; if that vigilance could be aided by the unmistakable placing of responsibility, it would be altogether beneficent. Suspicion in itself is never healthful either in the private or in the public mind. *Trust is strength* in all relations of life; and, as it is the office of the constitutional reformer to create conditions of trustfulness, so it is the office of the administrative organizer to fit administration with conditions of clear-cut responsibility which shall insure trustworthiness.

And let me say that large powers and unhampered discretion seem to me the indispensable conditions of responsibility. Public attention must be easily directed, in each case of good or bad administration, to just the man deserving of praise or blame. There is no danger in power, if only it be not irresponsible. If it be divided, dealt out in shares to many, it is obscured; and if it be obscured, it is made irresponsible. But if it be centred in heads of the service and in heads of branches of the service, it is easily watched and brought to book. If to keep his office a man must achieve open and honest success, and if at the same time he feels himself intrusted with large freedom of discretion, the greater his power, the less likely is he to abuse it, the more is he nerved and sobered and elevated by it. The less his power, the more safely obscure and unnoticed does he feel his position to be, and the more readily does he relapse into remissness.

Just here we manifestly emerge upon the field of that still larger question—the proper relations between public opinion and administration.

To whom is official trustworthiness to be disclosed, and by whom is it to be rewarded? Is the official to look to the public for his need of praise and his push of promotion, or only to his superior in office? Are the people to be called in to settle administrative discipline as they are called in to settle constitutional principles? These questions evidently find their root in what is undoubtedly the fundamental problem of this whole study. That problem is: What part shall public opinion take in the conduct of administration?

The right answer seems to be that public opinion shall play the part of authoritative critic.

But the *method* by which its authority shall be made to tell? Our peculiar American difficulty in organizing administration is not the danger of losing liberty, but the danger of not being able or willing to separate its essentials from its accidents. Our success is made doubtful by that besetting error of ours, the error of trying to do too much by vote. Self government does not consist in having a hand in everything, any more than housekeeping consists necessarily in cooking dinner with one's own hands. The cook must be trusted with a large discretion as to the management of the fires and the ovens.

In those countries in which public opinion has yet to be instructed in its privileges, yet to be accustomed to having its own way, this question as to the province of public opinion is much more readily soluble than in this country, where public opinion is wide awake and quite intent upon having its own way anyhow. It is pathetic to see a whole book written by a German professor of political science for the purpose of saying to his countrymen, "Please try to have an opinion about national affairs"; but a public which is so modest may at least be expected to be very docile and acquiescent in learning what things it has *not* a right to think and speak about imperatively. It may be sluggish, but it will not be meddling. It will submit to be instructed before it tries to instruct. Its political education will come before its political activity. In trying to instruct our own public opinion, we are

dealing with a pupil apt to think itself quite sufficiently instructed beforehand.

The problem is to make public opinion efficient without suffering it to be meddling. Directly exercised, in the oversight of the daily details and in the choice of the daily means of government, public criticism is of course a clumsy nuisance, a rustic handling delicate machinery. But as superintending the greater forces of formative policy alike in politics and administration, public criticism is altogether safe and beneficent, altogether indispensable. Let administrative study find the best means for giving public criticism this control and for shutting it out from all other interference.

But is the whole duty of administrative study done when it has taught the people what sort of administration to desire and demand, and how to get what they demand? Ought it not to go on to drill candidates for the public service?

There is an admirable movement towards universal political education now afoot in this country. The time will soon come when no college of respectability can afford to do without a well-filled chair of political science. But the education thus imparted will go but a certain length. It will multiply the number of intelligent critics of government, but it will create no competent body of administrators. It will prepare the way for the development of a surefooted understanding of the general principles of government, but it will not necessarily foster skill in conducting government. It is an education which will equip legislators, perhaps, but not executive officials. If we are to improve public opinion, which is the motive power of government, we must prepare better officials as the *apparatus* of government. If we are to put in new boilers and to mend the fires which drive our governmental machinery, we must not leave the old wheels and joints and valves and bands to creak and buzz and clatter on as best they may at the bidding of the new force. We must put in new running parts wherever there is the least lack of strength or adjustment. It will be necessary to organize democracy by sending up to the competitive examinations for the civil service men definitely prepared for standing liberal tests as to technical knowledge. A technically

schooled civil service will presently have become indispensable.

I know that a corps of civil servants prepared by a special schooling and drilled, after appointment, into a perfected organization, with appropriate hierarchy and characteristic discipline, seems to a great many very thoughtful persons to contain elements which might combine to make an offensive official class—a distinct, semi-corporate body with sympathies divorced from those of a progressive, freespirted people, and with hearts narrowed to the meanness of a bigoted officialism. Certainly such a class would be altogether hateful and harmful in the United States. Any measures calculated to produce it would for us be measures of reaction and of folly.

But to fear the creation of a domineering, illiberal officialism as a result of the studies I am here proposing is to miss altogether the principle upon which I wish most to insist. That principle is, that administration in the United States must be at all points sensitive to public opinion. A body of thoroughly trained officials serving during good behaviour we must have in any case: that is a plain business necessity. But the apprehension that such a body will be anything un-American clears away the moment it is asked, What is to constitute good behaviour? For that question obviously carries its own answer on its face. Steady, hearty allegiance to the policy of the government they serve will constitute good behaviour. That *policy* will have no taint of officialism about it. It will not be the creation of permanent officials, but of statesmen whose responsibility to public opinion will be direct and inevitable. Bureaucracy can exist only where the whole service of the state is removed from the common political life of the people, its chiefs as well as its rank and file. Its motives, its objects, its policy, its standards, must be bureaucratic. It would be difficult to point out any examples of impudent exclusiveness and arbitrariness on the part of officials doing service under a chief of department who really served the people, as all our chiefs of departments must be made to do. It would be easy, on the other hand, to adduce other instances like that of the influence of Stein in Prussia, where the leadership of one statesman imbued

with true public spirit transformed arrogant and perfunctory bureaux into public spirited instruments of just government.

The ideal for us is a civil service cultured and self-sufficient enough to act with sense and vigor, and yet so intimately connected with the popular thought, by means of elections and constant public counsel, as to find arbitrariness or class spirit quite out of the question.

III

Having thus viewed in some sort the subject-matter and the objects of this study of administration, what are we to conclude as to the methods best suited to it—the points of view most advantageous for it?

Government is so near us, so much a thing of our daily familiar handling, that we can with difficulty see the need of any philosophical study of it, or the exact point of such study, should it be undertaken. We have been on our feet too long to study now the art of walking. We are a practical people, made so apt, so adept in self-government by centuries of experimental drill that we are scarcely any longer capable of perceiving the awkwardness of the particular system we may be using, just because it is so easy for us to use any system. We do not study the art of governing; we govern. But mere unschooled genius for affairs will not save us from sad blunders in administration. Though democrats by long inheritance and repeated choice, we are still rather crude democrats. Old as democracy is, its organization on a basis of modern ideas and conditions is still an unaccomplished work. The democratic state has yet to be equipped for carrying those enormous burdens of administration which the needs of this industrial and trading age are so fast accumulating. Without comparative studies in government we cannot rid ourselves of the misconception that administration stands upon an essentially different basis in a democratic state from that on which it stands in a nondemocratic state.

After such study we could grant democracy the sufficient honor of ultimately determining by debate all essential questions affecting the public weal, of basing all structures of policy upon the major will; but we would have found but one rule of good administration for all

governments alike. So far as administrative functions are concerned, all governments have a strong structural likeness; more than that, if they are to be uniformly useful and efficient, they *must* have a strong structural likeness. A free man has the same bodily organs, the same executive parts, as the slave, however different may be his motives, his services, his energies. Monarchies and democracies, radically different as they are in other respects, have in reality much the same business to look to.

It is abundantly safe nowadays to insist upon this actual likeness of all governments, because these are days when abuses of power are easily exposed and arrested, in countries like our own, by a bold, alert, inquisitive, detective public thought and a sturdy popular self dependence such as never existed before. We are slow to appreciate this; but it is easy to appreciate it. Try to imagine personal government in the United States. It is like trying to imagine a national worship of Zeus. Our imaginations are too modern for the feat.

But, besides being safe, it is necessary to see that for all governments alike the legitimate ends of administration are the same, in order not to be frightened at the idea of looking into foreign systems of administration for instruction and suggestion; in order to get rid of the apprehension that we might perchance blindly borrow something incompatible with our principles. That man is blindly astray who denounces attempts to transplant foreign systems into this country. It is impossible: they simply would not grow here. But why should we not use such parts of foreign contrivances as we want, if they be in any way serviceable? We are in no danger of using them in a foreign way. We borrowed rice, but we do not eat it with chopsticks. We borrowed our whole political language from England, but we leave the words "king" and "lords" out of it. What did we ever originate, except the action of the federal government upon individuals and some of the functions of the federal supreme court?

We can borrow the science of administration with safety and profit if only we read all fundamental differences of condition into its essential tenets. We have only to filter it through our constitutions, only to put it over a slow fire of criticism and distil away its foreign gases.

I know that there is a sneaking fear in some conscientiously patriotic minds that studies of European systems might signalize some foreign methods as better than some American methods; and the fear is easily to be understood. But it would scarcely be avowed in just any company.

It is the more necessary to insist upon thus putting away all prejudices against looking anywhere in the world but at home for suggestions in this study, because nowhere else in the whole field of politics, it would seem, can we make use of the historical, comparative method more safely than in this province of administration. Perhaps the more novel the forms we study the better. We shall the sooner learn the peculiarities of our own methods. We can never learn either our own weaknesses or our own virtues by comparing ourselves with ourselves. We are too used to the appearance and procedure of our own system to see its true significance. Perhaps even the English system is too much like our own to be used to the most profit in illustration. It is best on the whole to get entirely away from our own atmosphere and to be most careful in examining such systems as those of France and Germany. Seeing our own institutions through such *media*, we see ourselves as foreigners might see us were they to look at us without preconceptions. Of ourselves, so long as we know only ourselves, we know nothing.

Let it be noted that it is the distinction, already drawn, between administration and politics which makes the comparative method so safe in the field of administration. When we study the administrative systems of France and Germany, knowing that we are not in search of *political* principles, we need not care a peppercorn for the constitutional or political reasons which Frenchmen or Germans give for their practices when explaining them to us. If I see a murderous fellow sharpening a knife cleverly, I can borrow his way of sharpening the knife without borrowing his probable intention to commit murder with it; and so, if I see a monarchist dyed in the wool managing a public bureau well, I can learn his business methods without changing one of my republican spots. He may serve his king; I will continue to serve the people; but I should like to serve my sovereign as

well as he serves his. By keeping this distinction in view—that is, by studying administration as a means of putting our own politics into convenient practice, as a means of making what is democratically politic towards all administratively possible towards each—we are on perfectly safe ground, and can learn without error what foreign systems have to teach us. We thus devise an adjusting weight for our comparative method of study. We can thus scrutinize the anatomy of foreign governments without fear of getting any of their diseases into our veins; dissect alien systems without apprehension of blood-poisoning.

Our own politics must be the touchstone for all theories. The principles on which to base a science of administration for America must be principles which have democratic policy very much at heart. And, to suit American habit, all general theories must, as theories, keep modestly in the background, not in open argument only, but even in our own minds—lest opinions satisfactory only to the standards of the library should be dogmatically used, as if they must be quite as satisfactory to the standards of practical politics as well. Doctrinaire devices must be postponed to tested practices. Arrangements not only sanctioned by conclusive experience elsewhere but also congenial to American habit must be preferred without hesitation to theoretical perfection. In a word, steady, practical statesmanship must come first, closest doctrine second. The cosmopolitan what-to-do must always be commanded by the American how-to-do-it.

Our duty is to supply the best possible life to a *federal* organization, to systems within systems; to make town, city, county, state, and federal governments live with a like strength and an equally assured healthfulness, keeping each unquestionably its own master and yet making all interdependent with mutual helpfulness. The task is great and important enough to attract the best minds.

This interlacing of local self-government with federal self-government is quite a modern conception. It is not like the arrangements of imperial federation in Germany. There local government is not yet, fully, local *self*-government. The bureaucrat is everywhere busy. His efficiency springs out of *esprit de*

corps, out of care to make ingratiating obeisance to the authority of a superior, or, at best, out of the soil of a sensitive conscience. He serves, not the public, but an irresponsible minister. The question for us is, how shall our series of governments within governments be so administered that it shall always be to the interest of the public officer to serve, not his superior alone but the community also, with the best efforts of his talents and the soberest service of his conscience? How shall such service be made to his commonest interest by contributing abundantly to his sustenance, to his dearest interest by furthering his ambition, and to his highest interest by advancing his honor and establishing his character? And how shall this be done alike for the local part and for the national whole?

If we solve this problem we shall again pilot the world. There is a tendency—is there not?—a tendency as yet dim, but already steadily impulsive and clearly destined to prevail, towards, first the confederation of parts of empires like the British, and finally of great states themselves. Instead of centralization of

power, there is to be wide union with tolerated divisions of prerogative. This is a tendency towards the American type—of governments joined with governments for the pursuit of common purposes, in honorary equality and honorable subordination. Like principles of civil liberty are everywhere fostering like methods of government; and if comparative studies of the ways and means of government should enable us to offer suggestions which will practicably combine openness and vigor in the administration of such governments with ready docility to all serious, well-sustained public criticism, they will have approved themselves worthy to be ranked among the highest and most fruitful of the great departments of political study. That they will issue in such suggestions I confidently hope.

NOTES

1. *Essay on Sir William Pitt*.
2. *Politik*, S. 467.

Politics and Administration

Frank J. Goodnow

If we analyze the organization of any concrete government, we shall find that there are three kinds of authorities which are engaged in the execution of the state will. These are, in the first place, the authorities which apply the law in concrete cases where controversies arise owing to the failure of private individuals or public authorities to observe the rights of others. Such authorities are known as judicial authorities. They are, in the second place, the authorities which have the general supervision of the execution of the state will, and which are commonly referred to as executive authorities. They are, finally, the authorities which are attending to the scientific, technical, and, so to speak, commercial activities of the government, and which are in all countries, where such activities have attained prominence, known as administrative authorities.

As government becomes more complex these three authorities, all of which are engaged in the execution of the will of the state, tend to become more and more differentiated. The first to become so differentiated are the judicial authorities. Not only is this differentiation of the judicial authorities first in point of time, it is also the clearest. Indeed, it is so clear in some instances as to lead many students, as has been pointed out, to mark off the activity of the judicial authorities as a separate power or function of government.

Enough has been said, it is believed, to show that there are two distinct functions of government, and that their differentiation results in a differentiation, though less complete, of the organs of government provided by the formal governmental system. These two functions of government may for purposes of convenience

be designated respectively as Politics and Administration. Politics has to do with policies or expressions of the state will. Administration has to do with the execution of these policies.

It is of course true that the meaning which is here given to the word "politics" is not the meaning which has been attributed to that word by most political writers. At the same time it is submitted that the sense in which politics is here used is the sense in which it is used by most people in ordinary affairs. Thus the Century Dictionary defines "politics":

In the narrower and more usual sense, the act or vocation of guiding or influencing the policy of a government through the organization of a party among its citizens—including, therefore, not only the ethics of government, but more especially, and often to the exclusion of ethical principles, the art of influencing public opinion, attracting and marshalling voters, and obtaining and distributing public patronage, so far as the possession of offices may depend upon the political opinions or political services of individuals.

An explanation of the word "administration" is not perhaps so necessary, since in scientific parlance it has not as yet acquired so fixed a meaning as has "politics." Block, in his *Dictionnaire de l'administration française*, defines "administration" as: "L'ensemble des services publiques destinés à concourir à l'exécution de la pensée du gouvernement et à l'application des lois d'intérêt général." The Century Dictionary speaks of it as: "The duty or duties of the administrator; specifically, the executive functions of government, consisting in the exercise of all the powers and duties of government, both general and local, which are neither legislative nor judicial."

These definitions, it will be noticed, both lay stress upon the fact that politics has to do with the guiding or influencing of governmental policy, while administration has to do with the

Source: Frank J. Goodnow, *Politics and Administration: A Study in Government* (New York: Russell & Russell, 1900), pp. 17–26.

execution of that policy. It is these two functions which it is here desired to differentiate, and for which the words “politics” and “administration” have been chosen.

The use of the word “administration” in this connection is unfortunately somewhat misleading, for the word when accompanied by the definite article is also used to indicate a series of governmental authorities. “The administration” means popularly the most important executive or administrative authorities. “Administration,” therefore, when used as indicative of function, is apt to promote the idea that this function of government is to be found exclusively in the work of what are commonly referred to as executive or administrative authorities. These in their turn are apt to be regarded as confined to the discharge of the function of administration. Such, however, is rarely the case in any political system, and is particularly not the case in the American governmental system. The American legislature discharges very frequently the function of administration through its power of passing special acts. The American executive has an important influence on the discharge of the function of politics through the exercise of its veto power.

Further, in the United States, the words “administration” and “administrative,” as indicative of governmental function, are commonly used by the courts in a very loose way. The attempt was made at the time of the formation of our governmental system, as has been pointed out, to incorporate into it the principle of the separation of powers. What had been a somewhat nebulous theory of political science thus became a rigid legal doctrine. What had been a somewhat attractive political theory in its nebulous form became at once an unworkable and unapplicable rule of law.

To avoid the inconvenience resulting from the attempt made to apply it logically to our governmental system, the judges of the United States have been accustomed to call “administrative” any power which was not in their eyes exclusively and unqualifiedly legislative, executive, or judicial, and to permit such a power to be exercised by any authority.¹

While this habit on the part of the judges makes the selection of the word “administration” somewhat unfortunate; at the same time it

is indicative of the fact to which attention has been more than once directed, that although the differentiation of two functions of government is clear, the assignment of such functions to separate authorities is impossible.

Finally, the different position assigned in different states to the organ to which most of the work of executing the will of the state has been intrusted, has resulted in quite different conceptions in different states of what has been usually called administration. For administration has been conceived of as the function of the executing, that is, the executive, authority. Recently, however, writers on administration have seen that, from the point of view both of theoretical speculation and of practical expediency, administration should not be regarded as merely a function of the executive authority, that is, the authority in the government which by the positive law is the executing authority. It has been seen that administration is, on the contrary, the function of executing the will of the state. It may be in some respects greater, and in others less in extent than the function of the executing authority as determined by the positive law.

There are, then, in all governmental systems two primary or ultimate functions of government, viz. the expression of the will of the state and the execution of that will. There are also in all states separate organs, each of which is mainly busied with the discharge of one of these functions. These functions are, respectively, Politics and Administration.

The Function of Politics

The function of politics, it has been shown, consists in the expression of the will of the state. Its discharge may not, however, be intrusted exclusively to any authority or any set of authorities in the government. Nor on the other hand may any authority or set of authorities be confined exclusively to its discharge. The principle of the separation of powers in its extreme form cannot, therefore, be made the basis of any concrete political organization. For this principle demands that there shall be separate authorities of the government, each of which shall be confined to the discharge of one of the functions

of government which are differentiated. Actual political necessity however requires that there shall be harmony between the expression and execution of the state will.

Lack of harmony between the law and its execution results in political paralysis. A rule of conduct, *i.e.*, an expression of the state will, practically amounts to nothing if it is not executed. It is a mere *brutum fulmen*. On the other hand the execution of a rule of conduct which is not the expression of the state will is really an exercise by the executing authority of the right to express the state will.

Now in order that this harmony between the expression and the execution of the state will may be obtained, the independence either of the body which expresses the state will or of the body which executes it must be sacrificed. Either the executing authority must be subordinated to the expressing authority, or the expressing authority must be subjected to the control of the executing authority. Only in this way will there be harmony in the government. Only in this way can the expression of the real state will become an actual rule of conduct generally observed.

Finally, popular government requires that it is the executing authority which shall be subordinated to the expressing authority, since the latter in the nature of things can be made much more representative of the people than can the executing authority.

In other words, practical political necessity makes impossible the consideration of the function of politics apart from that of administration. Politics must have a certain control over administration, using the words in the broad senses heretofore attributed to them. That some such relation must exist between the two ultimate functions of government is seen when we examine the political development of any state.

If, in the hope of preventing politics from influencing administration in its details, the attempt is made to provide for the legal separation of the bodies in the government mainly charged with these two functions respectively,

the tendency is for the necessary control to develop extra-legally. This is the case in the American political system.

The American political system is largely based on the fundamental principle of the separation of governmental powers. It has been impossible for the necessary control of politics over administration to develop within the formal governmental system on account of the independent position assigned by the constitutional law to executive and administrative officers. The control has therefore developed in the party system. The American political party busies itself as much with the election of administrative and executive officers as it does with the election of bodies recognized as distinctly political in character, as having to do with the expression of the state will. The party system thus secures that harmony between the functions of politics and administration which must exist if government is to be carried on successfully.²

On the other hand, if no attempt is made in the governmental system to provide for the separation of politics and administration, and if the governmental institutions are not put into comparatively unyielding and inflexible form through the adoption of a written constitution, the control and superintendence of the function of administration tends to be assumed by the governmental body which discharges the political function.

NOTES

1. Bondy, "Separation of Government Powers," *Columbia College Series in History, Economics and Public Law* 5: 202 *et seq.*
2. Mr. H. J. Ford in his book entitled *The Rise and Growth of American Politics*, a most valuable and interesting work, is the first writer to call attention to the fact that this most important duty has been assumed by the political party in the American system of government.

Problems of Municipal Administration

Jane Addams

We are accustomed to say that the machinery of government incorporated in the charters of the early American cities, as in the federal and state constitutions, was worked out by men who were strongly under the influence of the historians and doctrinaires of the eighteenth century. The most significant representative of these men is Thomas Jefferson, whose foresight and genius we are here to commemorate, and their most telling phrase is the familiar opening that "all men are created free and equal."

We are only now, however, beginning to suspect that the present admitted failure in municipal administration, the so-called "shame of American cities," may be largely due to the inadequacy of those eighteenth-century ideals, with the breakdown of the machinery which they provided, and further, to the weakness inherent in the historic and doctrinaire method when it attempts to deal with growing and human institutions.

These men were the legitimate successors of the seventeenth-century Puritans in their devotion to pure principle, but they had read poets and philosophers unknown to the Pilgrim fathers, and represented that first type of humanitarian who loves the people without really knowing them, which is by no means an impossible achievement. "The love of those whom a man does not know is quite as elemental a sentiment as the love of those whom a man does know," but with this difference that he expects the people whom he does not know to forswear altogether the right of

going their own way, and to be convinced of the beauty and value of his way.

Because their idealism was of the type that is afraid of experience, these founders of our American cities refused to look at the difficulties and blunders which a self-governing people was sure to encounter, and insisted that the people would walk only in the paths of justice and righteousness. It was inevitable, therefore, that they should have remained quite untouched by that worldly wisdom which counsels us to know life as it is, and by that very modern belief that, if the world is ever right at all, it must go right in its own way.

A man of this generation easily discerns the crudeness of that eighteenth-century conception of essentially unprogressive human nature, in all the empty dignity of its "inborn rights of man," because he has grown familiar with a more passionate human creed, with the modern evolutionary conception of the slowly advancing race whose rights are not "inalienable," but are hard-won in the tragic processes of civilization. Were self-government to be inaugurated by the advanced men of the present moment, as the founders were doubtless the advanced men of their time, they would make the most careful research into those early organizations of village communities, folknotes, and *mirs*, those primary cells of both social and political organization where the people knew no difference between the two, but quite simply met to consider in common discussion all that concerned their common life. They would investigate the craft guilds and *artels*, which combined government with daily occupation, as did the self-governing university and free town. They would seek for the connection between the liberty-loving mediæval city and its free creative architecture, that most social of all the arts.

But our eighteenth-century idealists, unconscious of the compulsions of origins and of the

Source: An address delivered at the International Congress of Arts and Science, Department of Politics, September 1904, printed in *The American Journal of Sociology*, Vol. X, No. 4 (January 1905).

fact that self-government had an origin of its own, timidly took the English law as their prototype, “whose very root is in the relation between sovereign and subject, between law-maker and those whom the law restrains,” and which has traditionally concerned itself more with the guarding of prerogative and with the rights of property than with the spontaneous life of the people. They serenely incorporated laws and survivals which registered the successful struggle of the barons against the aggression of the sovereign, although the new country lacked both nobles and kings. Misled by the name of government, they founded their new cities by an involuntary reference to a lower social state than that which they actually saw about them. They depended upon penalties, coercion, compulsion, and remnants of military codes to hold the community together; and it may be possible to trace much of the maladministration of our cities to these survivals, to the fact that our early democracy was a moral romanticism, rather than a well-grounded belief in social capacity and in the efficiency of the popular will.

It has further happened that, as the machinery, groaning under the pressure of the new social demand put upon it, has broken down from time to time, we have mended it by giving more power to administrative officers, distrusting still further the will of the people. We are willing to cut off the dislocated part, or tighten the gearing, but we are afraid to substitute a machine of newer invention and greater capacity.

A little examination will easily show that, in spite of the fine phrases of the founders, the government became an entity by itself away from the daily life of the people; not meant to be set off against them with power to oppress, as in the case of the traditional European governments, but simply because its machinery was so largely copied from the historic governments, which did distrust the people, that it failed to provide the vehicle for a vital and genuinely organized expression of the popular will. The founders carefully defined what was germane to government and that which was quite outside its realm; whereas the very crux of local self-government, as has been well said, is involved in the “right locally to determine the scope of the

local government,” in response to the local needs as they arise.

They were anxious to keep the strings in the hands of the good and professedly public spirited, because, having staked so much upon the people, whom they really knew so little, they became eager that they should appear well, and should not be given enough power to enable them to betray their weaknesses; as a kind lady may permit herself to give a tramp five cents, believing that, although he may spend it for drink, he cannot get very drunk upon so small a sum.

All might have gone well upon this doctrine plan, as it still does in many country places, if there had not been a phenomenally rapid growth in cities upon an entirely changed basis. Multitudes of men were suddenly brought together in response to the nineteenth-century concentration of industry and commerce—a purely impersonal tie; whereas the eighteenth-century city attracted the country people in response to the more normal and slowly formed ties of domestic service, family affection, and apprenticeship. Added to this unprecedented growth from industrial causes, we have in American cities multitudes of immigrants, coming in successive migrations, often breaking social ties which are as old as the human family, and renouncing customs which may be traced to the habits of primitive man. Both the country-bred and immigrant city-dwellers would be ready to adapt themselves to a new and vigorous civic life founded upon a synthesis of their social needs, but framers of our carefully prepared city charters did not provide for this expanding demand at the points of congestion. They did not foresee that after the universal franchise has once been granted, social needs and ideals are bound to enter in as legitimate objects of political action; while, on the other hand, the only people in a democracy who can legitimately become the objects of repressive government are those who are too underdeveloped to use the franchise, or those who have forfeited their right to full citizenship. We have, therefore, a municipal administration in America which is largely reduced to the administration of restrictive measures. The people who come most directly in contact with its executive officials, who are the legitimate

objects of its control, are the vicious, who need to be repressed; the poor and semidependent, who appeal to it in their dire need; or, from quite the reverse reason, those who are trying to avoid an undue taxation, resenting the fact that they should be made to support that which, from the nature of the case, is too barren to excite their real enthusiasm.

The instinctive protest against this mechanical method of civic control, with the lack of adjustment between the natural democratic impulse and the fixed external condition, inevitably produces the indifferent citizen and the so-called "professional politician"; the first who, because he is not vicious, feels that the real processes of government do not concern him, and wishes only to be let alone; and the other who easily adapts himself to an illegal avoidance of the external fixed conditions by assuming that those conditions have been settled by doctrinaires who did not in the least understand the people, while he, the politician, makes his appeal beyond those to the real desires of the people themselves. He is thus not only the "people's friend," but their interpreter. It is interesting to note how often simple people refer to "them," meaning the good and great who govern, but do not understand, and to "him," meaning the alderman who represents them in these incomprehensible halls of state, as an ambassador to a foreign country to whose borders they could not possibly penetrate and whose language they do not speak.

In addition to this difficulty, inherent in the difference between the traditional and actual situation, is another, which constantly arises on the purely administrative side. The traditional governments which the founders had copied, in proceeding to define the vicious by fixed standards from the good, and then to legislate against them, had enforced these restrictive measures by trained officials, usually with a military background. In a democracy, however, the officers intrusted with the enforcement of this restrictive legislation, if not actually elected by the people themselves, are still the appointees of those thus elected, and are therefore good-natured men who have made friends by their kindness and social qualities.

The carrying out of repressive legislation, the remnant of a military state of society, is, in

a democracy, at last put into the hands of men who have attained office because of political "pull," and the repressive measures must be enforced by those sympathizing with and belonging to the people against whom the measures operate. This anomalous situation produces almost inevitably one result: that the police authorities themselves are turned into allies of vice and crime, as may be illustrated from almost any of the large American cities in the relation existing between the police force and the gambling and other illicit life. The officers are often flatly told that the enforcement of an ordinance which the better element of the city has insisted upon passing is impossible; that they are expected only to control the robbery and crime that so often associate themselves with vice. As Mr. Wilcox has pointed out in *The American City*, public sentiment itself assumes a certain hypocrisy, and in the end we have "the abnormal conditions which are created when vice is protected by the authorities"; in the very worst cases there develops a sort of municipal blackmail in which the administration itself profits by the violation of law. . . .

In the midst of the city, which at moments seems to stand only for the triumph of the strongest, the successful exploitation of the weak, the ruthlessness and hidden crime which follow in the wake of the struggle for mere existence on its lowest terms, there come daily accretions of simple people, who carry in their hearts the desire for mere goodness, who regularly deplete their scanty livelihood in response to a primitive pity, and who, independently of the religions which they have professed, of the wrongs which they have suffered, or of the fixed morality which they have been taught, have an unquenchable desire that charity and simple justice shall regulate men's relations.

This disinterestedness, although as yet an intangible ideal, is taking hold of men's hopes and imaginations in every direction. Even now we only dimly comprehend the strength and irresistible power of those "universal and imperious ideals which are formed in the depths of anonymous life," and which the people insist shall come to realization, not because they have been tested by logic or history, but because the mass of men are eager that they should be tried,

should be made a living experience in time and in reality.

In this country it seems to be only the politician at the bottom, the man nearest the people, who understands this. He often plays upon it and betrays it, but he at least knows it is there.

This is perhaps easily explained, for, after all, the man in this century who realizes human equality is not he who repeats the formula of the eighteenth century, but he who has learned, if I may quote again from Mr. Wilcox, that the “idea of equality is an outgrowth of man’s primary relations in nature. Birth, growth, nutrition, reproduction, death, are the great levers that remind us of the essential equality of human life. It is with the guarantee of equal opportunities to play our parts well in these primary processes, that government is actually concerned,” and not merely in the repression of the vicious nor in guarding the rights of property. There is no doubt that the rapid growth of the Socialist party in all crowded centers is largely due to their recognition of those primary needs and experiences which the well-established governments so stupidly ignore, and also to the fact that they are preaching industrial government to an industrial age which recognizes it as vital and adapted to its needs. All of that devotion, all of that speculative philosophy concerning the real issues of life, could, of course, easily be turned into a passion for self-government and the development of the national life, if we were really democratic from the modern evolutionary standpoint, and did we but hold our town meetings upon topics that most concern us.

In point of fact, government ignores industrial questions as the traditional ostrich hides his head in the sand, for no great strike is without its political significance, nor without the attempt of political interference, quite as none of the mammoth business combinations of manufacturers or distributors are without their lobbyists in the city council, unless they are fortunate enough to own aldermen outright. It is merely a question as to whether industry in relation to government is to be discussed as a matter of popular interest and concern at the moment when that relation might be modified and controlled, or whether we prefer to wait a decade and to read about it later in the magazines,

horrified that such interference of business with government should have taken place.

Again we see the doctrinaire of the eighteenth century preferring to hold to his theory of government and ignoring the facts, as over against the open-minded scientist of the present day who would scorn to ignore facts because they might disturb his theory.

The two points at which government is developing most rapidly at the present moment are naturally the two in which it genuinely exercises its function—in relation to the vicious, and in relation to the poor and dependent. . . .

We build enormous city hospitals and almshouses for the defective and dependent, but for that great mass of people just beyond the line from which they are constantly recruited we do practically nothing. We are afraid of the notion of governmental function which would minister to the primitive needs of the mass of people, although we are quite ready to care for him whom misfortune or disease has made the exception. It is really the rank and file, the average citizen, who is ignored by government, while he works out his real problems through other agencies, and is scolded for staying at home on election day.

It is comparatively easy to understand the punitive point of view, which seeks to suppress, or the philanthropic, which seeks to palliate; but it is much more difficult to formulate that city government which is adapted to our present normal living. As over against the survival of the first two, excellent and necessary as they are, we have the many municipal activities of which Mr. Shaw has told us, but we have attained them surreptitiously, as it were, by means of appointed commissions, through boards of health endowed with exceptional powers, or through the energy of a mayor who has pushed his executive function beyond the charter limit. The people themselves have not voted on these measures, and they have lost both the education and the nourishing of the democratic ideal, which their free discussion would have secured and to which they were more entitled than to the benefits themselves.

. . . What vehicle of correction is provided for the people themselves? What broad basis has been laid for modification of their most genuine and pressing needs through their own

initiative? What device has been invented for conserving, in the interests of the nation, that kindness and mutual aid which is the marvel of all charity workers who know the poor? So conservative an economist as Marshall has pointed out that, in the fear of crushing “individual initiative,” we every year allow to go to waste untold capacity, talent, and even genius, among the children of the poor, whose parents are unable to shelter them from premature labour; or among the adults, whose vital force is exhausted long before the allotted span of life. We distrust the instinct to shelter and care for them, although it is as old and as much at the foundation of human progress as is individual initiative itself. . . .

Did the founders cling too hard to that which they had won through persecution, hardship, and finally through a war of revolution? Did these doctrines seem so precious to them that they were determined to tie men up to them as long as possible, and allow them no chance to go on to new devices of government, lest they slight these that had been so hardly won? Did they estimate, not too highly, but by too exclusive a valuation, that which they had secured through the shedding of blood?

Man has ever overestimated the spoils of war, and tended to lose his sense of proportion in regard to their value. He has ever surrounded them with a glamour beyond their deserts. This is quite harmless when the booty is an enemy’s sword hung over a household fire, or a battered flag decorating a city hall; but when the spoil of war is an idea which is bound on the forehead of the victor till it cramps his growth, a theory which he cherishes in his bosom until it grows so large and so near that it afflicts its possessor with a sort of disease of responsibility for its preservation, it may easily overshadow the very people for whose cause the warrior issued forth.

We have not yet apprehended what the scientists call “the doctrine of the unspecialized,” what the religious man calls “the counsel of imperfection,” and the wise educator calls “the wisdom of the little child.” If successful struggle ends in survival, in blatant and tangible success, and, as it is popularly supposed to do, in a certain hardness of heart, with an invincible desire to cling fast to the booty which has been thus hardly acquired, government will also have to reckon with the many who have been beaten in this struggle, with the effect upon them of the contest and the defeat; for, after all, they will always represent the majority of citizens, and it is with its large majority that self-government must eventually deal, whatever else other governments may determine for themselves.

Professor Weaver, of Columbia, has lately pointed out that “the cities have traditionally been the cradles of liberty, as they are today the centers of radicalism,” and that it is natural that brute selfishness should first be curbed and social feeling created at the point of the greatest congestion. If we once admit the human dynamic character of progress, then we must look to the cities as the focal points of that progress; and it is not without significance that the most vigorous effort at governmental reform, as well as the most generous experiments in ministering to social needs, have come from the largest cities. Are we beginning to see the first timid, forward reach of one of those instinctive movements which carry forward the goodness of the race?

If we could trust democratic government as over against and distinct from the older types—from those which repress, rather than release, the power of the people—then we should begin to know what democracy really is, and our municipal administration would at last be free to attain Aristotle’s ideal of a city, “where men live a common life for a noble end.”

Scientific Management

Frederick W. Taylor

What I want to try to prove to you and make clear to you is that the principles of scientific management when properly applied, and when a sufficient amount of time has been given to make them really effective, must in all cases produce far larger and better results, both for the employer and the employees, than can possibly be obtained under even this very rare type of management which I have been outlining, namely, the management of “initiative and incentive,” in which those on the management’s side deliberately give a very large incentive to their workmen, and in return the workmen respond by working to the very best of their ability at all times in the interest of their employers.

I want to show you that scientific management is even far better than this rare type of management.

The first great advantage which scientific management has over the management of initiative and incentive is that under scientific management the initiative of the workmen—that is, their hard work, their good will, their ingenuity—is obtained practically with absolute regularity, while under even the best of the older type of management this initiative is only obtained spasmodically and somewhat irregularly. This obtaining, however, of the initiative of the workmen is the lesser of the two great causes which make scientific management better for both sides than the older type of management. By far the greater gain under scientific management comes from the new, the very great, and the extraordinary burdens and duties which are voluntarily assumed by those on the management’s side.

These new burdens and new duties are so unusual and so great that they are to the men used to managing under the old school almost inconceivable. These duties and burdens voluntarily assumed under scientific management, by those on the management’s side, have been divided and classified into four different groups and these four types of new duties assumed by the management have (rightly or wrongly) been called the “principles of scientific management.”

The first of these four groups of duties taken over by the management is the deliberate gathering in on the part of those on the management’s side of all of the great mass of traditional knowledge, which in the past has been in the heads of the workmen, and in the physical skill and knack of the workman, which he has acquired through years of experience. The duty of gathering in of all this great mass of traditional knowledge and then recording it, tabulating it, and, in many cases, finally reducing it to laws, rules, and even to mathematical formulae, is voluntarily assumed by the scientific managers. And later, when these laws, rules, and formulae are applied to the everyday work of all the workmen of the establishment, through the intimate and hearty cooperation of those on the management’s side, they invariably result, first, in producing a very much larger output per man, as well as an output of a better and higher quality; and, second, in enabling the company to pay much higher wages to their workmen; and, third, in giving to the company a larger profit. The first of these principles, then, may be called the development of a science to replace the old rule-of-thumb knowledge of the workmen; that is, the knowledge which the workmen had, and which was, in many cases, quite as exact as that which is finally obtained by the management, but which the workmen nevertheless in nine hundred and ninety-nine cases out of a thousand kept in their heads, and of which there was no permanent or complete record.

Source: Excerpt from: Testimony before the U.S. House of Representatives, January 25, 1912.

A very serious objection has been made to the use of the word “science” in this connection. I am much amused to find that this objection comes chiefly from the professors of this country. They resent the use of the word science for anything quite so trivial as the ordinary, every-day affairs of life. I think the proper answer to this criticism is to quote the definition recently given by a professor who is, perhaps, as generally recognized as a thorough scientist as any man in the country—President McLaurin, of the Institute of Technology, of Boston. He recently defined the word science as “classified or organized knowledge of any kind.” And surely the gathering in of knowledge which, as previously stated, has existed, but which was in an unclassified condition in the minds of workmen, and then the reducing of this knowledge to laws and rules and formulae, certainly represents the organization and classification of knowledge, even though it may not meet with the approval of some people to have it called science.

The second group of duties which are voluntarily assumed by those on the management’s side, under scientific management, is the scientific selection and then the progressive development of the workmen. It becomes the duty of those on the management’s side to deliberately study the character, the nature, and the performance of each workman with a view to finding out his limitations on the one hand, but even more important, his possibilities for development on the other hand; and then, as deliberately and as systematically to train and help and teach this workman, giving him, wherever it is possible, those opportunities for advancement which will finally enable him to do the highest and most interesting and most profitable class of work for which his natural abilities fit him, and which are open to him in the particular company in which he is employed. This scientific selection of the workman and his development is not a single act; it goes on from year to year and is the subject of continual study on the part of the management.

The third of the principles of scientific management is the bringing of the science and the scientifically selected and trained workmen

together. I say “bringing together” advisedly, because you may develop all the science that you please, and you may scientifically select and train workmen just as much as you please, but unless some man or some men bring the science and the workmen together all your labour will be lost. We are all of us so constituted that about three-fourths of the time we will work according to whatever method suits us best; that is, we will practice the science or we will not practice it; we will do our work in accordance with the laws of the science or in our own old way, just as we see fit unless some one is there to see that we do it in accordance with the principles of the science. Therefore I use advisedly the words “bringing the science and the workman together.” It is unfortunate, however, that this word “bringing” has rather a disagreeable sound, a rather forceful sound; and, in a way, when it is first heard it puts one out of touch with what we have come to look upon as the modern tendency. The time for using the word “bringing” with a sense of forcing, in relation to most matters, has gone by; but I think that I may soften this word down in its use in this particular case by saying that nine-tenths of the trouble with those of us who have been engaged in helping people to change from the older type of management to the new management—that is, to scientific management—that nine-tenths of our trouble has been to “bring” those on the management’s side to do their fair share of the work and only one-tenth of our trouble has come on the workman’s side. Invariably we find very great opposition on the part of those on the management’s side to do their new duties and comparatively little opposition on the part of the workmen to cooperate in doing their new duties. So that the word “bringing” applies much more forcefully to those on the management’s side than to those on the workman’s side.

The fourth of the principles of scientific management is perhaps the most difficult of all of the four principles of scientific management for the average man to understand. It consists of an almost equal division of the actual work of the establishment between the workmen, on the one hand, and the management, on the other hand. That is, the work which under the old type of management practically all was done by the workman, under the

new is divided into two great divisions, and one of these divisions is deliberately handed over to those on the management's side. This new division of work, this new share of the work assumed by those on the management's side, is so great that you will, I think, be able to understand it better in a numerical way when I tell you that in a machine shop, which, for instance, is doing an intricate business—I do not refer to a manufacturing company, but, rather, to an engineering company; that is, a machine shop which builds a variety of machines and is not engaged in manufacturing them, but, rather, in constructing them—will have one man on the management's side to every three workmen; that is, this immense share of the work—one third—has been deliberately taken out of the workman's hands and handed over to those on the management's side. And it is due to this actual sharing of the work between the two sides more than to any other one element that there has never (until this last summer) been a single strike under scientific management. In a machine shop, again, under this new type of management there is hardly a single act or piece of work done by any workman in the shop which is not preceded and followed by some act on the part of one of the men in the management. All day long every workman's acts are dovetailed in between corresponding acts of the management. First, the workman does something, and then a man on the management's side does something; then the man on the management's side does something, and then the workman does something; and under this intimate, close, personal cooperation between the two sides it becomes practically impossible to have a serious quarrel.

Of course I do not wish to be understood that there are never any quarrels under scientific management. There are some, but they are the very great exception, not the rule. And it is perfectly evident that while the workmen are learning to work under this new system, and while the management is learning to work under this new system, while they are both learning, each side to cooperate in this intimate way with the other, there is plenty of

chance for disagreement and for quarrels and misunderstandings, but after both sides realize that it is utterly impossible to turn out the work of the establishment at the proper rate of speed and have it correct without this intimate, personal cooperation, when both sides realize that it is utterly impossible for either one to be successful without the intimate, brotherly cooperation of the other, the friction, the disagreements, and quarrels are reduced to a minimum. So, I think that scientific management can be justly and truthfully characterized as management in which harmony is the rule rather than discord.

There is one illustration of the application of the principles of scientific management with which all of us are familiar and with which most of us have been familiar since we were small boys, and I think this instance represents one of the best illustrations of the application of the principles of scientific management. I refer to the management of a first-class American baseball team. In such a team you will find almost all of the elements of scientific management.

You will see that the science of doing every little act that is done by every player on the baseball field has been developed. Every single element of the game of baseball has been the subject of the most intimate, the closest study of many men, and, finally, the best way of doing each act that takes place on the baseball field has been fairly well agreed upon and established as a standard throughout the country. The players have not only been told the best way of making each important motion or play, but they have been taught, coached, and trained to it through months of drilling. And I think that every man who has watched first-class play, or who knows anything of the management of the modern baseball team, realizes fully the utter impossibility of winning with the best team of individual players that was ever gotten together unless every man on the team obeys the signals or orders of the coach and obeys them at once when the coach gives those orders; that is, without the intimate cooperation between all members of the team and the management, which is characteristic of scientific management.

The Movement for Budgetary Reform in the States

William F. Willoughby

Introduction: Origin of Movement

Of few movements for political reform is it feasible to determine precisely the causes to which it owes its rise or to fix exactly the date of its origin. If one seeks for an explanation of the modern movement, now under full way, for the adoption by the several governing bodies of the United States of a budget as the central and controlling feature of their systems of financial administration, it must be found in a number of more or less distinct movements which have each found in this device an important means for achieving or promoting the object sought.

The Budget as an Instrument of Democracy
Among these first place must be given to that effort continuously being put forth to devise means by which popular government, in the sense that the affairs of government shall be conducted in conformity with the popular will, may become a reality in fact as in name. It is hardly necessary to point out that the popular will cannot be intelligently formulated nor expressed unless the public has adequate means for knowing currently how governmental affairs have been conducted in the past, what are present conditions and what program for work in the future are under consideration. Of all means devised for meeting this requirement no single one approaches in completeness and effectiveness a budget if properly prepared. It at once serves to make known past operations, present conditions and future proposals,

Source: William F. Willoughby, *The Movement for Budgetary Reform in the States* (New York: D. Appleton and Company for the Institute for Government Research, 1918), pp. 1–8.

definitely locates responsibility and furnishes the means for control. Professor A. R. Hatton is thus justified when he says:

Above and beyond its relation to economy and efficiency in public affairs it (the budget) may be made one of the most potent instruments of democracy. Given at least manhood suffrage, any government so organized as to produce and carry out a scientific budget system will be susceptible of extensive and intelligent popular control. On the contrary, those governments whatever their other virtues, which fail to provide adequate budget methods will neither reach the maximum of efficiency nor prove to be altogether responsible to the people.

A new spirit in American politics is manifesting itself in the powerful movement for the reform of governmental organization and procedure in the interest of popular control and efficiency. There are naturally many features in the program for the accomplishment of this twofold object. No single change would add so largely to both democracy and efficiency as the introduction of proper budget methods.¹

The Budget as an Instrument for Correlating Legislative and Executive Action
Closely associated with this demand that more effective means be provided by which the popular will and the principle of popular control may be made effective is the feeling that the present working conditions of our legislative bodies and particularly their relations to the executive branch of government are far from satisfactory. The conviction has been growing that a mistake has been made in seeking to make of our legislatures boards of directors to concern themselves with the details of the activities, organization and methods of business of administrative services; that the true function of the legislature should be that of acting as an organ of public opinion in the larger sense and as the

medium through which those concerned with the actual administration of affairs should be supervised, controlled, and held to a rigid accountability for the manner in which they discharge their duties.

This has led inevitably to the position that upon the executive should be placed the responsibility for the formulation of work programs and the decision, in the first instance at least, of the means to be employed in the putting of these programs into execution. This would appear to carry with it a great strengthening of the executive at the expense of the legislative branch of government. So it does in one sense. It is a canon of administrative science, however, that when discretionary powers and authority are increased a corresponding increase should be made in the means of controlling and supervising the manner in which these augmented powers are exercised. If legislatures are to surrender to the executive increased powers in respect to the conduct of administrative affairs, they must strengthen the means by which they may assure themselves that these powers are properly exercised. There are two methods by which superior direction, supervision and control may be exerted, by specification in advance, or, by the establishment of a proper accounting and reporting system, by establishing means through which full information may be currently available regarding the manner in which delegated authority is being exercised. Legislatures are being asked to give up the first method of control. If they do so, it is imperative that the conditions stated in the second alternative should be met.

It is at this point that the demand for the adoption of a budget finds its place as an integral part of the movement for the improvement of the working relations between the two branches of government. In the budget is to be found far the most effective means that has yet been devised whereby larger responsibility for the formulation and execution of financial and work programs may be conferred upon the executive and yet the latter be held to a more rigid accountability for the manner in which this responsibility is discharged. In a very true sense, therefore, the movement for the adoption of budgetary systems by our governing bodies is an integral and essential part of the whole

greater movement for the accomplishment of governmental reforms generally.

The Budget as an Instrument for Securing Administrative Efficiency and Economy Still another movement which has logically resulted in the demand for budgetary reforms is that for placing the purely technical methods of governmental organization and administration upon a more efficient and economical basis. The question has been raised as to whether there are any inherent reasons why government officers should not be held to the same standards of efficiency and honesty as are demanded in the business world. The demand that they should be has become more insistent as the tasks imposed upon governments have become more numerous and complex and, in many cases, more nearly similar to the character of the tasks which private corporations are called upon to perform. In the business world it is recognized that no undertaking of magnitude, certainly none performed under a corporate form of organization, can be efficiently administered which does not have a system of accounts and reports that will permit the directing body, the board of directors, and the stockholders, to secure a clear picture of past operations, present conditions and future programs of activities. In all proposals looking to the reform of methods of business of governmental bodies, chief attention has consequently been placed upon the demand for the improvement of the methods by which their financial affairs are conducted. It is inconsistent to the last degree that governments should insist that corporations controlled by them should have systems of accounting and reporting corresponding to the most approved principles of modern accountancy while not providing for equally efficient systems for the management of their own financial affairs. The demand for improved methods of public administration has thus inevitably centered primarily upon the demand for improved methods of financial administration and, in order that this may be secured, upon the specific demand for the adoption of a budgetary system as the central feature of such an improved system.

Use of Budget First Demanded as a Feature of Municipal Reform Turning now to a

history of the movement itself, the point of departure must be found in the great movement which has been so much in evidence during the present generation, for the improvement of methods of municipal administration. After repeated disappointments persons interested in municipal reform came to an appreciation that permanent reform was not to be accomplished by the putting in the field of citizens' tickets and the ousting of officials who subordinated the public good to private gain. More and more it was borne in upon them that if lasting improvements were to be effected, the system of municipal government itself and methods of administration had to be changed, that there must be established principles of administration and means of direction, supervision and control that would automatically, as it were, result in better administration or at least make it possible for all interested parties to determine, without the necessity for special investigations, whether affairs were being efficiently and economically administered or the reverse. It was found, in a word, that the problem had to be attacked from the technical as well as the moral standpoint.

This change in the method of approach found expression not only in the altered character of the work attempted by such organizations as the National Municipal League, but in the appreciation that a thorough study of the technical problems of municipal administration with a view to the formulation of concrete measures of reform could only be successfully undertaken by a permanent organization specially established and with a technically competent staff to undertake this work. Appreciation of this led to the creation by public spirited individuals of the large number of bureaus of municipal research which have contributed so powerfully during recent years to the improvement of methods of municipal administration in the United States. This is not the place to attempt any general characterization of the work of these bodies. It is only necessary for us to say that these bureaus have almost without exception concentrated a large part of their attention upon problems of financial administration and that all, likewise without exception, have bent their energies towards the securing by the cities with whose operations they concerned

themselves of a budgetary system. This action was in large measure predicated upon the proposition that a municipality partakes in large measure of the characteristics of an ordinary business corporation and should be operated as such. This has meant that there should be employed by it the methods and agencies which have been found indispensable to the efficient operation of large business corporations. This view accepted, the demand at once arose that the expenditures of the city should be brought into direct relation to its possible or actual revenues and be based upon estimates and recommendations emanating from the spending departments. The advantage was at once seen of having the estimates and recommendations thus made by the several administrative services submitted to some central executive organ vested with authority to revise and reduce them when necessary and to bring them into due relation and proportion to one another. This was seen to be essential since spending departments are concerned primarily each in its own activities and are, therefore, interested in getting the largest possible allotment of funds from the general treasury. If the latter is to be protected and the relative as well as the absolute utility of different classes of work is to be determined, some organ must exist within the administration which is not itself a spending department but has the special function of balancing demands of spending departments and of protecting the general treasury from the demands being made upon it beyond its resources.

This fundamental feature was appreciated by municipal reformers prior to the establishment of bureaus of municipal research. Thus the National Municipal League as early as 1899 included in its draft of a model municipal corporation act a section providing that:

It shall be the duty of the Mayor from time to time to make such recommendations to the Council as he may deem to be for the welfare of the city and on the ____ day of ____ in each year to submit to the Council the annual budget of current expenses of the city, any item in which may be reduced or omitted by the Council; but the Council shall not increase any item in nor the total of said budget.

The course of budgetary reform in municipalities was also materially promoted by the Bureau of the Census through the continuous pressure which it exerted upon municipalities to improve their methods of accounting and reporting and especially through the standard classification of municipal expenditures which it worked out in connection with experts representing the accounting profession and the National Municipal League. In later years the development of the commission and city manager types of municipal government, and the policy adopted by a number of the leading cities in their recent charter revisions to provide for boards of estimates among whose functions the most important duty was that of passing upon and revising estimates as originally framed by the spending departments, have likewise contributed powerfully to the promotion of budgetary reform. These all represent the definite adoption of the most fundamental principle of a budget that there should be a central budget framing organ to stand between the estimating departments and the fund-granting authority. In few, if any, cases, however, has the principle been adopted of vesting final authority in respect to the framing of a budget in the chief executive officer.

After all is said, however, to the bureaus of municipal research and allied organizations established by boards of trade and other citizen agencies belongs the chief credit for the persistent demand that a budget be made the foundation stone of the system of financial administration of all municipalities. Not only have they urged this without ceasing but they have done a large amount of work in the way of working out and installing systems of financial administration in various cities resting on this basis.

Movement for Budgetary Reform Carried Over to the States It was inevitable that the movement for budgetary reform in municipalities, once fairly under way, should be carried

over to efforts looking to the improvement of state governments. Every reason dictating the necessity for this reform in the case of municipalities existed with increased force in the case of these governments. Here the conditions to be met, however, were much more difficult than those obtaining in the case of municipal governments. Broadly speaking, the administrative branch of municipal governments corresponds to the integrated type of organization, with the mayor at the head as administrator in chief. It has been pointed out in our consideration of the nature and functions of a budget² how essential is this form of organization to the proper operation of a budgetary system. It is unfortunate, both from the standpoint of budgetary reform and that of good administration generally, that this condition obtains in but few, if any, of the states. As is well known, in most if not all of the states the administrative branch consists of a large number of practically independent services. Only in small degree has the governor any positive powers of direction or any adequate power to control. The line of authority runs direct in each case to the legislature; and the authority of this body is often limited by the fact that the heads of these services owe their election to office, not to it, but to the people. It results from this that in the case of most, if not all, of the states the problem of the introduction of a thoroughly efficient budgetary system involves that of fundamentally recasting their systems of government.

NOTES

1. Foreword to "Public Budgets," *Annals of the American Academy of Political and Social Science* (November 1915).
2. William F. Willoughby, *The Problem of a National Budget* (New York: D. Appleton, 1918), pp. 1–29.

Bureaucracy

Max Weber

1. Characteristics of Bureaucracy

The specific functions of modern officials are expressed in the following:

- I. There exists the principle of official duties which are established through firm rules, which are generally ordered by laws or administrative holdings.
 1. There exists a distribution of activities to be followed for the purposes of the bureaucratic ruled object which constitute official duties.
 2. In order to give commands to discharge these official duties, rules are backed by physical, sacred, or otherwise compulsive means to ensure that commands are followed.
 3. For the regular and continuing fulfillment of official duties to occur, and that they are performed accordingly, persons with generally regulated qualifications are in place.

These three elements constitute “bureaucratic authority” in public and legal government. In private economic business, they are termed “bureaucratic management”. In this sense, this institution from the political and church communities has developed first in the modern state and in the private sector in highly developed forms of capitalism. Permanent official authority with fixed duties is the exception in political development; not

found even in the ancient Orient, the Germanic or Mongolian empires of conquest, and the many feudal states. In those instances, the ruler carried out the most critical tasks through personal aides, court attendants or servants, whose authorities were temporary and limited to the transaction of the action.

- II. There exists the principle of office hierarchy and levels of authority—where there is an ordered system of super- and sub-ordination with lower offices are under the supervision of higher offices—with a system which affords the highly regulated opportunity of the governed office to appeal decisions to its superior. Through the complete development of this type, office hierarchy is monocratically ordered. The principle of hierarchical authority is also found in state and church entities and also in other bureaucratic structures, for instance large party organizations and private business enterprises, regardless of whether the authority is private. But even when the principle of jurisdictional competency is fully followed, at least in public offices, it does not mean that that a lower office’s business can simply be taken over by a higher one. The opposite is the rule—and it is the case that once established and fulfilling its duties, an office remains in existence and will be filled by another incumbent.
- III. The modern office is based on written documents (Files) which are preserved in original or draft form, from a staff of subaltern officials and scribes of all kinds. The totality of those working in the office with the respective material equipment and the files makes up a “bureau”. (In private enterprise, it is often called an “office”). The modern civil service system separates in principle the bureau from the private domicile of the individual official. It is also

Source: This translation, by the authors, is based on the 1925 Tubingen 1st edition of Max Weber *Wirtschaft und Gesellschaft* (Economy and Society) published by J.C.B. Mohr—(Paul Siebeck)—from an authentic reproduction by the Bibliolife network. The pages translated are from Chapter VI, pp. 650–656.

a condition that official activity is separated from private sphere and that public money and materials be kept distinct from the private possession of the official. This condition is the result of long development. Though now it is as likely to be found in the private sector as well and even extends to the leading entrepreneurs. The principle is that executive office is separated from household, business from private holdings, and business assets from private fortunes. The more consistently modern business has developed—these conditions go back to the middle ages—the more these separations have been the case. It is the peculiarity of modern entrepreneurs that they describe themselves just as the first rulers of bureaucratic modern states did—as “the first servant of the state.” The picture of state bureau activities being different from private business matters is a European continental one, and would be quite contrary and foreign to an American view.

- IV. Management of the Office, at the least all specialized office management, normally presupposes complete and expert training. This also holds for the modern executive and employee of private enterprises, just as it applies to the state official.
- V. As the office nears full development, activity requires the complete working capacity of the official—regardless of whether obligatory time in the bureau is firmly delimited. This is the usual case, a product of long development, whether it is in the public sphere or a private business. Earlier, this state of affairs was reversed, official business was conducted as a secondary activity.
- VI. Management of the office generally follows rules, which are more or less stable, comprehensive, and can be learned. These rules require knowledge (involving jurisprudence, administrative, or business management) which officials learn through special technical learning.

The adherence of modern office management to rules is very much embedded in its nature. Modern public administration theory holds, for example, that the authority to order certain matters by

decree—which has been legally granted to public authorities—does not allow the bureau to regulate matters by orders for each case, but only to regulate matters abstractly. This is in extreme contrast to regulation by relationships through individual privileges and extension of favors, (as is dominant in patrimonialism) or at least as far as such relationships are not fixed by sacred tradition.

2. The Position of the Official

For the internal and external position of the official, this has all the following consequences:

- I. The office is an “Occupation”. It is expressed first after the requirement of a prescribed course of training, which entails working in a capacity for a long period of time, and generally has a prescribed special examination as a prerequisite for employment. Further, the position of the official is in the form of a “duty”. This duty determines the nature of the official’s relations for the following:

Legally office holding is not considered ownership of a source of income, to be used or exploited for rents or payments in exchange for the rendering of specific services, as was customary in the Middle Ages and even often extended to recent times.

Nor is office holding to be considered a means for the exchange of services, as the case is with free employment contracts. Entry to an office, to include private enterprise, is to be seen as accepting an oath or obligation to the purpose of the office in return for a secure holding of the position. It is essential for the concept of modern loyalty to be to the office, in a pure form, and that it does not create a relationship to a person, like the servant or disciple’s faith under feudal or patrimonial authority, but rather is impersonal and serves functional purposes. These purposes often possess an ideological halo from cultural values, such as the state, church, community, party, or enterprise, which are realized through these communities.

The political official—at least as it is in the fully developed modern state—is not a personal servant of a ruler. Just as the bishop, priest, and minister are no longer, as in early Christian times, individuals possessing purely personal charisma, who provided other worldly sacred values tied to the personal mandate of a master and in principle given only to those who were deemed worthy and asked for these values. Despite the partial continuation of old theory, they have become officials serving a functional purpose, which in the modern day Church is now impersonally and ideologically sanctified.

II. The personal position of the official is established in the following ways:

1. Whether in a private office or public bureau, modern officials always strive for and normally obtain a distinct higher social esteem compared to the governed. Social position is protected by the prescriptive rules of rank order and special protections for political officials are afforded by criminal code prohibitions against “insults” of officials and “contempt” of state and church authorities. Social position is normally highest in older civilized countries where the following conditions are found: strong demand for administration through trained experts, strong and stable social differentiation where the officials largely come from socially and economically privileged classes, whether due to social distribution of power, the high cost of required training and education, or social conventions. The holding of educational certificates . . . is usually linked with occupational requirements for holding office and further enhances the status element of the official’s social position. The status aspect is sometimes explicitly acknowledged—as for example acceptance of a candidate to an office career depends upon the consent (by election) of the current official members of the body. This is the case of the officer corps in the German Army. Likewise, Attempts to create a

guild—like closed service of office is typical of patrimonial and protected certification official bodies. The desire to recreate policies that create such protections for bureaucrats is in no sense infrequent, one need only think of the demands made by the proletariat and expert officials (the *trityj* element) during the Russian Revolution.

Social esteem of official is usually low in countries where the demand for expert administration is weak and social conventions not highly developed. This most often occurs in new settlements where economic opportunities are greater and social stratification still unstable; this is particularly the situation in the United States.

2. The pure type of Bureaucratic official is appointed by a superior authority. An elected official by the governed body is not really a bureaucratic figure. A formal election, of course, may mask an appointment by party chiefs. This depends, not upon legal statutes, but on how the party mechanism functions. Political parties, once firmly established, can change any formal election into a confirmation of the party’s choice of candidate, or even into a contest, based on rules for electing one of two designated candidates.

Under these circumstances, the election—as a designation by party official is merely a means of modifying the rigidity of hierarchical subordination. In principle, the official elected supposedly has an autonomous position based on his position neither from above nor below his superior authority in the hierarchy, but determined by party chiefs who also control the official’s career. Thus, the elected official’s career is not dependent upon the administrative chief. The official is appointed by a master authority, unusually functions more with a technical orientation, because it much more likely that functional skills and qualities will determine the officials selection and career advancement

The governed, as novices, can only assess the qualifications of a candidate for office only in terms of their experience and generally only after their service has started. So, any involvement of political parties will naturally give priority weight to what services are provided party superiors, and not to technical expertise. This also applies when supposedly freely elected officials are chosen by the party chiefs who determine what the slate of candidate for office will be for an elected chief. There isn't much difference, relatively, when legitimate monarchs and their subordinates appoint officials, though partisan influences are less controllable.

In places where the demand for administration by trained experts is high, and the party followers must take into account an intellectually developed, more educated and open public opinion, the use of unqualified officials falls back on the party in power at the next election. This is especially likely to occur when the officials are appointed. The demand for trained administrators is now present in the United States, however in the case of large cities where the votes of immigrants are rounded up, there really is no open public opinion. Here, popular election of administrative chiefs and their subordinate officials actually endangers, certainly in the largest administrative bureaus which are the most difficult to manage, having expert qualified officials, effective functioning of the bureaucratic mechanisms, as well as weakening hierarchical controls. The higher qualifications and integrity of US federal judges appointed by the President is well known in comparison to elected judges, even though both types of judges are chosen along party lines. The major changes advocated by reformers for American metropolitan administrations have been largely implemented by elected mayors working with a cadre of officials they appointed.

These reforms have come about in a "Caesarist" fashion. Although technically an organized variation of domination, efficiency from Caesarism can grow out of democracy as it is based on the position of the Caesar as a free trustee of the masses, unimpeded by tradition. In this instance, the Caesar is a form of the master above the body of highly qualified corps of military officers and officials hand selected, without regard tradition or other considerations. This type of rule of personal genius, however effective, is in opposition to the formal democratic principle of a generally elected officialdom

3. It is established that the position of the official is held for life, at least in public bureaucracies and increasingly this is case for similar structures, and a rule of fact, tenure of life is assumed when notice to leave can be given or periodic reappointment happens. The idea of tenure in a private enterprise normally differentiates the official position from the worker. This form of legal or actual tenure for life is not seen however as some form of proprietary right to the office by the official as in past cases involving authority structures. Further, legal guarantees put in place that prohibit discretionary dismissal or transfer, as is the case in Germany for all judicial officials and increasingly for administrative officials, serve to reinforce the strict impersonal discharge of specific office duties.

Although within bureaucracy, "the independence" guaranteed legally through tenure does not necessarily result in increased status for the official. The reverse is often the case, especially in communities with older cultures and high degrees of differentiation, Subordination under the arbitrary rule of a master ensures the maintenance of a subservient style of conduct for the official, and the more it does this, the stricter it is. So, social esteem of officials may rise more specifically with the absence of legal guarantees for tenure,

- much as it did during the Middle Ages, when the esteem of ministers rose at the expense of freemen and with the judges of the King's court at the expense of people's judges. The Military officer or the administrative officer can be terminated at any time in Germany, far more readily than legally protected independent judges, who cannot be removed or held accountable for even the grossest offence against the professional code of honor or the official corps. It is for this reason, that a judge—all things being equal—is considered less socially acceptable in societal circles than military officers and administrative officials who status is dependent more on their master. Still, the average official seeks some type of civil service legislation which will enhance old age security and protect against any arbitrary removal from office. But even this has limits. One outcome of the rise of “the right to the office” is that it makes staffing of offices for the purpose of improving technical efficiency more difficult and can limit career opportunities for more ambitious candidates. But the strongest outcome of the right to the office is the natural preference for officials to rely on their equals rather than socially inferior group being ruled under them, resulting overall in “officialdom” seldom suffering from its dependency on those higher up...
4. The official receives regular compensation—in the form of a salary, normally fixed, and a pension for old age security. Salary is not determined as a wage for actual work performed alone, but in line with status—according to type of function (the “rank”) and possibly tied to length of service. The relatively high security of the official's income, along with the social esteem tied to the position, makes the office highly desirable, especially in countries which no longer provide opportunities for colonial profit—making and where such conditions enable much lower salaries to be paid to officials.
 5. The official is established within a “career” inside the hierarchical order of the public service. They are expected to progress from lower, less important, and lower paid positions to higher positions. The average official prefers, naturally, a mechanical set determination for the conditions for promotion, if not of the actual offices, but at least for salary progression. Preference is for such conditions to be tied to seniority or possibly set to grade levels determined through some examination system. Here and there, these grades create a form of indelible character of the official and have permanent effects on their careers. Tied to this is the desire to reinforce the rights to the office and to enhance status group closure and economic security. All of this creates a tendency to view the office as a “commission” for those qualified through educational certification. The necessity of taking into consideration general personal and intellectual qualifications, without concern for the subaltern character of the educational certificate, has led to the highest political offices, especially ministerial positions, to be filled as a rule without taking certification into consideration.

Introduction to the Study of Public Administration

Leonard D. White

Preface

Curiously enough, commentators on American political institutions have never produced a systematic analysis of our administrative system except from the point of view of the lawyer. Until the last few years even the text books have obstinately closed their eyes to this enormous terrain, studded with governmental problems of first magnitude and fascinating interest; and even today they dismiss the subject with a casual chapter. But certainly no one pretends that administration can still be put aside “as a practical detail which clerks could arrange after doctors had agreed upon principles.”

The fact is that the last two decades have produced a voluminous literature dealing with the business side of government. The present volume represents an attempt to bring together the salient facts of American experience and observation and to deal with them analytically and critically. To accomplish this within the limits of a single volume is no easy task, implying as it does a constant danger of falling prey either to the Scylla of indiscriminate detail or the Charybdis of unsupported generalization. The total lack of any charted passage through these unexplored waters adds much to the hazards of the venture.

The book rests upon at least four assumptions. It assumes that administration is a — single process, substantially uniform in its

essential characteristics wherever observed, and therefore avoids the study of municipal administration, state administration, or federal administration as such. It assumes that the study of administration should start from the base of management rather than the foundation of law, and is therefore more absorbed in the affairs of the American Management Association than in the decisions of the courts. It assumes that administration is still primarily an art but attaches importance to the significant tendency to transform it into a science. It assumes that administration has become, and will continue to be, the heart of the problem of modern government.

Chapter One: Administration and the Modern State

Management has gradually become a profession. Its task has increased in difficulty, responsibility, and complexity, until today it touches all the sciences, from chemistry and mechanics to psychology and medicine. It calls to its service, therefore, men and women with tact and ideals, with the highest scientific qualifications and with a strong capacity for organization and leadership. It is employing lawyers and doctors, accountants and artists, and by directing their professions, is forming a supreme profession of its own, with all the implications consequent upon such a line of progress of standards, qualifications, apprenticeship, and technique.

Oliver Sheldon
Philosophy of Management

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1. The Scope and Nature of Public Administration There is an essential unity in the process of administration, whether it be observed in city, state, or federal governments, that precludes a “stratified” classification of

the subject. To treat it in terms of municipal administration, state administration, or national administration is to imply a distinction that in reality does not exist. The fundamental problems such as the development of personal initiative, the assurance of individual competence and integrity, responsibility, coordination, fiscal supervision, leadership, morale are in fact the same; and most of the subjects of administration defy the political boundaries of local and state government. Health administration, the licensing of medical practitioners, the control of trade, the reclamation of waste lands have little in fact actual relation to cities or counties or states as such. Nor do the respective phases of city, state, or federal government present any significant variation in the technique of their administration. At the outset, therefore, it seems important to insist that the administrative process is a unit, and to conceive it not as municipal administration, or state administration, or federal administration, but as a process common to all levels of government.

Public administration is the management of men and materials in the accomplishment of the purposes of the state. This definition emphasizes the managerial phase of administration and minimizes its legalistic and formal aspect. It relates the conduct of government business to the conduct of the affairs of any other social organization, commercial, philanthropic, religious, or educational, in all of which good management is recognized as an element essential to success. It leaves open the question to what extent the administration itself participates in formulating the purposes of the state, and avoids any controversy as to the precise nature of administrative action.¹

The objective of public administration is the most efficient utilization of the resources at the disposal of officials and employees. These resources include not only current appropriations and material equipment in the form of public buildings, machinery, highways and canals, but also the human resources bound up in the hundreds of thousands of men and women who work for the state. In every direction good administration seeks the elimination of waste, the conservation of material and energy, and the most rapid and complete

achievement of public purposes consistent with economy and the welfare of the workers.

The actual functioning of this branch of government may perhaps be made more realistic by an account of what takes place in a great department in the course of a day. For purposes of illustration a health department in a large city will suffice. Business commences at nine o'clock, when most of the employees are presumably at their desks. As they enter the office, they sign a time sheet or punch a time clock, dispose of their outer garments in lockers, exchange comment with their neighbors and settle down for the day's work. A steady stream of business develops; telephone calls from citizens, from field inspectors, and from special detail; [customer] window calls on a great variety of topics large and small; telegraphic reports from a neighboring city in which an epidemic is threatening; conferences within the bureaus; conferences between bureaus; messengers hurrying back and forth; policemen from local health stations bringing in samples for analysis, and anxious citizens seeking the results of samples brought in yesterday; a deputation from the undertakers protesting against the condition of the hospital morgues; an alderman seeking appointment for a local supporter; a score of prostitutes waiting in the anteroom for examination before appearing in the courtroom; a salesman protesting against the award of a contract for laboratory supplies; a handful of loiterers whispering in casual groups in the corridors, all seeming to the uninitiated observer the height of confusion and disorder. Further observation, however, dispels the first impression; the various kinds of work are segregated and assigned to specially trained men and women; certain types of inquiry or complaint are handled by a standardized method; forms are made out and sent on the proper route for final disposition; some business is transacted by a clerk, other business is referred to the assistant bureau chief, so that by a process of selection routine work is disposed of by the lower ranks of the service, while matters of importance are brought to the attention of the higher officials. Thus proceeds in an orderly fashion all the complicated business of the office; some spend the day making out forms, others filing correspondence, some answering telephone

complaints and directing inspectors, others dictating correspondence, making bacteriological analyses, inspecting ventilation systems, granting licenses, making blue prints, while at the head of the service, the commissioner of public health maintains the necessary connections of the department with the city council and the mayor, with the party organization, with the finance committee, with the public, and with the health authorities of the state and the United States, not neglecting meanwhile to assure himself of the proper operation of the many phases of the work of the department itself.

All of this is a far cry from the Egyptian scribe who labouriously copied accounts on his roll of papyrus, but the natural history of administration connects its ancient and modern forms in an unbroken sequence of development. The process of specialization has indeed wrought a prodigious transformation in methods, but the essential administrative duties connected with military affairs, with finance, with the “kings” household are still performed with the same objectives as in ages past. What differentiates the modern public official from the scribe of antiquity is the marvelous material equipment with which he works, and the contribution which science has made, and continues to make, to his profession.

Public administration is, then, the execution of the public business; the goal of administrative activity the most expeditious, economical, and complete achievement of public programs. This obviously is not the sole objective of the state as an organized unit; the protection of private rights, the development of civic capacity and sense of civic responsibility, the due recognition of the manifold phases of public opinion, the maintenance of order, the provision of a national minimum of welfare, all bespeak the constant solicitude of the state. Administration must be correlated with other branches of government, as well as adjusted to the immense amount of private effort which in America far more than elsewhere supplements public enterprise. The following chapter deals with these adjustments, but here it is desirable to differentiate the adjacent fields of administration and administrative law.

It is said that “administrative law is that part of the public law which fixes the organization

and determines the competence of the administrative authorities, and indicates to the individual remedies for the violation of his rights.”² This definition rightly indicates that the subject matter belongs to the field of law, and points to its major objective, the protection of private rights. The objective of public administration is the efficient conduct of public business.

These two goals are not only different, but may at times conflict. Administration is of course bound by the rules of administrative law, as well as by the prescriptions of constitutional law; but within the boundaries thus set, it seeks the most effective accomplishment of public purposes. The whole matter is tersely set forth by Professor Freund.³

The thought of those interested in public administration seems at the present time to be mainly concerned with problems of efficiency. This is easy to understand. With the rapid expansion of governmental control over all kinds of important interests we have, on the whole, held fast to the self-governmental theory of administrative organization which is not productive of the highest degree of expert knowledge and skill.

Yet increased administrative powers call for increased safeguards against their abuses, and as long as there is the possibility of official error, partiality or excess of zeal, the protection of private right is as important an object as the effectuation of some governmental policy.

Students of government are familiar with the traditional division of governmental activities into the legislative, executive, and judicial.⁴ It is important to understand that the work of the administration involves all three types of activity, although a strict application of the theory of separation of power would seem to confine it to “executive” business. After pointing out that the administrative commission exercises an authority which is in part executive, in part legislative, and in part judicial, Croly asserts “it is simply a means of consolidating the divided activities of government for certain practical social purposes,” and proceeds to give a reasoned defense of this fusion of powers.⁵ Administration more and more tends in fact

to reach into the established fields of legislation and adjudication, raising important problems which will be the subject of study in later chapters.

Students of public affairs are gradually discerning, in fact, that administration has become the heart of the modern problem of government. In an earlier and simpler age, legislative bodies had the time to deal with the major issues, the character of which was suited to the deliberations of the lay mind; they were primarily problems involving judgments on important questions of political ethics, such as the enfranchisement of citizens by abolishing property qualifications, the disposition of the public land, the disestablishment of the Anglican Church, or the liberalization of a monarchist state. The problems which crowd upon legislative bodies today are often entangled with, or become exclusively technical questions which the layman can handle only by utilizing the services of the expert. The control of local government, the regulation of utilities, the enforcement of the prohibition amendment, the appropriation for a navy, the organization of a health department, the maintenance of a national service of agricultural research are all matters which can be put upon the statute book only with the assistance of men who know the operating details in each case. So we discover in the administrative service one official who knows all that can be known about the control of water-borne diseases, another who has at his fingertips the substance of all available information on wheat rust, and another who cannot be "stumped" on appropriations for the national park service. These men are not merely useful to legislators overwhelmed by the increasing flood of bills; they are simply indispensable. They are the government. One may indeed suggest that the traditional assignment of the legislature as the pivotal agency in the governmental triumvirate is destined at no distant date to be replaced by a more realistic analysis which will establish government as the task of administration, operating within such areas as may be circumscribed by legislatures and courts.

2. The Emergence of Administration It is from Great Britain of course that the United States derived its administrative institutions. Our local governments were patterned

after the English model in the seventeenth century. Decentralized, self-governmental, dominated by the "squirearchy," they proved to be readily adaptable to the economic and social conditions of the New World. Even today the main lines of our administrative structure are profoundly influenced by their English origin; nowhere in the American commonwealths can be found the prototype of the continental intendant or his successor, the prefect.

But the modern social and economic environment in which administration operates, and the insistent demand for a greater and greater degree of state intervention are destined to force the issue whether a modern industrial, interventionist state can possibly operate on the restricted base of voluntary and substantially amateur effort which characterizes our administrative inheritance. The problems with which officials must grapple are now so varied in scope, so technical in character, so insistent for solution that it hardly seems possible that the state can hold its own except by adopting at least some of the essentials of bureaucratic administration. Is it not now imperative for democratic states to derive the advantage of a civil service characterized by permanence of tenure, special training for official position, professional interest on the part of the public official, undivided loyalty to the interests of the state? No one will understand that this suggestion is in favor of autocratic as contrasted with democratic institutions. But democracies can fruitfully borrow from more highly organized administrative systems those elements which can be properly adapted to their fundamental political institutions in order to make more effective the achievement of their own purposes and programs.

The fact is that the role of administration in the modern state is profoundly affected by the general political and cultural environment of the age. The *laissez faire* school of social philosophy, demanding the restriction of state activities to the bare minimum of external protection and police, created a situation in which administration was restricted in scope and feeble in operation. Officialdom was thought a necessary evil, bureaucracy an ever-present danger. On the continent irresponsible governments, able within large limits to defy the wishes of the

people, and themselves often without programs of social betterment, contributed powerfully to the philosophic argument in favor of nonintervention by the state.

The industrial revolution and its many social, economic, and political implications are fundamentally responsible for the new social philosophy and the new concept of public administration. *Laissez faire* has been abandoned by philosophers and statesmen alike, and a new era of collective activity has been ushered in by the twentieth century. The expansion of industry on a national and international scale, the growth of transportation by railroad, motor truck and airplane, the transformation of communication by modern postal systems, the press, the telegraph, telephone, wireless and radio, the enormously increasing mobility of persons and ideas, the urbanization of industrial states and the crystallization of powerful social classes and economic interests have not only increased the area and intensity of administrative activity, but also have added new types of problems and magnified the importance and the difficulty of the old.

The industrial revolution has necessitated, in short, a degree of social cooperation in which *laissez faire* has become impossible; and gradually the new environment is building up in men's minds a conception of the role of the state which approximates the function assigned to it by the conditions of modern life. These new ideas involve the acceptance of the state as a great agency of social cooperation, as well as an agency of social regulation. The state becomes therefore an important means by which the program of social amelioration is effected. "The power of the civil service is increasing," writes an English scholar, "for the state has given up its old role of acting, in Lassalle's phrase, as night-watchman, as a mere dispenser of justice in the strictest sense of the word. Today it acts on the theory that the good of the individual and of society may be discovered by the processes of social reason and action, and be implemented through statutes."⁶

The enlarging positive program of the state does not imply by any means a corresponding diminution of its repressive and regulative activities. The struggle of classes over the distribution of the social surplus has led to the

intervention of the state on behalf of the economically weak (children, women, labouring classes) by insistence on minimum wage, limited hours of labour, and healthful working conditions; the persistence of various groups of "reformers" has brought about prohibitions and regulations of diverse kinds (sale of cigarettes, narcotics, alcohol, censorship of motion pictures); the need for guaranteeing so far as possible the integrity of the processes of self-government has led to the regulation of elections and political parties, and the elaboration of such repressive legislation as corrupt practice acts.

In every direction, therefore, the task of the modern state is enlarging. In every direction likewise the range of public administration is being extended, for every phase of the new program of the state is reflected in additional administrative activity.

For these reasons it is not surprising that in the last two decades increasing attention has been given to the business side of government. The remarkable thing is that for over a hundred years of our national existence, the only phase of administration to emerge in the arena of national issues was the spoils system. In a brilliant essay Wilson explained the American failure to grasp the importance of sound administration. Writing in the *Political Science Quarterly*, he pointed out:

No one wrote systematically of administration as a branch of the science of government until the present century had passed its first youth and had begun to put forth its characteristic flower of systematic knowledge. Up to our own day all the political writers whom we now read had thought, argued, dogmatized, only about the *constitution* of governments; about the nature of the state, the essence and seat of sovereignty, popular power and kingly prerogative. . . . The central field of controversy was that great field of theory in which monarchy rode tilt against democracy, in which oligarchy would have built for itself strongholds of privilege, and in which tyranny sought opportunity to make good its claim to receive submission from all competitors. The question, how law should be administered with enlightenment, with equity, with

speed, and without friction, was put aside as a practical detail which clerks could arrange after doctors had agreed upon principles.

Unfortunately the future President of Princeton University and the United States never carried his penetrating researches beyond this preliminary study.

The interest of the twentieth century in public administration is due to a variety of causes. Of these the rapidly increasing cost of government, "the unprecedented cataclysm of public expenditure," is one of the most important.⁷ The statement is made that the total revenues raised for municipal, county, state, and national purposes increased from \$2,131,402,000 in 1912 to \$6,346,332,000 in 1922, an increase of 198 percent; and the per capita revenues in 1912 increased from \$21.96 to \$58.37 in 1922.⁸ The total net expenditures of the federal government reached their peak in the fiscal year 1920, at \$5,687,712,849, since when there has been a progressive decline to an annual expenditure of about \$3,000,000,000. The expenditures of the state governments, however, show a rapid increase since the war. In 1913 they were \$3.95 per capita, and in 1922, \$11.82.⁹ Municipal expenditures show a per capita increase for all general departments from \$17.34 in 1912 to \$33.15 in 1922.¹⁰ Dr. Mitchell and his associates estimate an increase in national income, 1913 to 1919, from 33.3 billions to 66.0 billions of dollars, or approximately two hundred per cent. This indicates that national income is not burdened by governmental expenditure to any substantially greater degree in recent years than before the war, but the outcry against high taxes is none the less real.¹¹ The wide publicity given to the rising tide of expenditure, the heavy burden of taxation, and the dramatic efforts of the national administration in favor of economy, have all emphasized the demand for greater efficiency. The pressure for more effective use of public resources is unremitting, and so long as existing high levels of taxation remain, every avenue will need to be explored in order to secure maximum results for every expenditure.

The World War brought into vivid contrast the administrative methods of democratic and autocratic governments, and gave rise to sharp criticisms of the time-honored plan of

"muddling through." At an early date the war was declared to be one between democracy and autocracy, but at a later date there was general agreement that democracy had been forced to adopt the administrative methods of autocracy to gain its end.¹² The various administrative methods employed in the belligerent countries to control the food supply, however, furnish interesting illustrations of the democratic and autocratic approach to specific problems.

On a less dramatic scale, international competition in trade and industry continues to sharpen the demand for efficiency in government. The United States Chamber of Commerce has taken an active interest in greater efficiency "because as business men they already believed in efficiency and economy and wanted to see it applied to the municipal, state, and national governments; because they realized that efficient and economical government was a prime requisite for prosperity and business success; and because as good citizens, they desired to see an honest, sound and intelligent administration." In 1912 at the first annual meeting of the Chamber of Commerce there was discussion of budget reform for the federal government, followed by a referendum which almost unanimously adopted a specific proposal. Year after year the Chamber of Commerce has pressed the matter upon the attention of Congress.

This organization has also urged federal grants for the assistance of vocational schools, a federal department of public works, a general reorganization of the administrative system, improved methods of personnel management, and a permanent planning department in the post office. The New York Chamber of Commerce has also taken an active part in proposing better administration, both state and federal. The reorganization of the consular and diplomatic services achieved by the Rogers Act was urged by business interests. Secretary Hoover's recent revelations of monopolies in rubber, coffee, sisal, and other commodities controlled by foreign governments point to a new phase of international commercial competition which may have important reactions on the problems of our administrative organization. The fact of the matter is that American business has reached the point where it cannot

continue to reap profits merely by enlarging its productivity to catch up with a home market protected by a high tariff wall. It is now a competitor in the world market, and is faced with the necessity of maintaining profits largely by reductions in the cost of production through better management and more effective use of resources. That is, it has been forced to consider on a large scale the reduction of expenses, and the most efficient utilization of its equipment. In this it has preceded government.

The insistence of powerful social groups upon the practical realization of their legislative programs is a constant spur to improved administrative methods. The enforcement of the eighteenth amendment is a significant illustration of the point. The advocates of stringent enforcement legislation failed to insist upon the selection of prohibition officials by merit. The lax and feeble enforcement of the Volstead Act quickly caused the Anti-Saloon League to demand better execution of the law; the issue shifted from policy to administration. This illustrates a universal transfer of interest, for when once a policy has received legislative sanction, the chief problem becomes one of administration. Similarly the agencies interested in limitation of the hours of labour, minimum wage, tax reform, and other issues become powerful exponents of sound administrative methods.

The scientific management movement has had a very important share in stimulating improvement in the methods of carrying on public business.¹³ Commencing with the pioneer work of Frederick W. Taylor, the movement has developed constantly widening interests, and has eventually built up the outlines of a whole philosophy of social betterment on the basis of scientific control of the productive process.

The enormous improvements which have been made by scientific management in some industries have raised the question whether or not equally striking improvements are feasible in government. Whatever answer be given to this question, there can be no doubt that the achievements of scientific management have aroused a vast amount of dissatisfaction with the antiquated methods which have characterized many public offices. More and more clearly it is

being understood that the promise of American life will never be realized until American administration has been lifted out of the ruts in which it has been left by a century of neglect.

NOTES

1. One of the earliest definitions by an American author is found in the following lines written by Woodrow Wilson: "The field of administration is the field of business. . . . The object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundation laid deep in stable principle. . . . Public administration is the detailed and systematic execution of public law. Every particular application of general law is an act of administration" ("The Study of Administration," *Political Science Quarterly* 2 [June 1887]: pp. 210, 212).

Goodnow defined the field in these terms: "Such then is what is meant in these pages by the function of administration—the execution, in nonjudicial matters, of the law or will of the state as expressed by the competent authority" (*Principles of Administrative Law of the United States*, [1905] p. 14). Goodnow's writings, however, do not make a clear distinction between administration and administrative law. This distinction is only now emerging in fact. It is recognized by the French phrases, *droit administratif* and *doctrine administrative*, by the German words *Verwaltungsrecht* and *Verwaltungskunde*, or *Verwaltungspolitik*. Note also the words "*les sciences administratives*." See below for the author's differentiation.

2. Frank J. Goodnow, *Comparative Administrative Law* 1 (1893), pp. 8–9. The contrast is well brought forth by comparing two articles dealing with the two fields, respectively: J. D. Barnett, "Public Agencies and Private Agencies," *Am. Pol. Sci. Rev.* 18 (1924): 34–48; and J. C. Logan, "Cooperation of Public and Private Welfare Agencies," *Annals* 105 (1923): 88–92.
3. *Proceedings, Am. Pol. Sci. Assoc.* 6 (1909): 58.
4. A careful definition of terms is to be found from the pen of the editor in the *Illinois Law*

Review 15: 108–118. He writes: “Legislation is the declaration, independently of their application, of new rules of compulsory conduct, by an organ of the state, whose powers are specialized to exclude other functions except as incidental. Adjudication is the determination of a specific controversy, by the application of a rule of compulsory conduct, by an organ of the state, whose powers are specialized to exclude other functions except as incidental. The executive function is the factual and ultimate realization of a rule of compulsory conduct through an organ of the state, whose powers are specialized to exclude other functions except as incidental. Administrative power is a fourth term; its functions in pure theory must always be one of the three kinds of powers enumerated, but in practice may be and usually are a combination of two or more of these powers. Clear examples of this combination of powers are the Interstate Commerce Commission, the Federal Trade Board, and the numerous state public utility commissions.”

5. Herbert A. Croly, *Progressive Democracy* (1914), ch. 17.
6. Herman Finer, “The Civil Service in the Modern State,” *Am. Pol. Sci. Rev.* 19 (1925): 277–289.
7. See Henry J. Ford, *Cost of Our National Government* (1910); Edward B. Rosa, “Expenditures and Revenues of the Federal Government,” *Annals* 95 (1921): 1; Herbert D. Brown, “The Historical Development of National Expenditures,” *Proceedings of the Academy of Political Science* 9 (1921): 336–346.
8. “The Trend in Public Expenditures,” *Annals* 113, pt. 1 (1924).
9. Austin F. MacDonald, “The Trend in Recent State Expenditures,” *Annals* 113 (1924): 8–15; cf. Minnesota Tax Commission, “Cost of Government in Minnesota,” *Biennial Report* (1918). “The economic fact which is going to force good municipal government—even scientific management in city affairs—is the growing cost of the undertaking. It is only

because we do not have the figures which represent the difficulty of the task ahead of us that we are not appalled by it.” Morris L. Cooke, “Scientific Management of the Public Business,” *Am. Pol. Sci. Rev.* 9 (1915): 488–495; cf. “The Cost of Government, City of Detroit,” *Public Business* 80: 97 (published by the Detroit Bureau of Governmental Research).

10. Lane W. Lancaster, “The Trend in City Expenditures,” *Annals* 113 (1924): 15–22.
11. National Bureau of Economic Research, *Income in the United States* 1 (1921): 13.
12. Cf. Charles G. Fenwick, “Democracy and Efficient Government—Lessons of the War,” *Am. Pol. Sci. Rev.* 14 (1920): 565–586.
13. See Frank B. Copley, *Frederic W. Taylor, the Father of Scientific Management* (1923); Horace B. Drury, *Scientific Management, A History and Criticism* (1915); Edward E. Hunt, *Scientific Management since Taylor* (1924); General William Crozier, “Scientific Management in Government Establishments,” *Bulletin of the Taylor Society* 1 (1915); C. B. Thompson, “Literature of Scientific Management,” *Quarterly Journal of Economics* 28 (1913–1914): 506–557; Henry H. Farquhar, “Positive Contributions of Scientific Management,” *Ibid.* 33 (1918–1919): 466–503 and “Critical Analysis of Scientific Management,” *Bulletin of the Taylor Society* 9 (1924): 16–30; Frederick A. Cleveland, “The Application of Scientific Management to the Activities of the State,” *Tuck School Conference on Scientific Management* (1912): 313–335; Morris L. Cooke, “The Influence of Scientific Management upon Government,” *Bulletin of the Taylor Society* 9 (1924): 31–38.

Note also William H. Leffingwell, *Office Management* (1915); Richard H. Lansburgh, *Industrial Management* (1923).

For a very significant change in the attitude of organized labour toward management read “Labour’s Ideals Concerning Management,” by President William A. Green of the American Federation of Labour, *Bulletin of the Taylor Society* 10 (1925): 241–253.

The Giving of Orders

Mary Parker Follett

To some men the matter of giving orders seems a very simple affair; they expect to issue their own orders and have them obeyed without question. Yet, on the other hand, the shrewd common sense of many a business executive has shown him that the issuing of orders is surrounded by many difficulties; that to demand an unquestioning obedience to orders not approved, not perhaps even understood, is bad business policy. Moreover, psychology, as well as our own observation, shows us not only that you cannot get people to do things most satisfactorily by ordering them or exhorting them; but also that even reasoning with them, even convincing them intellectually, may not be enough. Even the "consent of the governed" will not do all the work it is supposed to do, an important consideration for those who are advocating employee representation. For all our past life, our early training, our later experience, all our emotions, beliefs, prejudices, every desire that we have, have formed certain habits of mind that the psychologists call habit-patterns, action-patterns, motor-sets.

Therefore it will do little good merely to get intellectual agreement; unless you change the habit-patterns of people, you have not really changed your people. Business administration, industrial organization, should build up certain habit-patterns, that is, certain mental attitudes. For instance, the farmer has a general disposition to "go it alone," and this is being changed by the activities of the co-operatives, that is, note, *by the farmer's own activities*. So the workman has often a general disposition of antagonism to his employers which cannot be changed by argument or exhortation, but only through

certain activities which will create a different disposition. One of my trade union friends told me that he remembered when he was a quite small boy hearing his father, who worked in a shoe-shop, railing daily against his boss. So he grew up believing that it was inherent in the nature of things that the workman should be against his employer. I know many working men who have a prejudice against getting college men into factories. You could all give me examples of attitudes among your employees which you would like to change. We want, for instance, to create an attitude of respect for expert opinion.

If we analyse this matter a little further we shall see that we have to do three things. I am now going to use psychological language: (1) build up certain attitudes; (2) provide for the release of these attitudes; (3) augment the released response as it is being carried out. What does this mean in the language of business? A psychologist has given us the example of the salesman. The salesman first creates in you the attitude that you want his article; then, at just the "psychological" moment, he produces his contract blank which you may sign and thus release that attitude; then if, as you are preparing to sign, some one comes in and tells you how pleased he has been with his purchase of this article, that augments the response which is being released.

If we apply this to the subject of orders and obedience, we see that people can obey an order only if previous habit-patterns are appealed to or new ones created. When the employer is considering an order, he should also be thinking of the way to form the habits which will ensure its being carried out. We should first lead the salesman selling shoes or the bank clerk cashing cheques to see the desirability of a different method. Then the rules of the store or bank should be so changed as to make it possible for salesman or cashier to adopt the new method. In the third place they could be made more ready to follow the new

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method by convincing in advance some one individual who will set an example to the others. You can usually convince one or two or three ahead of the rank and file. This last step you all know from your experience to be good tactics; it is what the psychologists call intensifying the attitude to be released. But we find that the released attitude is not by one release fixed as a habit; it takes a good many responses to do that.

This is an important consideration for us, for from one point of view business success depends largely on this—namely, whether our business is so organized and administered that it tends to form certain habits, certain mental attitudes. It has been hard for many old-fashioned employers to understand that *orders will not take the place of training*. I want to italicize that. Many a time an employer has been angry because, as he expressed it, a workman “wouldn’t” do so and so, when the truth of the matter was that the workman couldn’t, actually couldn’t, do as ordered because he could not go contrary to life-long habits. This whole subject might be taken up under the heading of education, for there we could give many instances of the attempt to make arbitrary authority take the place of training. In history, the aftermath of all revolutions shows us the results of the lack of training.

In this matter of prepared-in-advance behaviour patterns—that is, in preparing the way for the reception of orders, psychology makes a contribution when it points out that the same words often rouse in us a quite different response when heard in certain places and on certain occasions. A boy may respond differently to the same suggestion when made by his teacher and when made by his schoolmate. Moreover, he may respond differently to the same suggestion made by the teacher in the schoolroom and made by the teacher when they are taking a walk together. Applying this to the giving of orders, we see that the place in which orders are given, the circumstances under which they are given, may make all the difference in the world as to the response which we get. Hand them down a long way from President or Works Manager and the effect is weakened. One might say that the strength of favourable response to an order is

in inverse ratio to the distance the order travels. Production efficiency is always in danger of being affected whenever the long-distance order is substituted for the face-to-face suggestion. There is, however, another reason for that which I shall consider in a moment.

All that we said . . . of integration and circular behaviour applies directly to the anticipation of response in giving orders. We spoke then of what the psychologists call linear and circular behaviour. Linear behaviour would be, to quote from Dr. Cabot’s review of my book, *Creative Experience*, when an order is accepted as passively as the woodshed accepts the wood. In circular behaviour you get a “comeback.” But we all know that we get the comeback every day of our life, and we must certainly allow for it, or for what is more elegantly called circular behaviour, in the giving of orders. . . . I should say that the giving of orders and the receiving of orders ought to be a matter of integration through circular behaviour, and that we should seek methods to bring this about.

Psychology has another important contribution to make on this subject of issuing orders or giving directions: before the integration can be made between order-giver and order-receiver, there is often an integration to be made within one or both of the individuals concerned. There are often two dissociated paths in the individual; if you are clever enough to recognize these, you can sometimes forestall a Freudian conflict, make the integration appear before there is an acute stage.

To explain what I mean, let me run over briefly a social worker’s case. The girl’s parents had been divorced and the girl placed with a jolly, easy-going, slack and untidy family, consisting of the father and mother and eleven children, sons and daughters. Gracie was very happy here, but when the social worker in charge of the case found that the living conditions involved a good deal of promiscuity, she thought the girl should be placed elsewhere. She therefore took her to call on an aunt who had a home with some refinement of living, where they had “high tastes,” as one of the family said. This aunt wished to have Gracie live with her, and Gracie decided that she would like to do so. The social worker, however, in order to test her, said, “But I thought you were so happy where

you are.” “Can’t I be happy and high, too?” the girl replied. There were two wishes here, you see. The social worker by removing the girl to the aunt may have forestalled a Freudian conflict, the dissociated paths may have been united. I do not know the outcome of this story, but it indicates a method of dealing with our co-directors—make them “happy and high, too.”

Business administration has often to consider how to deal with the dissociated paths in individuals or groups, but the methods of doing this successfully have been developed much further in some departments than in others. We have as yet hardly recognized this as part of the technique of dealing with employees, yet the clever salesman knows that it is the chief part of his job. The prospective buyer wants the article and does not want it. The able salesman does not suppress the arguments in the mind of the purchaser against buying, for then the purchaser might be sorry afterwards for his purchase, and that would not be good salesmanship. Unless he can unite, integrate, in the purchaser’s mind, the reasons for buying and the reasons for not buying, his future sales will be imperilled, he will not be the highest grade salesman.

Please note that this goes beyond what the psychologist whom I quoted at the beginning of this section told us. He said, “The salesman must create in you the attitude that you want his article.” Yes, but only if he creates this attitude by integration, not by suppression.

Apply all this to orders. An order often leaves the individual to whom it is given with two dissociated paths; an order should seek to unite, to integrate, dissociated paths. Court decisions often settle arbitrarily which of two ways is to be followed without showing a possible integration of the two, that is, the individual is often left with an internal conflict on his hands. This is what both courts and business administration should try to prevent, the internal conflicts of individuals or groups.

In discussing the preparation for giving orders, I have not spoken at all of the appeal to certain instincts made so important by many writers. Some writers, for instance, emphasize the instinct of self-assertion; this would be violated by too rigid orders or too clumsily exercised authority. Other writers, of equal

standing, tell us that there is an instinct of submission to authority. I cannot discuss this for we should first have to define instincts, too long an undertaking for us now. Moreover, the exaggerated interest in instincts of recent years, an interest which in many cases has received rather crude expression, is now subsiding. Or, rather, it is being replaced by the more fruitful interest in habits.

There is much more that we could learn from psychology about the forming of habits and the preparation for giving orders than I can even hint at now. But there is one point, already spoken of by implication, that I wish to consider more explicitly—namely, the manner of giving orders. Probably more industrial trouble has been caused by the manner in which orders are given than in any other way. In the *Report on Strikes and Lockouts*, a British Government publication, the cause of a number of strikes is given as “alleged harassing conduct of the foreman,” “alleged tyrannical conduct of an underforeman,” “alleged overbearing conduct of officials.” The explicit statement, however, of the tyranny of superior officers as the direct cause of strikes is I should say, unusual, yet resentment smoulders and breaks out in other issues. And the demand for better treatment is often explicit enough. We find it made by the metal and woodworking trades in an aircraft factory, who declared that any treatment of men without regard to their feelings of self-respect would be answered by a stoppage of work. We find it put in certain agreements with employers that “the men must be treated with proper respect, and threats and abusive language must not be used.”

What happens to man, *in a man*, when an order is given in a disagreeable manner by foreman, head of department, his immediate superior in store, bank or factory? The man addressed feels that his self-respect is attacked, that one of his most inner sanctuaries is invaded. He loses his temper or becomes sullen or is on the defensive; he begins thinking of his “rights”—a fatal attitude for any of us. In the language we have been using, the wrong behaviour pattern is aroused, the wrong motorset; that is, he is now “set” to act in a way which is not going to benefit the enterprise in which he is engaged.

There is a more subtle psychological point here, too; the more you are “bossed” the more your activity of thought will take place within the bossing-pattern, and your part in that pattern seems usually to be opposition to the bossing.

This complaint of the abusive language and the tyrannical treatment of the one just above the worker is an old story to us all, but there is an opposite extreme which is far too little considered. The immediate superior officer is often so close to the worker that he does not exercise the proper duties of his position. Far from taking on himself an aggressive authority, he has often evaded one of the chief problems of his job: how to do what is implied in the fact that he has been put in a position over others. The head of the woman’s cloak department in a store will call out, “Say, Sadie, you’re 36, aren’t you? There’s a woman down in the Back Bay kicking about something she says you promised yesterday.” “Well, I like that,” says Sadie, “Some of those Back Bay women would kick in Heaven.” And that perhaps is about all that happens. Of course, the Back Bay lady has to be appeased, but there is often no study of what has taken place for the benefit of the store. I do not mean that a lack of connection between such incidents and the improvement of store technique is universal, but it certainly exists far too often and is one of the problems of those officials who are just above the heads of departments. Naturally, a woman does not want to get on bad terms with her fellow employees with whom she talks and works all day long. Consider the chief operator of the telephone exchanges, remembering that the chief operator is a member of the union, and that the manager is not.

Now what is our problem here? How can we avoid the two extremes: too great bossism in giving orders, and practically no orders given? I am going to ask how *you* are avoiding these extremes. My solution is to depersonalize the giving of orders, to unite all concerned in a study of the situation and obey that. Until we do this I do not think we shall have the most successful business administration. This is what does take place, what has to take place, when there is a question between two men in positions of equal authority. The head of the sales department does not give orders to

the head of the production department, or vice versa. Each studies the market and the final decision is made as the market demands. This is, ideally, what should take place between foremen and rank and file, between any head and his subordinates. One *person* should not give orders to another *person*, but both should agree to take their orders from the situation. If orders are simply part of the situation, the question of someone giving and someone receiving does not come up. Both accept the orders given by the situation. Employers accept the orders given by the situation; employees accept the orders given by the situation. This gives, does it not, a slightly different aspect to the whole of business administration through the entire plant?

We have here, I think, one of the largest contributions of scientific management: it tends to depersonalize orders. From one point of view, one might call the essence of scientific management the attempt to find the law of the situation. With scientific management the managers are as much under orders as the workers, for both obey the law of the situation. Our job is not how to get people to obey orders, but how to devise methods by which we can best *discover* the order integral to a particular situation. When that is found, the employee can issue it to the employer, as well as employer to employee. This often happens easily and naturally. My cook or my stenographer points out the law of the situation, and I, if I recognize it as such, accept it, even though it may reverse some “order” I have given.

If those in supervisory positions should depersonalize orders, then there would be no overbearing authority on the one hand, nor on the other that dangerous *laissez-aller* which comes from the fear of exercising authority. Of course we should exercise authority, but always the authority of the situation. I do not say that we have found the way to a frictionless existence, far from it, but we now understand the place which we mean to give to friction. We intend to set it to work for us as the engineer does when he puts the belt over the pulley. There will be just as much, probably more, room for disagreement in the method I am advocating. The situation will often be seen differently, often be interpreted differently. But we

shall know what to do with it, we shall have found a method of dealing with it.

I call it depersonalizing because there is not time to go any further into the matter. I think it really is a matter of *repersonalizing*. We, persons, have relations with each other, but we should find them in and through the whole situation. We cannot have any sound relations with each other as long as we take them out of that setting which gives them their meaning and value. This divorcing of persons and the situation does a great deal of harm. I have just said that scientific management depersonalizes; the deeper philosophy of scientific management shows us personal relations within the whole setting of that thing of which they are a part.

There is much psychology, modern psychology particularly, which tends to divorce person and situation. What I am referring to is the present zest for “personality studies.” When some difficulty arises, we often hear the psychologist whose specialty is personality studies say, “Study the psychology of that man.” And this is very good advice, but only if at the same time we study the entire situation. To leave out the whole situation, however, is so common a blunder in the studies of these psychologists that it constitutes a serious weakness in their work. And as those of you who are personnel directors have more to do, I suppose, with those psychologists who have taken personality for their specialty than with any others, I wish you would watch and see how often you find that this limitation detracts from the value of their conclusions.

I said above that we should substitute for the long-distance order the face-to-face suggestion. I think we can now see a more cogent reason for this than the one then given. It is not the face-to-face suggestion that we want so much as the joint study of the problem, and such joint study can be made best by the employee and his immediate superior or employee and special expert on that question.

I began this talk by emphasizing the advisability of preparing in advance the attitude necessary for the carrying out of orders, as in the previous paper we considered preparing the attitude for integration; but we have now, in our consideration of the joint study of situations, in

our emphasis on obeying the law of the situation, perhaps got a little beyond that, or rather we have now to consider in what sense we wish to take the psychologist’s doctrine of prepared-in-advance attitudes. By itself this would not take us far, for everyone is studying psychology nowadays, and our employees are going to be just as active in preparing us as we in preparing them! Indeed, a girl working in a factory said to me, “We had a course in psychology last winter, and I see now that you have to be pretty careful how you put things to the managers if you want them to consider favourably what you’re asking for.” If this prepared-in-advance idea were all that the psychologists think it, it would have to be printed privately as secret doctrine. But the truth is that the best preparation for integration in the matter of orders or in anything else, is a joint study of the situation. We should not try to create the attitude we *want*, although that is the usual phrase, but the attitude required for cooperative study and decision. This holds good even for the salesman. We said above that when the salesman is told that he should create in the prospective buyer the attitude that he wants the article, he ought also to be told that he should do this by integration rather than by suppression. We have now a hint of *how* he is to attain this integration.

I have spoken of the importance of changing some of the language of business personnel relations. We considered whether the words “grievances,” “complaints,” or Ford’s “trouble specialists” did not arouse the wrong behaviour patterns. I think “order” certainly does. If that word is not to mean any longer external authority, arbitrary authority, but the law of the situation, then we need a new word for it. It is often the order that people resent as much as the thing ordered. People do not like to be ordered even to take a holiday. I have often seen instances of this. The wish to govern one’s own life is, of course, one of the most fundamental feelings in every human being. To call this “the instinct of self-assertion,” “the instinct of initiative,” does not express it wholly. I think it is told in the life of some famous American that when he was a boy and his mother said, “Go get a pail of water,” he always replied, “I won’t,” before taking up the pail and fetching the water. This is significant; he resented the command, the

command of a person; but he went and got the water, not, I believe, because he had to, but because he recognized the demand of the situation. *That*, he knew he had to obey; *that*, he was willing to obey. And this kind of obedience is not opposed to the wish to govern one's self, but each is involved in the other; both are part of the same fundamental urge at the root of one's being. We have here something far more profound than "the egoistic impulse" or "the instinct of self-assertion." We have the very essence of the human being.

This subject of orders has led us into the heart of the whole question of authority and consent. When we conceive of authority and consent as parts of an inclusive situation, does that not throw a flood of light on this question? The point of view here presented gets rid of several dilemmas which have seemed to puzzle people in dealing with consent. The feeling of being "under" someone, of "subordination," of "servility," of being "at the will of another," comes out again and again in the shop stewards' movement and in the testimony before the Coal Commission. One man said before the Coal Commission, "It is all right to work *with* anyone; what is disagreeable is to feel too distinctly that you are working *under* anyone." *With* is a pretty good preposition, not because it connotes democracy, but because it connotes functional unity, a much more profound conception than that of democracy as usually held. The study of the situation involves the *with* preposition. Then Sadie is not left alone by the head of the cloak department, nor does she have to obey her. The head of the department says, "Let's see how such cases had better be handled, then we'll abide by that." Sadie is not under the head of the department, but both are *under* the situation.

Twice I have had a servant applying for a place ask me if she would be treated as a menial. When the first woman asked me that, I had no idea what she meant, I thought perhaps she did not want to do the roughest work, but later I came to the conclusion that to be treated as a menial meant to be obliged to be under someone, to follow orders without using one's own judgment. If we believe that what heightens self-respect increases efficiency, we shall be on our guard here.

Very closely connected with this is the matter of pride in one's work. If an order goes against what the craftsman or the clerk thinks is the way of doing his work which will bring the best results, he is justified in not wishing to obey that order. Could not that difficulty be met by a joint study of the situation? It is said that it is characteristic of the British workman to feel, "I know my job and won't be told how." The peculiarities of the British workman might be met by a joint study of the situation, it being understood that he probably has more to contribute to that study than anyone else. . . .

There is another dilemma which has to be met by everyone who is in what is called a position of authority: how can you expect people merely to obey orders and at the same time to take that degree of responsibility which they should take? Indeed, in my experience, the people who enjoy following orders blindly, without any thought on their own part, are those who like thus to get rid of responsibility. But the taking of responsibility, each according to his capacity, each according to his function in the whole . . . , this taking of responsibility is usually the most vital matter in the life of every human being, just as the allotting of responsibility is the most important part of business administration.

A young trade unionist said to me, "How much dignity can I have as a mere employee?" He can have all the dignity in the world if he is allowed to make his fullest contribution to the plant *and to assume definitely the responsibility therefor*.

I think one of the gravest problems before us is how to make the reconciliation between receiving orders and taking responsibility. And I think the reconciliation can be made through our conception of the law of the situation. . . .

We have considered the subject of symbols. It is often very apparent that an order is a symbol. The referee in the game stands watch in hand, and says, "Go." It is an order, but order only as symbol. I may say to an employee, "Do so and so," but I should say it only because we have both agreed, openly or tacitly, that that which I am ordering done is the best thing to be done. The order is then a symbol. And if it is a philosophical and psychological truth that we owe obedience only to a functional unity to

which we are contributing, we should remember that a more accurate way of stating that would be to say that our obligation is to a unifying, to a process.

This brings us now to one of our most serious problems in this matter of orders. It is important, but we can touch on it only briefly; it is what we spoke of . . . as the evolving situation. I am trying to show here that the order must be integral to the situation and must be recognized as such. But we saw that the situation was always developing. If the situation is never stationary, then the order should never be stationary, so to speak; how to prevent it from being so is our problem. The situation is changing while orders are being carried out. . . . How is the order to keep up with the situation? External orders never can, only those drawn fresh from the situation.

Moreover, if taking a *responsible* attitude toward experience involves recognizing the evolving situation, a *conscious* attitude toward experience means that we note the change which the developing situation makes in ourselves; the situation does not change without changing us.

To summarize, . . . integration being the basic law of life, orders should be the composite conclusion of those who give and those who receive them; more than this, that they should be the integration of the people concerned and the situation; even more than this, that they should be the integration involved in the evolving situation. If you accept my three fundamental statements on this subject: (1) that the order should be the law of the situation; (2) that the situation is always evolving; (3) that orders should involve circular not linear behaviour—then we see that our old conception of orders has somewhat changed, and that there should therefore follow definite changes in business practice.

There is a problem so closely connected with the giving of orders that I want to put it before you for future discussion. After we have decided on our orders, we have to consider how much and what kind of supervision is necessary or advisable in order that they shall be carried out. We all know that many workers object to being watched. What does that mean, how far is it justifiable? How can the objectionable

element be avoided and at the same time necessary supervision given? I do not think that this matter has been studied sufficiently. When I asked a very intelligent girl what she thought would be the result of profit sharing and employee representation in the factory where she worked, she replied joyfully, “We shan’t need foremen any more.” While her entire ignoring of the fact that the foreman has other duties than keeping workers on their jobs was amusing, one wants to go beyond one’s amusement and find out what this objection to being watched really means.

In a case in Scotland arising under the Minimum Wage Act, the overman was called in to testify whether or not a certain workman did his work properly. The examination was as follows:

Magistrate: “But isn’t it your duty under the Mines Act to visit each working place twice a day?”

Overman: “Yes.”

Magistrate: “Don’t you do it?”

Overman: “Yes.”

Magistrate: “Then why didn’t you ever see him work?”

Overman: “They always stop work when they see an overman coming and sit down and wait till he’s gone—even take out their pipes, if it’s a mine free from gas. They won’t let anyone watch them.”

An equally extreme standard was enforced for a part of the war period at a Clyde engineering works. The chairman of shop stewards was told one morning that there was a grievance at the smithy. He found one of the blacksmiths in a rage because the managing director in his ordinary morning’s walk through the works had stopped for five minutes or so and watched this man’s fire. After a shop meeting the chairman took up a deputation to the director and secured the promise that this should not happen again. At the next works meeting the chairman reported the incident to the body of workers, with the result that a similar demand was made throughout the works and practically acceded to, so that the director hardly dared to stop at all in his morning’s walk.

I have seen similar instances cited. Many workmen feel that being watched is unbearable.

What can we do about it? How can we get proper supervision without this watching which a worker resents? Supervision is necessary; supervision is resented—how are we going to make the integration there? Some say, “Let the workers elect the supervisors.” I do not believe in that.

There are three other points closely connected with the subject of this paper which I should like merely to point out. First, when and how do you point out mistakes, misconduct? One principle can surely guide us here: don't blame for the sake of blaming, make what you have to say accomplish something; say it in that form, at that time, under those circumstances, which will make it a real education to your subordinate. Secondly, since it is recognized that the one who gives the orders is not as a rule a very popular person, the management sometimes tries to offset this by allowing the person who has this onus upon him to give any pleasant news to the workers, to have the credit of any innovation which the workers very much desire. One manager told me that he always tried to do this. I suppose that this is good

behaviouristic psychology, and yet I am not sure that it is a method I wholly like. It is quite different, however, in the case of a mistaken order having been given; then I think the one who made the mistake should certainly be the one to rectify it, not as a matter of strategy, but because it is better for him too. It is better for all of us not only to acknowledge our mistakes, but to do something about them. If a foreman discharges someone and it is decided to reinstate the man, it is obviously not only good tactics but a square deal to the foreman to allow him to do the reinstating.

There is, of course, a great deal more to this matter of giving orders than we have been able to touch on; far from exhausting the subject, I feel that I have only given hints. I have been told that the artillery men suffered more mentally in the war than others, and the reason assigned for this was that their work was directed from a distance. The combination of numbers by which they focused their fire was telephoned to them. The result was also at a distance. Their activity was not closely enough connected with the actual situation at either end.

Part Two

THE NEW DEAL TO MID-CENTURY

| 1930S TO 1950S |



In the three decades that span the period between the world wars and the full emergence of the cold war, governments in the United States changed dramatically. At the federal level, the New Deal's efforts to cope with a worldwide depression significantly and rapidly altered the traditional roles of government. Reforms in state government and city management were equally significant. Reactive roles gave way to proactive roles. Government organization would be dominated by new themes: centralization, management planning, efficiency measurement, and new forms of social programs.

Still, there was uncertainty, both to the future of government and the focus of the field of public administration. In 1939, Leonard D. White published a revised edition of his pioneering textbook. His opening statement provides a fitting assessment of the state of public administration of this period of immense transformation:

The ensuing decades which have passed since the first edition of this book [have] shaken the economic and political foundations of the contemporary world. The effect of the repeated crises of these years upon public administration has been great; exactly how great we cannot yet be sure. As a nation we are, however, slowly accepting the fact that the loose-jointed, easy-going, somewhat irresponsible system of administration which we carried over from our rural agricultural background is no longer adequate for present and future needs. The council-manager form of municipal government, the reconstruction of state governments and their administrative disciplining by federal authorities and the pending reform of the federal structure itself are unmistakable signs of adoption to new necessities.¹

INITIAL EFFORTS TO CREATE A SCIENCE OF ADMINISTRATION

By the 1930s, management in both the public and private sectors in the United States was being established as an identifiable discipline. The influence of scientific management, or “Taylorism,” was pervasive. Methodologies used to divine the one best way to accomplish physical tasks were increasingly applied to the problem of social organization. Luther Gulick's (1892–1993)² “Notes on the Theory of Organization” is generally acknowledged to be the definitive statement on the “principles” approach to managing organizations. In 1937, he and Lyndall Urwick (1891–1983) edited a collection, *Papers on the Science of Administration*. Overall, the Papers were a statement of the state of the art of organization theory. It was here that Gulick introduced his famous mnemonic, POSDCORB, which stands for the seven major functions of management: planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

Gulick helped shape a critical distinction in orthodox public administration: the study of management and administration was to be focused on the role of upper-level management. Its organizational outlook took the point of view of the top. But this narrow focus was to be increasingly challenged. Even as Gulick wrote, his scientific approach to management was being confronted by the more humanistic focus that would ultimately supplant it. Although this was not immediately apparent, the theoreticians of the human relations and behavioral science approaches to management were very much contemporaries of Gulick; they were simply prophets before their time.

UNDERSTANDING ORGANIZATIONS AND HUMAN BEHAVIOR

Chester Barnard (1886–1961) followed Mary Parker Follett’s major themes with a far more comprehensive theory in *The Functions of the Executive*.³ Barnard, a Bell System executive who was closely associated with the Harvard Business School, and those faculty who were involved with the Hawthorne studies,⁴ saw organizations as cooperative systems where the function of the executive was to maintain the dynamic equilibrium between the needs of the organization and the needs of its employees. In order to do this, management had to be aware of the interdependent nature of the formal and informal organizations. Barnard devoted an entire chapter to the significance and role of informal organizations, “Informal Organizations and Their Relations to Formal Organizations,” which provided the theoretical foundations for a whole generation of empirical research about communication and cooperation with employees. An excerpt with his principle conclusions follows.

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Chester Barnard:

“On Employee Behaviors and Formal and Informal Organizations”:

- (1) that those interactions between persons which are based on personal rather than on joint or common purposes, because of their repetitive character become systematic and organized through their effect upon habits of action and thought and through their promotion of uniform states of mind;
- (2) that although the number of persons with whom any individual may have interactive experience is limited, nevertheless the endless-chain relationship between persons in a society results in the development, in many respects, over wide areas and among many persons, of uniform states of mind which crystallize in to what we call mores, customs, institutions;
- (3) that informal organization gives rise to formal organizations, and that formal organizations are necessary to any large informal or societal organization;
- (4) that formal organizations also make explicit many of the attitudes, states of mind, and institutions which develop directly through informal organizations, with tendencies to divergence, resulting in interdependence and mutual correction of these results in a general and only approximate way;
- (5) that formal organizations, once established, in their turn also create informal organizations; and
- (6) that informal organizations are necessary to the operation of formal organizations as a means of communication, of cohesion, and of protecting the integrity of the individual.

Chester Barnard: *The Functions of the Executive*
Cambridge, MA: Harvard University Press, 1938, p. 123

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But Bernard’s challenge to rethink organizations wasn’t the only one. Accompanying the growing repudiation of scientific management as the sole body of administrative wisdom was a challenge to Weber’s “ideal” bureaucracy. Even before it was widely available in an English translation, Weber’s work sired a lively debate about its underlying premises. In a 1940 issue of the journal *Social Forces*, Robert K. Merton (1910–2003), one of the most influential of modern sociologists, published an article (reprinted here), “Bureaucratic Structure and Personality,” which proclaimed that the “ideal-type” bureaucracy espoused by Weber had inhibiting dysfunctional characteristics that prevented it from being optimally efficient. This is a theme that has been echoed equally by subsequent empirical studies and the polemics of politicians.

As organizations grew from small offices and shops into large corporations and government agencies, the disciplined hierarchies and unambiguous functional assignments of bureaucracy evolved as the ideal structural form. It allowed for pervasive control from the top of an organizational pyramid. But tight control is a good news/bad news story. The good news is that it is possible to centrally monitor and regulate the behavior of the employees. The bad news is that there are high costs involved with excessive control, and the line between tight control and excessive control is a thin one. Employees in organizational straitjackets are unlikely to exercise initiative. Like automatons—human robots—they perform their prescribed duties until appropriate bureaucratic authority tells them otherwise. A properly designed bureaucratic organization can be impressively efficient even though none of its individual bureaucrats are in any way exceptional individuals.

Unfortunately, bureaucracies often have within them the seeds of their own incompetence, like a bad genetic inheritance. Merton was arguing that bureaucracies have inherent dysfunctional and pathological elements that make them inefficient in operations. Merton found that bureaucracies have a “trained incapacity” which he refers to as a “state of affairs in which one’s abilities function as inadequacies or blind spots. Actions based upon training and skills which have been successfully applied in the past may result in inappropriate responses under changed conditions.” According to Merton, bureaucracy exerts constant pressures on people to be methodical and disciplined, to conform to patterns of obligations. These pressures eventually cause people to adhere to rules as an end rather than a means—as a matter of blind conformance.

The Hawthorne experiments of the 1930s had provided the first major empirical challenge to the scientific management notion that the worker was primarily an economic animal who would work solely for money. The Hawthorne experiments were undertaken at the Hawthorne Works of the Western Electric Company near Chicago. This study, one of the most famous management experiments ever reported, was conducted by Elton Mayo and his associates from the Harvard Business School. The decade-long series of experiments started out as traditional scientific management examinations of the relationship between work environment and productivity. But the experimenters, because they were initially unable to explain the results of their findings, literally stumbled on a finding that today seems so obvious—that factories and other work situations are first of all social situations. The workers, as Mary Parker Follett had suggested a decade earlier, were more responsive to peer pressure than to management controls. The Hawthorne studies are generally considered to be the genesis of the human relations school of management thought, providing the first major empirical challenge to the scientific management notion that the worker was primarily an economic animal who would work solely for money.

It is important to note that the Mayo team began its work trying to fit into the mold of classical organization theory thinking. The team phrased its questions in the language and concepts industry was accustomed to using in order to see and explain certain problems, among them productivity in relationship to such factors as the amount of light, the rate of flow of materials, and alternative wage payment plans. The Mayo team succeeded in making significant breakthroughs in understanding only after it redefined the Hawthorne problems as social psychological problems—problems conceptualized in such terms as interpersonal relations in groups, group norms, control over one’s own environment, and personal recognition. It was only after the Mayo team achieved this breakthrough that it became the “grandfather”—the direct precursor—of the field of organizational behavior and human resource theory. The Hawthorne experiments were the emotional and intellectual wellspring of modern theories of motivation. They showed that complex, interactional variables make the difference in motivating people—things like attention paid to workers as individuals, workers’ control over their own work, differences between individuals’ needs, management’s willingness to listen, group norms, and direct feedback.

A particularly notable discovery that came out of the Hawthorne experiments was the so-called Hawthorne effect—the discovery that production increases were due to the known presence of benign observers. The researchers’ concern for and attention to the workers led the workers, who naturally wanted to be reciprocally nice, to increase production. This “effect” caused great confusion at first

because the changing physical conditions (lighting, rest breaks, and so on) seemed to make no difference. Output just kept going up. Once they realized that the workers' perception of participation was the causal "variable," the effects of the "effect" were understood.⁵

Psychologist Abraham H. Maslow (1908–1970)⁶ took the basic Hawthorne finding that workers are as much social as economic creatures a step further when he first proposed his famous "needs hierarchy" in his 1943 *Psychological Review* article, "A Theory of Human Motivation," which is reprinted here.

Maslow asserted that humans had five sets of goals or basic needs arranged in a hierarchy of prepotency: physiological needs (food, water, shelter, and so on), safety needs, love or affiliation needs, esteem needs, and the final need for self-actualization—when an individual theoretically reaches self-fulfillment and becomes all that he or she is capable of becoming.⁷ Once the lower needs are satisfied, they cease to be motivators of behavior. Conversely, higher needs cannot motivate until lower needs are satisfied. Maslow's psychological analysis of motivation proved to be the foundation for much subsequent research in organizational behavior. Others, such as Frederick Herzberg⁸ and Chris Argyris,⁹ would take Maslow's concepts and develop them into more comprehensive theories of motivation and organizational behavior. Still, Maslow's work, much as Weber's analysis of bureaucratic structure, would be a critical point of reference.

By the end of the period, the study of individual behavior within organizations underwent a rebirth. Few authors did more to popularize what was often referred to as the new "industrial humanism" than Douglas M. McGregor (1906–1964). His abstraction of the contending traditional and humanistic managerial philosophies evolved into his now famous Theory X and Theory Y sets of assumptions. Like Herbert Simon before him, McGregor pointed out the absurdity of maintaining universal principles of organizational arrangements. While such laws, principles, or proverbs may be appropriate in a highly disciplined hierarchical organization, such as an army, they may become ineffective and even dysfunctional when applied to modern organizations—especially governmental organizations, where a lack of hierarchical discipline is frequently considered to be a valuable check against autocratic tendencies. A chapter from his book—"Theory Y: The Integration of Individual and Organizational Goals"—is reprinted here, which presents the main themes of his 1960 book *The Human Side of Enterprise*.

McGregor hypothesized that managers' assumptions about human behavior predetermined their administrative style. Because of the dominance of traditional theory in managerial thought, many managers had long accepted and acted on a set of assumptions that are at best true of only a minority of the population. McGregor labeled as Theory X the following assumptions:

1. The average human being has an inherent dislike of work.
2. Most people must be coerced or threatened with punishment to get them to put forth adequate effort.
3. People prefer to be directed and wish to avoid responsibility.

Theory X sounds very much like a traditional military organization, which, indeed, is where it comes from. While McGregor's portrait of the modern industrial citizen can be criticized for implying greater pessimism concerning human nature on the part of managers than is perhaps warranted, Theory X is all the more valuable as a memorable theoretical construct because it serves as such a polar opposite of Theory Y, which assumes the following:

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. A person will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.
4. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

Although the real battle between the human relations approach and traditional mechanistic scientific management on the appropriateness of organizational structure would not be joined until the post–World War II period, there was great activity on the organizational front, especially reorganization. Reorganization would be a recurring theme in the practice and literature of public administration. In later years, scholars such as Harold Seidman,¹⁰ Frederick C. Mosher,¹¹ and Peter L. Szanton¹² would produce significant works arguing the merits, objectives, and results of numerous reorganization efforts in government. But the first great example of reorganization was the effort recommended by the President’s Committee on Administrative Management in 1936–1937.

THE GROWTH OF GOVERNMENT AND THE REFORM MOVEMENT

Commissions started with the conquest of England in 1066. William the Conqueror appointed commissioners to make an inventory of the assets of his new kingdom. This report, known as the Domesday Book, (from Middle English for *Doomsday Book*, so named because its findings were as beyond appeal as a doomsday judgment), is the predecessor of today’s royal or presidential commissions and committees. Ever since, prime ministers and presidents have used these devices to investigate a matter of public concern and to issue recommendations for improvement. There is great public satisfaction to be had in the bringing together of a group of responsible, respected, supposedly objective but knowledgeable citizens to examine and report on a national problem or major disaster.

Such commissions have proven to be handy devices for modern presidents who, when faced with an intractable problem, such as crime, pornography, or urban riots, can, at slight expense, appoint a commission as a gesture to indicate their awareness of constituent distress. Whether that gesture has meaning or sincerity beyond itself is inconsequential for its immediate effect. Often, by the time a commission makes its report, six months to a year later, attention will have been diverted to other issues, and the recommendations can be safely pigeonholed or curtailed.

The primary example of government reorganization, the one that to this day is still the most significant, is the restructuring of the executive branch recommended by the President’s Committee on Administrative Management in 1936–1937.¹³ The committee was popularly known as the Brownlow Committee after its chairman, Louis Brownlow (1879–1963),¹⁴ a major figure in the development of city management as a profession. The other members of the committee were Charles Merriam (1874–1953) of the University of Chicago and Luther Gulick of Columbia University and the Institute of Public Administration in New York City.

Government had grown rapidly during the New Deal period. Because there was little time, or it was largely believed, inclination for planning, there existed many poorly conceived and poorly implemented organizational designs that were neither economical nor effective. These poor designs were often a reflection of the considerable political conflict between the executive and legislative branches. Both the presidency under Roosevelt and the Congress had deliberately contributed to this problem by establishing programs in new organizations or agencies with regard only to political objectives—as opposed to taking managerial considerations into account. This persistent struggle over organizational control would be addressed by the Brownlow Committee, which would provide the first formal assessment of government organization from a managerial perspective.

When it submitted its report to the president in January 1937, the proposals of the committee were simple enough. Essentially they combined to say that “the president needs help”; that he needs people around him with a “passion for anonymity.” This particular passion seems to have faded in recent years along with the public’s belief that a modern president writes his own speeches. Overall, the committee recommended a major reorganization of the executive branch. Most of the Brownlow Committee’s introduction to its report and its section on “The White House Staff” are reprinted here.

The president agreed, and appropriate legislation was submitted to Congress in 1938. But Congress, in the wake of the president's efforts to "pack" the Supreme Court and fearful of too much power in the presidency, killed the bill. The president resubmitted a considerably modified reorganization bill the following year, and Congress passed the Reorganization Act of 1939. This law created the Executive Office of the President, brought into it the Bureau of the Budget (later to become the Office of Management and Budget in 1970 as a result of another reorganization effort) from the Department of the Treasury, and authorized the president to prepare future reorganization plans subject to a congressional veto.¹⁵

The Brownlow report, the Executive Office of the President, and many of the other recommendations of the Brownlow Committee that would eventually become law¹⁶ have been sanctified by time. Yet the Brownlow Committee's major proposals aroused considerable controversy at the time. Modern scholars now recognize that there were different schools of thought regarding the development of public administration. The executive administration school, espoused by Frank J. Goodnow, viewed the roles and functions of government almost exclusively as opportunities for executive actions. In contrast, the legislative administrative school, as espoused by William F. Willoughby, viewed the relationship and especially the accountability of administration to the legislative branch as a central focus. This latter school believed that a considerable distinction existed between what was meant by "executive" and "administrative" and that the Constitution gave administrative power mainly to the Congress.

While the Congress was considering the Brownlow Committee's various proposals, the forces opposed to an increase in the administrative powers of the president at the expense of the Congress marshaled their arguments. One of the most eloquent was Lewis Meriam's¹⁷ general analysis of the problem of reorganization, *Reorganization of the National Government: What Does It Involve?* Published in 1939 through the Brookings Institution just as the committee's report argued for increased presidential power, Meriam cautioned against it. Forty years later, the only surviving member of the Brownlow Committee would concede a point to Meriam. In considering Nixon's abuses of the enhanced powers of the presidency that Luther Gulick helped to create, Gulick wrote that, "We all assumed in the 1930s that all management, especially public management, flowed in a broad, strong stream of value-filled ethical performance. Were we blind or only naive until Nixon came along? Or were we so eager to take politics out of administration that we threw the baby out with the bathwater?"¹⁸

EARLY DEBATES ABOUT ACCOUNTABILITY, ETHICS, AND ADMINISTRATIVE RESPONSIBILITY

It is possible to get the impression that during this formative period of public administration most of the focus was on internal issues: management practices and problems, organizational behavior and structures, and budgeting and personnel issues. However, also ongoing was a profound discussion, indeed a debate, over external issues—specifically the concept of administrative responsibility. Basically the issue involved was how we could ensure that governmental administration, in pursuit of being responsive to interest groups, executive and legislative forces, and constituencies, would act legally and responsibly. The resulting debate among early scholars in public administration here was a forerunner to a more robust movement for ensuring ethical behavior within government.

A major perspective on this problem of administrative responsibility and accountability came from E. Pendleton Herring's (1903–2004)¹⁹ 1936 book *Public Administration and the Public Interest*. Herring recognized the problems posed by the dramatic increase in the scope of government and the influence of administrative discretion. He accepted that laws passed by legislatures, institutions designed for compromise, were necessarily the products of legislative compromise and thus often so vague that they were in need of further definition. The bureaucrat, by default, had the job of providing

definition to the general principles embodied in a statute by issuing supplemental rules and regulations. In effect, it became the job of the bureaucrat to ethically define the public interest. Further, as the excerpt from his book reprinted here shows, government was increasingly “a matter of expert administration.”

Herring’s discussion of the public interest and the critical roles played by bureaucrats and interest groups in public policy formulation correctly anticipated many of the critical issues still being grappled with in schools of public policy and administration today. Herring was a significant voice in what political science calls group theory, a school of thought that views government as representing various group interests and negotiating policy outcomes among them. According to Herring, the most basic task of a bureaucrat was to establish working relationships with the various special interests so that their concerns could be more efficiently brokered. While Herring looked on this process as highly desirable, a quarter century later Theodore J. Lowi would provide a devastating critique of why bureaucracy’s penchant for establishing such harmonious working relationships was paralyzing modern government.

The larger issue of how to hold bureaucracy accountable—in other words administrative responsibility—was hotly discussed in the early 1940s by Carl Friedrich (1901–1984) and Herman Finer (1898–1969), two prominent political scientists. A lively debate ensued between the two. Friedrich argued that administrative responsibility is best assured internally, through professionalism or professional standards or codes. Internal checks and balances were necessary because the modern bureaucrat’s policy expertise and specialized abilities were so extensive (necessarily so because of the increasing complexities of modern policies). Consequently, there was little real possibility for adequate review by an outside political or legislative source.²⁰ Finer argued, on the other hand, that administrative responsibility could only be maintained externally through legislative or popular controls. External checks and balances were the only way to ensure subordination of bureaucrats because internal power of control would, ultimately, lead to corruption. In Finer’s view, some form of electoral or legislative review was the only possible way to avoid abuses of bureaucratic power.²¹

All of this work would be revisited in the 1960s and 1970s. The Civil Rights movement of the 1960s and the Vietnam War, and later most directly the Watergate scandal, would sorely test public confidence in government, elected officials, and government bureaucrats. Not only would the legitimacy of their behaviors (their rules and procedures) be questioned but also the correctness of the end purposes.

QUESTIONS ABOUT MANAGING RESOURCES IN GOVERNMENT

The 1930s saw the advent of increasingly larger government domestic programs and concomitant expenditures as part of Franklin Roosevelt’s New Deal efforts to counter the national depression. Consequently, budgeting became of increasing importance. However, budgetary theory—that is, how to rationally allocate government resources—was woefully inadequate. The emphasis was on process and line-item budgeting, which stressed accountability and control. Performance budgeting, which stressed work measurement, much as scientific management was increasingly advanced and used as an appropriate management-oriented budgetary process.

Nevertheless, there remained little integration of the budgetary process with rational policy making and decision making. In 1940, V. O. Key, Jr. (1908–1963), the political scientist who was to play a leading role in the development of the behavioral approach to the study of U.S. politics,²² wrote an article bemoaning “The Lack of a Budgetary Theory.” Greatly concerned about the overemphasis on mechanics, he posed what was soon acknowledged as the central question of budgeting: “On what basis shall it be decided to allocate X dollars to activity A instead of activity B?” A short excerpt from the Key, article below helps explain his challenge.

V.O. Key, Jr.:

“Reflections on the Shortcomings of Public Budgeting.”

Writers on budgeting say little or nothing about the purely economic aspects of public expenditure. “Economics,” says Professor Robbins, “is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses.” (An Essay on the Nature and Significance of Economic Science, 2d ed. (London, 1935), p. 16.) Whether budgetary behavior is economic or political is open to fruitless debate; nevertheless, the point of view and the mode of thought of the economic theorist are relevant, both in the study of and action concerning public expenditure. The budget-maker never has enough revenue to meet the requests of all spending agencies, and he must decide (subject, of course, to subsequent legislative action) how scarce means shall be allocated to alternative uses.

The completed budgetary document (although the budget-maker may be quite unaware of it) represents a judgment upon how scarce means should be allocated to bring the maximum return in social utility.* In their discussions of the review of estimates, budget authorities rarely go beyond the question of how to judge the estimates for particular functions, i.e., ends, and the approach to the review of the estimate of the individual agency is generally directed toward the efficiency with which the particular end is to be achieved. Even in this sort of review, budget-makers have developed few standards of evaluation, acting, rather, on the basis of their impressionistic judgment, of a rudimentary cost accounting, or, perhaps, of the findings of administrative surveys.

*If the old saying that the state fixes its expenditures and then raises sufficient revenues to meet them were literally true, the budget officer would not be faced by a problem of scarcity. However, there is almost invariably a problem of scarcity in the public economy—to which all budget officers, besieged by spending departments, will testify.

V.O. Key, Jr.: *The Lack of a Budgetary Theory*
The American Political Science Review, Vol. 34, No. 6, 1949, p 1138

Reflecting concerns about how government could best allocate resources in this new era of big government, the field of budgeting underwent a stage of consolidation and development of new techniques. Performance budgeting, which was in its prime, after being officially sanctioned by the Hoover Commission of 1949, stressed using the budget process as a tool for work measurement and efficiency analysis. Budgeting began to seriously address V. O. Key, Jr.’s concern for the need for budget theory.

One early response came from Verne B. Lewis, a federal budget officer who in a 1952 *Public Administration Review* article presented a theory of alternative budgeting. Lewis’s analysis began with his recognition of V. O. Key, Jr.’s budget questions from the previous decade as essentially making a case for an economic theory of budgeting. He advocated budget submissions prepared in a manner that would facilitate comparison, demonstrate a range of choices for service and funding levels, and at the same time have the final choice provide realistic contracts, that is, specific, realistic expectations for the individual program managers. The implied rationale for this process almost seems a restating of Key, Jr.’s classic budgeting equation: For X level of funding, Y level of service can be provided; for X + I funding, Y + Z services, and so on.

Alternative budgeting, Lewis’s preferred solution, was a means to overcome traditional budgetary review techniques that focus on item-by-item control. Rather, the focus would be on scaling levels of program services and goals to varying levels of funding. Lewis, a realist, saw clearly the influence of other factors such as “pride and prejudice, provincialism, and politics” in budgetary decisions.²³ His hope was for the advent of budgeting systems that could overcome these non-economic and non-rational factors.

REJECTING THE POLITICS-ADMINISTRATION DICHOTOMY

By the end of World War II, U.S. public administration had fully developed into a modern bureaucratic state, but the principles of administration as espoused by scientific management proved to be increasingly inadequate when gauged against the size and complexity of modern governments. In the postwar period, which is used broadly here to cover most of the 1940s and all of the 1950s, new challenges to the traditional themes of administration prevailed. Most prominent were the familiar issues of the nature and effects of bureaucratic organizations and the political dimensions of the new administrative state.

While the New Deal and World War II, as true wars against depression and oppression, were economic and military operations, they were also immense managerial undertakings. The experience of those years called into question much of what was then the conventional wisdom of public administration. The politics-administration dichotomy of the reform movement lost its viability amid the New Deal and the war effort. It was simply not possible to take purportedly value-free processes of business and apply them to government. Government, in spite of the best efforts of many reformers, was not a business and was not value free.²⁴

The attack on the politics-administration dichotomy came from many quarters at once. David E. Lilienthal, in “Planning and Planners,” a chapter from his 1944 book *TVA: Democracy on the March*,²⁵ wrote of his experiences with the Tennessee Valley Authority.²⁶ He found the planning process of government to be a blatantly political enterprise—one that was, not incidentally, both healthy and beneficial for a democratic society. Lilienthal’s examination of planning and its effects at the TVA contains another critical dimension that would not take root until the 1970s. In voicing great concern about the responsibility of executing the actual plans, he was addressing the problem of implementation. His questions would later help form the crux of our concerns in public policy today: How does planning join the designer and implementer inside the organization? And how does planning ensure the participation of, and not the coercion of, the outside public to accept the plan?

Paul Appleby (1891–1963), a prominent New Deal administrator and dean of the Maxwell School at Syracuse University,²⁷ wrote perhaps the most skillful polemic of the era, which asserted that this theoretical insistence on apolitical governmental processes went against the grain of the U.S. experience. Appleby in *Big Democracy*²⁸ compared government to business. In his chapter “Government Is Different,” he emphatically shattered public administration’s self-imposed demarcation between politics and administration. He held that it was a myth that politics was separate and could somehow be taken out of administration.

Political involvement was good—not evil as many of the progressive reformers had claimed—because political involvement in administration acted as a check on the arbitrary exercise of bureaucratic power. It seems fair to say that Appleby’s work was the obituary for the politics-administration dichotomy. In the future, those who would describe the political ramifications and issues of administration would not begin by contesting the politics-administration dichotomy as incorrect or irrelevant. Rather, they would begin from the premise, so succinctly put by Appleby, that, “Government is different because government is politics.”

It would be inappropriate to conclude that the rejection of the politics-administration dichotomy came primarily from the experiences of a now much larger central government. In making the case that public administration should pay more attention to the relationships among governments as a core focus of the discipline, G. Homer Durham in a symposium article in the *Annals* in 1940 dismissed the separation of politics and administrations as defying “realistic analysis.” For the “perplexed citizenry” to make sense of the administrative mechanisms and arrangements used by cooperating agencies making public policy or delivering public services, they must be viewed within a single context—administrative politics, if you will.²⁹ W. Brooke Graves in the same special issue made

an even broader case demanding that problems of intergovernmental and interjurisdictional relations in the United States require more basic research about the forms, structures, funding mechanisms, and processes that have resulted from the increase in public services and the public demand for responsible administration.³⁰ These demands would result in a new emphasis in public administration, the emergence of intergovernmental relations as a major subfield within the discipline.

CREATING THEORIES OF DECISION MAKING AND PUBLIC ADMINISTRATION

Perhaps the most significant landmark in the public administration world of the 1940s was Herbert Simon's (1916–2001) book, *Administrative Behavior*, which urged that a true scientific method be used in the study of administrative phenomena, that the perspective of logical positivism be used in dealing with questions of policy making, and that decision making is the true heart of administration. It was here that Simon refuted the principles approach to public administration that then dominated administrative thinking. In "The Proverbs of Administration," his 1946 *Public Administration Review* article that was later incorporated into his book and that is reprinted here, Simon examined Gulick and Urwick's POSDCORB and its associated components and found them to be inconsistent, conflicting, and inapplicable to many of the administrative situations facing public administrators. Overall, Simon concluded that the so-called principles of administration were really "proverbs of administration."

The last section of Simon's article contains a brief discussion of the limitations on decision making, using the context of rationality. Simon posits a number of questions about how organizations make administrative decisions. His subsequent book presents the beginning of his concept of "bounded rationality" and goes on to build on the theoretical foundations of Chester I. Barnard to advocate a systems approach for examining the various facets of administrative behavior.³¹ This initial work and his subsequent research on models and systems of decision making would, more than three decades later, make Simon the first non-economist to win the Nobel Prize in economics.

With the demise of the politics-administration dichotomy, the neat subdivision of what was political science and what was public administration was destroyed. Robert A. Dahl, one of the most significant of the behaviorists in political science,³² analyzed the state of the art of the discipline of public administration in his 1947 *Public Administration Review* article, "The Science of Public Administration." He prescribed some sources of action for a discipline that had to rapidly emerge on its own terms. But more significantly, Dahl was serving notice to public administration theorists that to be accepted as political science (which was the field of study of most public administration academics), the accepted doctrine that administration is politics would have to move beyond mere revelation. A science of public administration should be created, he argued, that "states ends honestly" and

1. Recognizes the complexities of human behavior
2. Deals with the problems of normative values in administrative situations
3. Takes into account the relationship between public administration and its social setting

Dahl expanded this last point, saying that, "As long as the study of public administration is not comparative, claims for a science of public administration sound rather hollow." Over the next two decades comparative public administration would emerge as a major subset of the field,³³ but even today the subject is not taught in many public administration programs. Dahl also anticipated some of the difficulties in store for public administration if it wished to stay a branch of political science. Only much later, in the 1970s, would public administration begin to emerge out of both political science and business administration and become a field of study in its own right.

The initial critiques of the principles of administration and the politics-administration dichotomy received support from another very influential source, Dwight Waldo's (1913–2001) *The Administrative*

State, first published in 1948. This was originally his doctoral dissertation at Yale. Waldo's influence on public administration would be immense as a writer (he was the field's foremost chronicler and pulse-taker) and as the editor of *Public Administration Review* from 1966 to 1977. In the 1960s, Waldo would gather public administration's younger academics at the Minnowbrook Conference in an attempt to define the problems facing the new public administration. He also sought to define public administration in terms of culture.³⁴ Only in the 1980s would this concern of organizational definition come into its own. But Waldo's overall perspective held that public administration was a subset of political science and that the longstanding "art" of public administration would have to be fused with the newly emerging "science" of public administration.

Waldo's *The Administrative State* shows the wellsprings of his concerns in the postwar period as public administration struggled to find a place for itself. Above all, Waldo was a populist who was continually concerned about the values of democracy and the philosophy of public administration. He was already asking questions that we would not really start to face until the 1980s. For example, "Is training in the mechanics of administration and codes of professional ethics enough?" Some writers saw *The Administrative State* as just another voice rejecting POSDCORB and other orthodox public-administration ideologies of the 1930s. But it is really much more. It remains the seminal work of an individual who always posed great questions—the answers to which often provided the best indication of how much progress was being made in the field. To this end, reprinted here (rather than the short section included in past editions of *Classics*) is Waldo's own review of his seminal work. On the 25th anniversary of his book he was asked to revisit "The Administrative State in Public Administration Review," and the major part of that article is reprinted here.

As government, and with it public administration, grew in scale and reach during this pivotal period, goals, processes and methods were also being examined by other disciplines. Perhaps the most significant assessment was made by Philip Selznick (1919–2010), a sociologist who looked at the processes that Lilienthal and his associates used to gain local support for TVA programs and made famous a new concept, *cooptation*, which described the efforts of an organization to bring and subsume new elements into its policy-making process in order to prevent such elements from being a threat to the organization or its mission. Selznick's 1949 book, *TVA and the Grass Roots*,³⁵ defined cooptation as "the process of absorbing new elements into the leadership or policy determining structure of an organization as a means of averting threats to its stability or existence." Selznick noted clearly that cooptation was premised on managing external involvement to ensure that "forms of participation are emphasized but action is channeled so as to fulfill the administrative functions while preserving the locus of significant decision in the hands of the initiating group."

It was the first major sociological treatment of the "powers" of administrative organizations and their impacts on democratic society and public participation in the policy-making process. An excerpt from this pivotal work follows.

Philip Selznick:

"On Cooptation, Power, and Authority"

Cooptation reflects a state of tension between formal authority and social power. This authority is always embodied in a particular structure and leadership, but social power itself has to do with subjective and objective factors which control the loyalties and potential manipulability of the community. Where the formal authority or leadership reflects real social power, its stability is assured. On the other hand, when it becomes divorced from the sources of social power its continued existence is threatened. This threat may arise from the sheer alienation of sentiment or because other leaderships control the sources of social power. Where a leadership has been accustomed to the assumption that its constituents respond to it as individuals, there may be a rude awakening when organization of those constituents creates nuclei of strength which are able to effectively demand a sharing of power.

The significance of cooptation for organizational analysis is not simply that there is a change in or a broadening of leadership, and that this is an adaptive response, but also that this change is consequential for the character and role of the organization or governing body.

Cooptation results in some constriction of the field of choice available to the organization or leadership in question. The character of the coopted elements will necessarily shape the modes of action available to the group which has won adaptation at the price of commitment to outside elements. In other words, if it is true that the TVA has, whether as a defensive or as an idealistic measure, absorbed local elements into its policy-determining structure, we should expect to find that this process has had an effect upon the evolving character of the Authority itself. From the viewpoint of the initiators of the project, and of its public supporters, the force and direction of this effect may be completely unanticipated.

Philip Selznick: *TVA and the Grass Roots*
Oakland, CA: University of California Press, 1949, p 220

.....

Selznick argued that in bureaucratic organizations, cooptation would reflect “a state of tension between formal authority and social power.” A decade later in his book *Leadership in Administration*,³⁶ he would examine more comprehensively the various facets of the use of bureaucratic power by administrative organizations and the process of selecting and fulfilling policy goals. Selznick anticipated many of the 1980s notions of “transformational leadership”³⁷ when he asserted that the function of an institutional leader is to help shape the environment in which the institution operates and to define new institutional directions through recruitment, training, and bargaining.

THE STATE OF PUBLIC ADMINISTRATION AT MID-CENTURY

The first Hoover Commission, 1947–1949, chaired by former President Herbert Hoover (1874–1964), was another milestone in public administration, since, as the first major national inquiry after World War II, it initiated a chain reaction of imitators in other Western democracies. The commission’s specific task in relation to the machinery of government was supposed to be to reduce the number of government agencies created during World War II, but it did not do this. Instead, it focused on strengthening the executive branch of government and providing for a reorganization of executive branch agencies to provide a coherent purpose for each department. Instead of calling for a reduction of government agencies, the commission made a vigorous call for increased managerial capacity in the Executive Office of the President through:

1. Unified discretion over presidential organization and staff
2. A strengthened Bureau of the Budget
3. An office of personnel located in the Executive Office of the President
4. The creation of a staff secretary to provide liaison between the president and his subordinates

In addition, the commission recommended that executive branch agencies be reorganized to permit a coherent purpose for each department and better control by the president. A large majority of its recommendations (196 out of 273) were adopted, including passage of the Reorganization Act of 1949 and the establishment of the Department of Health, Education, and Welfare in 1953.

A second Hoover Commission (1953–1955), also chaired by former President Herbert Hoover, was reconvened, retaining many of the same commission members and staff. This commission had three ostensible purposes: (1) the promoting of economy, efficiency, and improved service in the transaction of the public business; (2) the defining and limiting of executive functions; and (3) the

curtailment and abolition of government functions and activities competitive with private enterprise. A major recommendation was the elimination of nonessential government services and activities competitive with private enterprise, based on the assumptions that the federal government had grown beyond appropriate limits and that such growth should be reversed.

In contrast to the earlier commission, the second commission's recommendations accomplished little. In a mere eighteen volumes, the former president and his eleven commissioners sought to deliver on these purposes. But the U.S. Congress was not so inclined, and this commission's recommendations went essentially nowhere. However, and more interesting for its historical import than what it accomplished at the time, the second Hoover Commission rigorously argued that a whole host of government activities should be turned over to the private sector. But there was no political will to do so in the mid-1950s.

At mid-century, public administration faced an American society in which the role of government had vastly changed. The impacts of three great events—World War I, the Depression and New Deal, and World War II—had radically altered the size, scope, and reach of government. The public sector was bigger, public sector organizations were larger and more sophisticated, and the trust and expectations of the American public in government to solve societal problems had been significantly raised. Dwight Waldo, in an edited volume of collected essays on public administration published in 1953, commented: “The welfare, happiness, and very lives of all of us . . . rest in significant measure upon the performance of the administrative mechanisms that surround and support us. . . . Willy-nilly, administration is everyone's concern. If we wish to survive, we had better be intelligent about it.”³⁸

Charles E. Lindblom's (b. 1917) 1959 *Public Administration Review* article, “The Science of ‘Muddling Through,’” took a hard look at the rational models of the decisional processes of government. Lindblom rejected the notion that most decisions are made by rational total-information processes. Instead he saw such decisions—indeed, the whole policy-making process—as being dependent on small incremental decisions that tended to be made in response to short-term political conditions. Lindblom's thesis essentially held that decision making was controlled infinitely more by events and circumstances than by the will of those in policy-making positions. His analysis encouraged considerable work in that area of the discipline that sits most on the boundary between political science and public administration—public policy.³⁹ His article would also have a huge impact on budgeting theory, shaping the debate to such an extent that the dominant theory of budgeting for the next quarter century would be incremental budgeting.⁴⁰

Lindblom's work marked both the closing of the postwar period and the full arrival of big government. Indeed, a major reason that politics, policy, and decision making were so important was the rather daunting size of government effort itself. By the end of the 1950s, there were more than 2.4 million federal civilian employees, 1.5 million state government employees, and 4.8 million local government employees. Government outlays or expenditures at the federal level had now reached \$92 billion (the first \$100 billion budget would occur in 1962). U.S. government spending (federal, state, and local) went from approximately 11 percent of GDP in 1929, the year of the great stock market crash, to nearly 50 percent toward the end of World War II, but it settled back to an average of 25 percent in the 1950s. Government was on a new plateau, and public administration would be operating at a new level for the foreseeable future.

NOTES

1. Leonard D. White, *Introduction to the Study of Public Administration*, rev. ed. (New York: Macmillan, 1939), p. xiv.
2. Sometimes called the “Dean of American Public Administration,” Gulick was the Eaton Professor of Municipal Science and Administration at Columbia University from 1931 to 1942; a close adviser to President Franklin D. Roosevelt from even before he became governor of New York; and a founder of

the Institute of Public Administration, the American Society for Public Administration, and the National Academy of Public Administration. For an appreciation of his career, see Stephen K. Blumberg, “Seven Decades of Public Administration: A Tribute to Luther Gulick,” *Public Administration Review* 41 (March–April 1981).

3. Chester I. Barnard, *The Functions of the Executive* (Cambridge, Mass.: Harvard University Press, 1938). Barnard’s only other book was *Organization and Management: Selected Papers* (Cambridge, Mass.: Harvard University Press, 1948).
4. For biographical information, see William B. Wolf, *The Basic Barnard: An Introduction to Chester I. Barnard and His Theories of Organization and Management* (Ithaca, N.Y.: New York State School of Industrial and Labor Relations, Cornell University, 1974).
5. Actually—as the abstract from a recent study makes clear—there may not have been a Hawthorne Effect at all. Steven Levitt and John List in a 2009 National Bureau of Economic Research paper conclude: “The ‘Hawthorne effect,’ a concept familiar to all students of social science, has had a profound influence both on the direction and design of research over the past 75 years. The Hawthorne effect is named after a landmark set of studies conducted at the Hawthorne plant in the 1920s. The first and most influential of these studies is known as the ‘Illumination Experiment.’ Both academics and popular writers commonly summarize the results as showing that every change in light, even those that made the room dimmer, had the effect of increasing productivity. The data from the illumination experiments, however, were never formally analyzed and were thought to have been destroyed. Our research has uncovered these data. We find that existing descriptions of supposedly remarkable data patterns prove to be entirely fictional. There are, however, hints of more subtle manifestations of a Hawthorne effect in the original data.”

SOURCE: Was There Really a Hawthorne Effect at the Hawthorne Plant? An Analysis of the Original Illumination Experiments.” Steven D. Levitt, John A. List NBER Working Paper No. 15016, May 2009.

6. For an intellectual biography, see Frank G. Goble, *The Third Force: The Psychology of Abraham Maslow* (New York: Grossman Publishers, 1970). Maslow would later provide a more expansive analysis of his “needs hierarchy” in his text *Motivation and Personality*, 2d ed. (New York: Harper and Row, 1970).
7. The importance of the concept of self-actualization was established long before Maslow gave it voice. The nineteenth-century poet Robert Browning described its essence when he wrote that “a man’s reach should exceed his grasp, or what’s a heaven for?”
8. See the “motivation-hygiene” theory in Frederick Herzberg, Bernard Mausner, and Barbara Snyderman, *The Motivation to Work* (New York: Wiley, 1959).
9. See the “personality versus organization” hypothesis in Chris Argyris, *Personality and Organization* (New York: Harper and Row, 1957).
10. Harold Seidman, *Politics, Position, and Power: The Dynamics of Federal Organizations*, 3d ed. (New York: Oxford University Press, 1980).
11. Frederick C. Mosher, *Government Reorganization: Cases and Commentary* (Indianapolis, Ind.: Bobbs-Merrill, 1967).
12. Peter L. Szanton, ed., *Federal Reorganization: “What Have We Learned?”* (Chatham, N.J.: Chatham House, 1981). For a more recent assessment, Peri Arnold’s *Making the Managerial Presidency: Comprehensive Reorganization Planning 1905–1996* (Lawrence, Kan.: University Press of Kansas, 1998) is invaluable.
13. For histories of the Brownlow Committee and executive reorganization in the New Deal, see Barry Karl, *Executive Reorganization and Reform in the New Deal* (Cambridge, Mass.: Harvard University Press, 1963); Richard Polenberg, *Reorganizing Roosevelt’s Government: The Controversy over Executive Reorganization 1936–1939* (Cambridge, Mass.: Harvard University Press, 1966).
14. For Brownlow’s autobiography, see *A Passion for Politics: The Autobiography of Louis Brownlow, First Half* (Chicago: University of Chicago Press, 1955); *A Passion for Anonymity: The Autobiography of*

Louis Brownlow, *Second Half* (Chicago: University of Chicago Press, 1958). For a more objective appreciation, see Barry D. Karl, “Louis Brownlow,” *Public Administration Review* 39 (November–December 1979).

15. In the 1983 case of *Immigration and Naturalization Service v. Chadha*, the U.S. Supreme Court questioned the constitutionality of congressional vetoes.
16. For example, the committee recommended “the reorganization of the Civil Service Commission as a central personnel agency.” This would not happen until the Civil Service Reform Act of 1978.
17. Meriam, a Brookings Institution staff member, was the liaison between the Brownlow Committee and Brookings, which at the time was working for a congressional committee that was largely opposed to the Brownlow Committee’s call for enhanced executive powers. For a biographical portrait, see Donald T. Critchlow, “Lewis Meriam, Expertise, and Indian Reform,” *The Historian* 43, no. 4 (May 1981).
18. Blumberg, Stephen K. “Seven Decades of Public Administration: A Tribute to Luther Gulick,” *Public Administration Review* 41 (March–April 1981), p. 247.
19. Herring, a Harvard professor who would later spend 20 years as president of the Social Science Research Council (1948–1968), also wrote a pioneering study on the role of pressure groups, *Group Representation before Congress* (New York: Russell and Russell, 1929), and one of the first studies on the relationship between a manager’s background and behavior in office, *Federal Commissioners: A Study of Their Careers and Qualifications* (Cambridge, Mass.: Harvard University Press, 1936).
20. Carl J. Friedrich, “The Nature of Administrative Responsibility,” in *Public Policy*, ed. Carl J. Friedrich (Cambridge, Mass.: Harvard University Press, 1940).
21. Herman Finer, “Administrative Responsibility in Democratic Government,” *Public Administration Review* 1 (autumn 1941).
22. V.O. Key, Jr.’s major works included *Politics, Parties, and Pressure Groups*, 5th ed. (New York: Crowell, 1964); *Southern Politics in State and Nation* (New York: Alfred A. Knopf, 1949); *American State Politics: An Introduction* (New York: Alfred A. Knopf, 1956); *Public Opinion and American Democracy* (New York: Alfred A. Knopf, 1961).
23. Verne B. Lewis, “Toward a Theory of Budgeting,” *Public Administration Review* (1952).
24. The most comprehensive analysis of the values of public administration from this period is in Dwight Waldo’s *The Administrative State: A Study of the Political Theory of American Public Administration* (New York: Ronald Press, 1948), which attacked the “gospel of efficiency” that so dominated administrative thinking prior to World War II.
25. David E. Lilienthal, *TVA: Democracy on the March* (New York: Harper and Row, 1944).
26. Lilienthal was chairman of the TVA and later of the Atomic Energy Commission. He kept and later published comprehensive diaries of his experiences. See *The Journals of David E. Lilienthal*, 6 vols. (New York: Harper and Row, 1964–1976).
27. For a review of Appleby’s work and influence, see Roscoe C. Martin, ed., *Public Administration and Democracy: Essays in Honor of Paul H. Appleby* (Syracuse, N.Y.: Syracuse University Press, 1965).
28. Paul H. Appleby, *Big Democracy* (New York: Knopf, 1945).
29. G. Homer Durham “Politics and Administration in Intergovernmental Relations,” *Annals of the American Academy of Political and Social Science* 207 (January 1940): pp. 1–6.
30. W. Brooke Graves, “Readjusting Governmental Areas and Functions,” *Annals of the American Academy of Political and Social Science* 207 (January 1940): pp. 203–209.
31. Because truly rational research on any problem can never be completed, humans put “bounds” on their rationality and make decisions not on the basis of optimal information but on the basis of satisfactory information. Thus, humans tend to make their decisions by “satisficing”—choosing a course of action that meets one’s minimum standards for satisfaction. Simon, with James March, expands on these notions in *Organizations* (New York: Wiley, 1958).

32. Dahl was a prime exponent of pluralism and interest group participation in the political process. His major works include, with Charles E. Lindblom, *Politics, Economics and Welfare* (New York: Harper and Row, 1953); *A Preface to Democratic Theory* (Chicago: University of Chicago Press, 1956); *Who Governs? Democracy and Power in an American City* (New Haven, Conn.: Yale University Press, 1961); *Modern Political Analysis*, 3d ed. (Englewood Cliffs, N.J.: Prentice Hall, 1976).
33. The major text in comparative public administration is Ferrel Heady, *Public Administration: A Comparative Perspective*, 6th ed. (New York: CRC Press, 2001).
34. The first chapter from his *The Study of Public Administration* (New York: Random House, 1955) is an extended analysis on the definition of public administration. It was reprinted in earlier editions of *Classics of Public Administration*.
35. Philip Selznick, *TVA and the Grass Roots* (Berkeley and Los Angeles: University of California Press, 1949).
36. Philip Selznick, *Leadership in Administration* (New York: Row, Peterson, 1957).
37. See, for example, Warren G. Bennis, “Transformative Power and Leadership,” in *Leadership and Organizational Culture*, ed. T. J. Sergiovanni and J. E. Corbally (Urbana, Ill.: University of Illinois Press, 1984); Noel M. Tichy and David O. Ulrich, “The Leadership Challenge: A Call for the Transformational Leader,” *Sloan Management Review* 26 (Fall 1984).
38. Dwight Waldo, ed. “The Role of Administration in Modern Society,” in *Ideas and Issues in Public Administration* (New York: McGraw-Hill, 1953), p. 2.
39. Lindblom’s article created a new subfield in public administration, “muddle analysis.” See Yehezkel Dror, “Muddling Through: Science or Inertia?” *Public Administration Review* 24 (September 1964); John J. Bailey and Robert J. O’Connor, “Operational Incrementalism: Measuring the Muddles,” *Public Administration Review* 35 (January–February 1975); Anthony J. Balzer, “Reflections on Muddling Through,” *Public Administration Review* 39 (November–December 1979); Bruce Adams, “The Limitations of Muddling Through: Does Anyone in Washington Really Think Anymore?” *Public Administration Review* 39 (November–December 1979); Charles E. Lindblom, “Still Muddling, Not Yet Through,” *Public Administration Review* 39 (November–December 1979).
40. Of course, budgeting theory in the next decade, the 1960s, would be shaped first by Aaron Wildavsky—especially with his *The Politics of the Budgetary Process* (New York: Little, Brown, 1964)—and then by Alan Schick in a series of articles written for *Public Administration Review*. See especially the Budgeting Symposiums of 1966 and 1969.

Bureaucracy and the Public Interest

E. Pendleton Herring

Upon the shoulders of the bureaucrat has been placed in large part the burden of reconciling group differences and making effective and workable the economic and social compromises arrived at through the legislative process. Thus Congress passes a statute setting forth a general principle. The details must be filled in by supplemental regulation. The bureaucrat is left to decide as to the conditions that necessitate the law's application. He is in a better position than the legislators to perform these duties. His daily occupation brings him into direct contact with the situation the law is intended to meet. He knows what can be enforced and he can better envisage the limits of legislative fiat. This increase in administrative discretion, while making possible the more understanding application of rules to concrete situations, nevertheless places a heavy duty on the administrator. The words of the statute delimit his scope, but within the margin of his discretion he must write his interpretation of state purpose.

The social and economic aspects of this process must be left to others. The political result has been the preservation thus far of the liberal democratic state as the agency of control and the transfer from Congress of much of the direct superintendence of reconciling the conflicting groups within the state. The governmental result has been the creation of a great bureaucracy with wide powers to carry on these functions. Great public services are needed all the way from the primary functions relating to police, sanitation, and the care of paupers to official enterprises that compete with private business. There are huge public-relief projects financed by taxing one class in order to alleviate

the hunger pangs of another. The extent to which these activities are carried cannot be fixed but will vary in accordance with the character of the economic groups that have succeeded in attaining control of the government at any given time. There persists, nevertheless, a residue of responsibility no matter what combination is in control of the government. The mere existence of a great administrative organization necessitates a certain continuity that has little reference to political overturns. Groups must be willing to recognize that the state has a purpose which transcends their own immediate ends. The bureaucracy cannot assert a state purpose against the united hostility of groups that basically comprise the source whence authority springs.

In the United States the bureaucracy suffers for want of a hierarchical organization and a personnel united by a harmonious concept of state service. But a bureaucracy in these terms arouses the suspicion and criticism of interest groups, who regard the administration as designed to serve them or at least *not to interfere* with their group purposes. And it is these interest groups that wield political authority under a representative system. Such interests criticize "bureaucracy" as inimical to popular government. Yet only through developing a proper administrative organization can democracy survive.

We conclude, then, that the purpose of the democratic state is the free reconciliation of group interests and that the attainment of this end necessitates the development of a great administrative machine. Thus, paradoxical as it may seem to Jeffersonian Democrats, the liberal democratic state must be sustained by a huge bureaucracy. This viewpoint, however, has not won general acceptance.

Groups of citizens, seeking to advance their own interests or to protect themselves from the onslaughts of rivals, have turned to the government for aid. Yet the citizen distrusts the state at the same time that he appeals to it for help.

Source: From E. Pendleton Herring, *Public Administration and the Public Interest* (pp 346–351 McGraw-Hill, 1936).

He desires to use the facilities of the government; but he does not wish the government to direct or control his activities. As a result the federal administrative services have not been fused into a unified and responsible whole. They are a conglomeration of service agencies, independent regulatory commissions, and ill-proportioned bureaus and departments.

The present tangle of alphabetical monstrosities is not a new phenomenon. The confusion is greater because the variety of federal functions is greater. If the government is to become responsible for the economic security of various classes, the administrative machinery must be made adequate to the burden imposed. This does not mean creating more bureaus and commissions but rather reorganizing those that exist. The federal administration must be viewed as a whole: it must be developed into an institution for executing policy in the public interest and for promoting the general welfare. This will require a change in attitude on the part of most citizens. Groups have demanded special consideration from the federal government for themselves while condemning the general encroachment of the state into private affairs. The establishment of an adequate administrative structure and personnel must be undertaken if the state is to carry its ever-increasing load. The problem of bureaucracy must be faced directly.

No civil servant, however, wrapt in the bindings of official red tape, can regard himself as insulated from the currents of opinion generated by the groups with which his bureau comes into contact. The citizen for his part must feel that his experience and his special competence have some place in governance. How can a mutually advantageous connection be made?

The adjustment is not easy. "In every country," Herman Finer states, "the public is hostile to the official because at some time or other, as an inspector or a tax collector or a medical officer, or what not, he comes to take away, not to give—it is in the nature of his task to limit one's freedom and property." The suspicion of bureaucracy is particularly keen in the United States, and not without just cause. "Political pull" remains the citizen's chief defense against officialdom in this country. This faulty resource is all the more necessary under a system where

ministerial responsibility is lacking and public integrity is often wanting in official circles. Moreover, we have a tradition of distrust for government that harks back to Colonial and Revolutionary days. Official interference has long been regarded as irksome and unfriendly. Conditions of pioneer life doubtless intensified this feeling. We accepted bureaucratic incompetence as an inevitable characteristic of an institution from which little good was to be expected in any case. Our confidence was placed in the courts where the justice of the rule of the law would protect us, we hoped, from the caprice of a government by men.

The courts are often found taking the part of the citizen against the powers of officialdom. Their verdict time and again delimits or restricts bureaucratic competence. In the elected executive and legislature the citizen feels that some degree of control is attainable through political channels. The tradition of a rule of law gives him confidence in the courts. But how can he affect the course of administrative action? Underlying such criticism is the uneasy feeling that the force of the government is turned to purposes contrary to those of his group. It often happens that a regulatory measure is enacted over the urgent protest of those thereby affected. The legislature, supported by a momentary public enthusiasm, discharges its duty in passing the law and turns to other matters. The bureaucrat is left to enforce the law over the disgruntled group thus brought under his jurisdiction. Governmental activity is unobjectionable to special interests when in accord with their aims, but when it is directed to other ends the cry of bureaucratic interference is raised.

The legislature, often because of a fortuitous combination of political factors, enacts a law. An administrative agency becomes responsible for its execution, and the legislative will is thus in a sense institutionalized and personified. Except for the relatively rare instances where a statute is rendered innocuous by nonenforcement, the legislative will is "frozen" until the law is changed. Meanwhile, a change of economic or political conditions may alter the alignment of social forces in the community and thereby bring the statute into disfavor, without necessarily forcing legislative amendment in response to criticisms. The legal responsibility of the

official remains the same and the censure he incurs is the price of discharging his manifest duties.

Government today is largely a matter of expert administration. Increasing authority and discretion are granted the executive branch. The state has undertaken a great number of services left in the past to private enterprise or scarcely attempted at all. These activities have given special interests a stake in the government. The actual point at which their right to pursue freely their own aims comes into conflict with the fulfillment of the broader aims of the community is a matter for judgment as particular cases arise. But the civil servant has no clear standard upon which to act. In a word, our present bureaucracy has accumulated vast authority but it lacks direction and coördination.

The President is nominal head of the “administration,” but under present conditions the task of coordination is beyond the capacities of the transient occupants of this position. A system of administrative law might in time indicate the limits of bureaucratic responsibility and develop the conception of public interest. But the official today finds himself largely isolated except for the presence of those interests directly affected by the consequences of his action. These loom largest in the context of his administrative surroundings.

What criteria are to guide him? The *public interest* is the standard that guides the administrator in executing the law. This is the verbal symbol designed to introduce unity, order, and objectivity into administration.

This concept is to the bureaucracy what the “due process” clause is to the judiciary. Its abstract meaning is vague but its application has far-reaching effects. The radio commissioners were to execute the law in the “public interest, convenience or necessity.” The trade commissioners are to apply the law when they deem such action “to the interest of the public.” Congress has frequently authorized boards and quasi-judicial commissions to determine the public interest.

Although it is clear that the official must balance the interests of the conflicting groups before him, by what standards is he to weigh

their demands? To hold out the public interest as a criterion is to offer an imponderable. Its value is psychological and does not extend beyond the significance that each responsible civil servant must find in the phrase for himself. Acting in accordance with this subjective conception and bounded by his statutory competence, the bureaucrat selects from the special interests before him a combination to which he gives official sanction. Thus inescapably in practice the concept of public interest is given substance by its identification with the interests of certain groups. The bureaucrat is placed in a situation similar to the plight of Rousseau’s citizen. The latter was to vote in accordance with the general will. If he found himself in the minority when the votes were counted, he knew that he had guessed incorrectly as to the *volonté générale*. The official, however, must endeavor to act in the public interest, but without the consolation of testing his judgment in a bureaucratic plebiscite. He must follow his star with but little light on the immediate pitfalls in his path.

The administrator has certain guiding criteria supplied by statutes, but inevitably a margin of discretion remains inherent in the administrative process. He can build up support for his policies and to some extent choose his adversaries. The choice may be of crucial importance. By supporting the groups demanding a strict interpretation of the law, he may bring about an ultimate effect quite different to the outcome resulting from cooperation with those who favor a liberal reading of the statute. He may even reach out for the opinions held by groups less well organized or aggressively directed.

The predicament of the bureaucrat now becomes clear. Special interests cannot be denied a voice in the councils of state since it is their concerns that provide substance out of which the public welfare is formulated. On the other hand, a well-coördinated and responsible bureaucracy is essential if the purpose of the state is to be attained. The solution of the liberal democratic state must lie in establishing a working relationship between the bureaucrats and special interests—a relationship that will enable the former to carry out the purpose of the state and the latter to realize their own ends.

Such a harmonious relationship is made all the more difficult in the United States by the

diversity of conditions over the country and by the variety of activities undertaken by the government. Moreover, federal officials concern themselves with some problems over which they can exercise no coercive authority. The successful administration of many federal services depends upon the cooperation of state and local authorities with the national government. The ties between the community and the federal bureaucracy can best be described and evaluated in terms of the particular situations they are designed to meet. It is difficult to discuss these developments in general terms. Officials working in their own domains have used their ingenuity and found their own solutions.

Public administration in actual practice is a process whereby one individual acting in an official capacity and in accordance with his interpretation of his legal responsibility applies a statute to another individual who is in a legally subordinate position. The public as such is not concerned in this process.

To the officer executing the law, the public is simply an abstraction. Law is applied by one man to another. In the realm of discussion, the

public is treated as a reality and words are directed to the populace. But this is a one-sided relationship. Officials receive many responses from individuals but the only reaction they receive from the public is that which they may choose to read into a collection of individual reactions.

Generally these responses may be arranged in more precise categories built around an occupational or economic interest. When this happens, the official finds it possible to negotiate with groups articulate and self-conscious because of a common concern.

Thus law is not administered in a vacuum, but in an environment composed of all those who have an interest in the application or the nonenforcement of the statute. The official is surrounded by a web of interests—and a web often dominated by an unpredictable spider. This ultimate determinator may be the courts, the legislature, an administrative superior, or a powerful economic interest. The administrator is one strand in a complicated mesh of forces, political, social, and economic. The public, viewed in the mass, is of relatively little importance in this context.

Notes on the Theory of Organization

Luther Gulick

Every large-scale or complicated enterprise requires many men to carry it forward. Wherever many men are thus working together the best results are secured when there is a division of work among these men. The theory of organization, therefore, has to do with the structure of co-ordination imposed upon the workdivision units of an enterprise. Hence it is not possible to determine how an activity is to be organized without, at the same time, considering how the work in question is to be divided. Work division is the foundation of organization; indeed, the reason for organization.

1. The Division of Work

It is appropriate at the outset of this discussion to consider the reasons for and the effect of the division of work. It is sufficient for our purpose to note the following factors.

Why Divide Work? Because men differ in nature, capacity and skill, and gain greatly in dexterity by specialization; because the same man cannot be at two places at the same time; because the range of knowledge and skill is so great that a man cannot within his life-span know more than a small fraction of it. In other words, it is a question of human nature, time, and space.

In a shoe factory it would be possible to have 1,000 men each assigned to making complete pairs of shoes. Each man would cut his leather, stamp in the eyelets, sew up the tops, sew on the bottoms, nail on the heels, put in the laces, and

pack each pair in a box. It might take two days to do the job. One thousand men would make 500 pairs of shoes a day. It would also be possible to divide the work among these same men, using the identical hand methods, in an entirely different way. One group of men would be assigned to cut the leather, another to putting in the eyelets, another to stitching up the tops, another to sewing on the soles, another to nailing on the heels, another to inserting the laces and packing the pairs of shoes. We know from common sense and experience that there are two great gains in this latter process: first, it makes possible the better utilization of the varying skills and aptitudes of the different workmen, and encourages the development of specialization; and second, it eliminates the time that is lost when a workman turns from a knife, to a punch, to a needle and awl, to a hammer, and moves from table to bench, to anvil, to stool. Without any pressure on the workers, they could probably turn out twice as many shoes in a single day. There would be additional economies, because inserting laces and packing could be assigned to unskilled and low-paid workers. Moreover, in the cutting of the leather there would be less spoilage because the less skillful pattern cutters would all be eliminated and assigned to other work. It would also be possible to cut a dozen shoe tops at the same time from the same pattern with little additional effort. All of these advances would follow, without the introduction of new labor saving machinery.

The introduction of machinery accentuates the division of work. Even such a simple thing as a saw, a typewriter, or a transit requires increased specialization, and serves to divide workers into those who can and those who cannot use the particular instrument effectively. Division of work on the basis of the tools and machines used in work rests no doubt in part on aptitude, but primarily upon the development and maintenance of skill through continued manipulation.

Source: From L. Gulick and L. Urwick, eds., *Papers on the Science of Administration* (New York: Institute of Public Administration, 1937), pp. 3–13. Reprinted by permission of Blackwell Publishing.

Specialized skills are developed not alone in connection with machines and tools. They evolve naturally from the materials handled, like wood, or cattle, or paint, or cement. They arise similarly in activities which center in a complicated series of interrelated concepts, principles, and techniques. These are most clearly recognized in the professions, particularly those based on the application of scientific knowledge, as in engineering, medicine, and chemistry. They are none the less equally present in law, ministry, teaching, accountancy, navigation, aviation, and other fields.

The nature of these subdivisions is essentially pragmatic, in spite of the fact that there is an element of logic underlying them. They are therefore subject to a gradual evolution with the advance of science, the invention of new machines, the progress of technology and the change of the social system. In the last analysis, however, they appear to be based upon differences in individual human beings. But it is not to be concluded that the apparent stability of “human nature,” whatever that may be, limits the probable development of specialization. The situation is quite the reverse. As each field of knowledge and work is advanced, constituting a continually larger and more complicated nexus of related principles, practices and skills, any individual will be less and less able to encompass it and maintain intimate knowledge and facility over the entire area, and there will thus arise a more minute specialization because knowledge and skill advance while man stands still. Division of work and integrated organization are the bootstraps by which mankind lifts itself in the process of civilization.

The Limits of Division There are three clear limitations beyond which the division of work cannot to advantage go. The first is practical and arises from the volume of work involved in man-hours. Nothing is gained by subdividing work if that further subdivision results in setting up a task which requires less than the full time of one man. This is too obvious to need demonstration. The only exception arises where space interferes, and in such cases the part-time expert must fill in his spare time at other tasks, so that as a matter of fact a new combination is introduced.

The second limitation arises from technology and custom at a given time and place. In some areas nothing would be gained by separating undertaking from the custody and cleaning of churches, because by custom the sexton is the undertaker; in building construction it is extraordinarily difficult to redivide certain aspects of electrical and plumbing work and to combine them in a more effective way, because of the jurisdictional conflicts of craft unions; and it is clearly impracticable to establish a division of cost accounting in a field in which no technique of costing has yet been developed.

This second limitation is obviously elastic. It may be changed by invention and by education. If this were not the fact, we should face a static division of labor. It should be noted, however, that a marked change has two dangers. It greatly restricts the labor market from which workers may be drawn and greatly lessens the opportunities open to those who are trained for the particular specialization.

The third limitation is that the subdivision of work must not pass beyond physical division into organic division. It might seem far more efficient to have the front half of the cow in the pasture grazing and the rear half in the barn being milked all of the time, but this organic division would fail. Similarly there is no gain from splitting a single movement or gesture like licking an envelope, or tearing apart a series of intimately and intricately related activities.

It may be said that there is in this an element of reasoning in a circle; that the test here applied as to whether an activity is organic or not is whether it is divisible or not—which is what we set out to define. This charge is true. It must be a pragmatic test. Does the division work out? Is something vital destroyed and lost? Does it bleed?

The Whole and the Parts It is axiomatic that the whole is equal to the sum of its parts. But in dividing up any “whole,” one must be certain that every part, including unseen elements and relationships, is accounted for. The marble sand to which the Venus de Milo may be reduced by a vandal does not equal the statue, though every last grain be preserved; nor is a thrush just so much feathers, bones, flesh and blood; nor a

typewriter merely so much steel, glass, paint and rubber. Similarly a piece of work to be done cannot be subdivided into the obvious component parts without great danger that the central design, the operating relationship, the imprisoned idea, will be lost.

A simple illustration will make this clear. One man can build a house. He can lay the foundation, cut the beams and boards, make the window frames and doors, lay the floors, raise the roof, plaster the walls, fit in the heating and water systems, install the electric wiring, hang the paper, and paint the structure. But if he did, most of the work would be done by hands unskilled in the work; much material would be spoiled, and the work would require many months of his time. On the other hand, the whole job of building the house might be divided among a group of men. One man could do the foundation, build the chimney, and plaster the walls; another could erect the frame, cut the timbers and the boards, raise the roof, and do all the carpentry; another all the plumbing; another all the paper hanging and painting; another all the electric wiring. But this would not make a house unless someone—an architect—made a plan for the house, so that each skilled worker could know what to do and when to do it.

When one man builds a house alone he plans as he works; he decides what to do first and what next, that is, he “co-ordinates the work.” When many men work together to build a house this part of the work, the co-ordinating, must not be lost sight of.

In the “division of the work” among the various skilled specialists, a specialist in planning and co-ordination must be sought as well. Otherwise, a great deal of time may be lost, workers may get in each other’s way, material may not be on hand when needed, things may be done in the wrong order, and there may even be a difference of opinion as to where the various doors and windows are to go. It is self-evident that the more the work is subdivided, the greater is the danger of confusion, and the greater is the need of overall supervision and coordination. Co-ordination is not something that develops by accident. It must be won by intelligent, vigorous, persistent and organized effort.

2. The Co-ordination of Work

If subdivision of work is inescapable, coordination becomes mandatory. There is, however, no one way to co-ordination. Experience shows that it may be achieved in two primary ways. These are:

1. By organization, that is, by interrelating the subdivisions of work by allotting them to men who are placed in a structure of authority, so that the work may be co-ordinated by orders of superiors to subordinates, reaching from the top to the bottom of the entire enterprise.
2. By the dominance of an idea, that is, the development of intelligent singleness of purpose in the minds and wills of those who are working together as a group, so that each worker will of his own accord fit his task into the whole with skill and enthusiasm.

These two principles of co-ordination are not mutually exclusive, in fact, no enterprise is really effective without the extensive utilization of both.

Size and time are the great limiting factors in the development of co-ordination. In a small project, the problem is not difficult; the structure of authority is simple, and the central purpose is real to every worker. In a large complicated enterprise, the organization becomes involved, the lines of authority tangled, and there is danger that the workers will forget that there is any central purpose, and so devote their best energies only to their own individual advancement and advantage.

The interrelated elements of time and habit are extraordinarily important in co-ordination. Man is a creature of habit. When an enterprise is built up gradually from small beginnings the staff can be “broken in” step by step. And when difficulties develop, they can be ironed out, and the new method followed from that point on as a matter of habit, with the knowledge that that particular difficulty will not develop again. Routines may even be mastered by drill as they are in the army. When, however, a large new enterprise must be set up or altered overnight, then the real difficulties of co-ordination make their

appearance. The factor of habit, which is thus an important foundation of co-ordination when time is available, becomes a serious handicap when time is not available, that is, when change rules. The question of co-ordination therefore must be approached with different emphasis in small and in large enterprises; in simple and in complex situations; in stable and in new or changing organizations.

Co-ordination through Organization Organization as a way of co-ordination requires the establishment of a system of authority whereby the central purpose or objective of an enterprise is translated into reality through the combined efforts of many specialists, each working in his own field at a particular time and place.

It is clear from long experience in human affairs that such a structure of authority requires not only many men at work in many places at selected times, but also a single directing executive authority.¹ The problem of organization thus becomes the problem of building up between the executive at the center and the subdivisions of work on the periphery an effective network of communication and control.

The following outline may serve further to define the problem:

- I. First Step: Define the job to be done, such as the furnishing of pure water to all of the people and industries within a given area at the lowest possible cost;
- II. Second Step: Provide a director to see that the objective is realized;
- III. Third Step: Determine the nature and number of individualized and specialized work units into which the job will have to be divided. As has been seen above, this subdivision depends partly upon the size of the job (no ultimate subdivision can generally be so small as to require less than the full time of one worker) and upon the status of technological and social development at a given time;
- IV. Fourth Step: Establish and perfect the structure of authority between the director and the ultimate work subdivisions.

It is this fourth step which is the central concern of the theory of organization. It is the

function of this organization (IV) to enable the director (II) to co-ordinate and energize all of the subdivisions of work (III) so that the major objective (I) may be achieved efficiently.

The Span of Control In this undertaking we are confronted at the start by the inexorable limits of human nature. Just as the hand of man can span only a limited number of notes on the piano, so the mind and will of man can span but a limited number of immediate managerial contacts. . . . The limit of control is partly a matter of the limits of knowledge, but even more is it a matter of the limits of time and of energy. As a result the executive of any enterprise can personally direct only a few persons. He must depend upon these to direct others, and upon them in turn to direct still others, until the last man in the organization is reached.

This condition placed upon all human organization by the limits of the span of control obviously differs in different kinds of work and in organizations of different sizes. Where the work is of a routine, repetitive, measurable and homogeneous character, one man can perhaps direct several score workers. This is particularly true when the workers are all in a single room. Where the work is diversified, qualitative, and particularly when the workers are scattered, one man can supervise only a few. This diversification, dispersion, and non-measurability is of course most evident at the very top of any organization. It follows that the limitations imposed by the span of control are most evident at the top of an organization, directly under the executive himself.

But when we seek to determine how many immediate subordinates the director of an enterprise can effectively supervise, we enter a realm of experience which has not been brought under sufficient scientific study to furnish a final answer. Sir Ian Hamilton says, "The nearer we approach the supreme head of the whole organization, the more we ought to work towards groups of three; the closer we get to the foot of the whole organization (the Infantry of the Line), the more we work towards groups of six."²

The British Machinery of Government Committee of 1918 arrived at the conclusion

that “The Cabinet should be small in number—preferably ten or, at most, twelve”³

Henri Fayol said “[In France] a minister has twenty assistants, where the Administrative Theory says that a manager at the head of a big undertaking should not have more than five or six.”⁴

Graham Wallas expressed the opinion that the Cabinet should not be increased “beyond the number of ten or twelve at which organized oral discussion is most efficient.”⁵

Léon Blum recommended for France a Prime Minister with a technical cabinet modelled after the British War Cabinet, which was composed of five members.⁶

It is not difficult to understand why there is this divergence of statement among authorities who are agreed on the fundamentals. It arises in part from the differences in the capacities and work habits of individual executives observed, and in part from the non-comparable character of the work covered. It would seem that insufficient attention has been devoted to three factors, first, the element of diversification of function; second, the element of time; and third, the element of space. A chief of public works can deal effectively with more direct subordinates than can the general of the army, because all of his immediate subordinates in the department of public works will be in the general field of engineering, while in the army there will be many different elements, such as communications, chemistry, aviation, ordnance, motorized service, engineering, supply, transportation, etc., each with its own technology. The element of time is also of great significance as has been indicated above. In a stable organization the chief executive can deal with more immediate subordinates than in a new or changing organization. Similarly, space influences the span of control. An organization located in one building can be supervised through more immediate subordinates than can the same organization if scattered in several cities. When scattered there is not only need for more supervision, and therefore more supervisory personnel, but also for a fewer number of contacts with the chief executive because of the increased difficulty faced by the chief executive in learning sufficient details about a far-flung organization to do an

intelligent job. The failure to attach sufficient importance to these variables has served to limit the scientific validity of the statements which have been made that one man can supervise but three, or five, or eight, or twelve immediate subordinates.

These considerations do not, however, dispose of the problem. They indicate rather the need for further research. But without further research we may conclude that the chief executive of an organization can deal with only a few immediate subordinates; that this number is determined not only by the nature of the work, but also by the nature of the executive; and that the number of immediate subordinates in a large, diversified and dispersed organization must be even less than in a homogeneous and unified organization to achieve the same measure of co-ordination.

One Master From the earliest times it has been recognized that nothing but confusion arises under multiple command. “A man cannot serve two masters” was adduced as a theological argument because it was already accepted as a principle of human relation in everyday life. In administration this is known as the principle of “unity of command.”⁷ The principle may be stated as follows: A workman subject to orders from several superiors will be confused, inefficient, and irresponsible; a workman subject to orders from but one superior may be methodical, efficient, and responsible. Unity of command thus refers to those who are commanded, not to those who issue the commands.⁸

The significance of this principle in the process of co-ordination and organization must not be lost sight of. In building a structure of co-ordination, it is often tempting to set up more than one boss for a man who is doing work which has more than one relationship. Even as great a philosopher of management as Taylor fell into this error in setting up separate foremen to deal with machinery, with materials, with speed, etc., each with the power of giving orders directly to the individual workman.⁹ The rigid adherence to the principle of unity of command may have its absurdities; these are, however, unimportant in comparison with the certainty of confusion, inefficiency and

irresponsibility which arise from the violation of the principle.

Technical Efficiency There are many aspects of the problem of securing technical efficiency. Most of these do not concern us here directly. They have been treated extensively by such authorities as Taylor, Dennison, and Kimball, and their implications for general organization by Fayol, Urwick, Mooney, and Reiley. There is, however, one efficiency concept which concerns us deeply in approaching the theory of organization. It is the principle of homogeneity.

It has been observed by authorities in many fields that the efficiency of a group working together is directly related to the homogeneity of the work they are performing, of the processes they are utilizing, and of the purposes which actuate them. From top to bottom, the group must be unified. It must work together.

It follows from this (1) that any organizational structure which brings together in a single unit work divisions which are nonhomogeneous in work, in technology, or in purpose will encounter the danger of friction and inefficiency; and (2) that a unit based on a given specialization cannot be given technical direction by a layman.

In the realm of government it is not difficult to find many illustrations of the unsatisfactory results of non-homogeneous administrative combinations. It is generally agreed that agricultural development and education cannot be administered by the same men who enforce pest and disease control, because the success of the former rests upon friendly co-operation and trust of the farmers, while the latter engenders resentment and suspicion. Similarly, activities like drug control established in protection of the consumer do not find appropriate homes in departments dominated by the interests of the producer. In the larger cities and in states it has been found that hospitals cannot be so well administered by the health department directly as they can be when set up independently in a separate department, or at least in a bureau with extensive autonomy, and it is generally agreed that public welfare administration and police administration require separation, as do public health administration and welfare administration, though both of these combinations may be

found in successful operation under special conditions. No one would think of combining water supply and public education, or tax administration and public recreation. In every one of these cases, it will be seen that there is some element either of work to be done, or of the technology used, or of the end sought which is non-homogeneous.

Another phase of the combination of incompatible functions in the same office may be found in the common American practice of appointing unqualified laymen and politicians to technical positions or to give technical direction to highly specialized services. As Dr. Frank J. Goodnow pointed out a generation ago, we are faced here by two heterogeneous functions, "politics" and "administration," the combination of which cannot be undertaken within the structure of the administration without producing inefficiency.

Caveamus Expertum At this point a word of caution is necessary. The application of the principle of homogeneity has its pitfalls. Every highly trained technician, particularly in the learned professions, has a profound sense of omniscience and a great desire for complete independence in the service of society. When employed by government he knows exactly what the people need better than they do themselves, and he knows how to render this service. He tends to be utterly oblivious of all other needs, because, after all, is not his particular technology the road to salvation? Any restraint applied to him is "limitation of freedom," and any criticism "springs from ignorance and jealousy." Every budget increase he secures is "in the public interest," while every increase secured elsewhere is "a sheer waste." His efforts and maneuvers to expand are "public education" and "civic organization," while similar efforts by others are "propaganda" and "politics."

Another trait of the expert is his tendency to assume knowledge and authority in fields in which he has no competence. In this particular, educators, lawyers, priests, admirals, doctors, scientists, engineers, accountants, merchants and bankers are all the same—having achieved technical competence or "success" in one field, they come to think this competence is a general

quality detachable from the field and inherent in themselves. They step without embarrassment into other areas. They do not remember that the robes of authority of one kingdom confer no sovereignty in another; but that there they are merely a masquerade.

The expert knows his “stuff.” Society needs him, and must have him more and more as man’s technical knowledge becomes more and more extensive. But history shows us that the common man is a better judge of his own needs in the long run than any cult of experts. Kings and ruling classes, priests and prophets, soldiers and lawyers, when permitted to rule rather than serve mankind, have in the end done more to check the advance of human welfare than they have to advance it. The true place of the expert is, as it is said so well, “on tap, not on top.” The essential validity of democracy rests upon this philosophy, for democracy is a way of government in which the common man is the final judge of what is good for him.

Efficiency is one of the things that is good for him because it makes life richer and safer. That efficiency is to be secured more and more through the use of technical specialists. These specialists have no right to ask for, and must not be given freedom from supervisory control, but in establishing that control, a government which ignores the conditions of efficiency cannot expect to achieve efficiency.

3. Organizational Patterns

Organization Up or Down? One of the great sources of confusion in the discussion of the theory of organization is that some authorities work and think primarily from the top down, while others work and think from the bottom up. This is perfectly natural because some authorities are interested primarily in the executive and in the problems of central management, while others are interested primarily in individual services and activities. Those who work from the top down regard the organization as a system of subdividing the enterprise under the chief executive, while those who work from the bottom up, look upon organization as a system of combining the individual units of work into aggregates which are in turn subordi-

nated to the chief executive. It may be argued that either approach leads to a consideration of the entire problem, so that it is of no great significance which way the organization is viewed. Certainly it makes this very important practical difference: those who work from the top down must guard themselves from the danger of sacrificing the effectiveness of the individual services in their zeal to achieve a model structure at the top, while those who start from the bottom, must guard themselves from the danger of thwarting co-ordination in their eagerness to develop effective individual services.

In any practical situation the problem of organization must be approached from both top and bottom. This is particularly true in the reorganization of a going concern. May it not be that this practical necessity is likewise the sound process theoretically? In that case one would develop the plan of an organization or reorganization both from the top downward and from the bottom upward, and would reconcile the two at the center. In planning the first subdivisions under the chief executive, the principle of the limitation of the span of control must apply; in building up the first aggregates of specialized functions, the principle of homogeneity must apply. If any enterprise has such an array of functions that the first subdivisions from the top down do not readily meet the first aggregations from the bottom up, then additional divisions and additional aggregates must be introduced, but at each further step there must be a less and less rigorous adherence to the two conflicting principles until their juncture is effected.

An interesting illustration of this problem was encountered in the plans for the reorganization of the City of New York. The Charter Commission of 1934 approached the problem with the determination to cut down the number of departments and separate activities from some 60 to a manageable number. It was equally convinced after conferences with officials from the various city departments that the number could not be brought below 25 without bringing together as “departments” activities which had nothing in common or were in actual conflict. This was still too many for effective supervision by the chief executive. As a solution it was suggested by the author that the charter

provide for the subdividing of the executive by the appointment of three or four assistant mayors to whom the mayor might assign parts of his task of broad supervision and co-ordination. Under the plan the assistant mayors would bring all novel and important matters to the mayor for decision, and through continual intimate relationship know the temper of his mind on all matters, and thus be able to relieve him of great masses of detail without in any way injecting themselves into the determination of policy. Under such a plan one assistant mayor might be assigned to give general direction to agencies as diverse as police, parks, hospitals, and docks without violating the principle of homogeneity any more than is the case by bringing these activities under the mayor himself, which is after all a paramount necessity under a democratically controlled government. This is not a violation of the principle of homogeneity *provided* the assistant mayors keep out of the technology of the services and devote themselves to the broad aspects of administration and co-ordination, as would the mayor himself. The assistants were conceived of as parts of the mayorality, not as parts of the service departments. That is, they represented not the apex of a structure built from the bottom up, but rather the base of a structure extended from the top down, the object of which was to multiply by four the points of effective contact between the executive and the service departments.¹⁰

Organizing the Executive The effect of the suggestion presented above is to organize and institutionalize the executive function as such so that it may be more adequate in a complicated situation. This is in reality not a new idea. We do not, for example, expect the chief executive to write his own letters. We give him a private secretary, who is part of his office and assists him to do this part of his job. This secretary is not a part of any department; he is a subdivision of the executive himself. In just this way, though on a different plane, other phases of the job of the chief executive may be organized.

Before doing this, however, it is necessary to have a clear picture of the job itself. This brings us directly to the question, “What is the work of the chief executive? What does he do?”

The answer is POSDCORB.

POSDCORB is, of course, a made-up word designed to call attention to the various functional elements of the work of a chief executive because “administration” and “management” have lost all specific content.¹¹ POSDCORB is made up of the initials and stands for the following activities:

Planning, that is working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise;

Organizing, that is the establishment of the formal structure of authority through which work subdivisions are arranged, defined and co-ordinated for the defined objective;

Staffing, that is the whole personnel function of bringing in and training the staff and maintaining favorable conditions of work;

Directing, that is the continuous task of making decisions and embodying them in specific and general orders and instructions and serving as the leader of the enterprise;

Co-ordinating, that is the all important duty of interrelating the various parts of the work;

Reporting, that is keeping those to whom the executive is responsible informed as to what is going on, which thus includes keeping himself and his subordinates informed through records, research and inspection;

Budgeting, with all that goes with budgeting in the form of fiscal planning, accounting and control.

This statement of the work of a chief executive is adapted from the functional analysis elaborated by Henri Fayol in his “Industrial and General Administration.” It is believed that those who know administration intimately will find in this analysis a valid and helpful pattern, into which can be fitted each of the major activities and duties of any chief executive.

If these seven elements may be accepted as the major duties of the chief executive, it follows that they *may* be separately organized as subdivisions of the executive. The need for such subdivision depends entirely on the size and complexity of the enterprise. In the largest enterprises, particularly where the chief

executive is as a matter of fact unable to do the work that is thrown upon him, it may be presumed that one or more parts of POSDCORB should be suborganized.

NOTES

1. [That is,] when *organization is the basis of co-ordination*. Wherever the central executive authority is composed of several who exercise their functions jointly by majority vote, as on a board, this is from the standpoint of organization still a “single authority”; where the central executive is in reality composed of several men acting freely and independently, then organization cannot be said to be the basis of co-ordination; it is rather the dominance of an idea and falls under the second principle stated above.
2. Sir Ian Hamilton, *The Soul and Body of an Army* (London: Arnold, 1921), p. 230.
3. Great Britain. Ministry of Reconstruction. *Report of the Machinery of Government Committee*. (London: H. M. Stationery Office, 1918), p. 5.
4. Henri Fayol, “The Administrative Theory in the State” (address before the Second International Congress of Administrative Science at Brussels, September 13, 1923 . . .).
5. Graham Wallas, *The Great Society* (London: Macmillan, 1919), p. 264.
6. Léon Blum, *La réforme gouvernementale* (Paris, Grasset: 1918; reprint, 1936), p. 59.
7. Henri Fayol, *Industrial and General Administration*, trans. J. A. Coubrough (Geneva: International Management Association, 1930).
8. Fayol terms the latter “unity of direction.”
9. Frederick Winslow Taylor, *Shop Management* (New York: Harper and Row, 1911), p. 99.
10. This recommendation was also presented to the Thatcher Charter Commission of 1935, to which the author was a consultant. A first step in this direction was taken in Sec. 9, Chap. I of the new charter which provides for a deputy mayor, and for such other assistance as may be provided by ordinance.
11. See Minutes of the *Princeton Conference on Training for the Public Service*, 1935, p. 35. See also criticism of this analysis in Lewis Meriam, *Public Service and Special Training* (Chicago: University of Chicago Press, 1936), pp. 1, 2, 10, and 15, where this functional analysis is misinterpreted as a statement of qualifications for appointment.

Report of the President's Committee on Administrative Management

*Louis Brownlow, Charles E. Merriam,
and Luther Gulick*

The American Executive

The need for action in realizing democracy was as great in 1789 as it is today. It was thus not by accident but by deliberate design that the Founding Fathers set the American executive in the Constitution on a solid foundation. Sad experience under the Articles of Confederation, with an almost headless government and committee management, had brought the American Republic to the edge of ruin. Our forefathers had broken away from hereditary government and pinned their faith on democratic rule, but they had not found a way to equip the new democracy for action. Consequently, there was grim purpose in resolutely providing for a presidency which was to be a national office. The president is indeed the one and only national officer representative of the entire nation. There was hesitation on the part of some timid souls in providing the president with an election independent of the Congress; with a longer term than most governors of that day; with the duty of informing the Congress as to the state of the Union and of recommending to its consideration "such Measures as he shall judge necessary and expedient"; with a two-thirds veto; with a wide power of appointment; and with military and diplomatic authority. But this

Source: President's Committee on Administrative Management, *Administrative Management in the Government of the United States*, January 8, 1937 (Washington, D.C.: U.S. Government Printing Office, 1937), pp. 1–6.

reluctance was overcome in the face of need and a democratic executive established.

Equipped with these broad constitutional powers, reinforced by statute, by custom, by general consent, the American executive must be regarded as one of the very greatest contributions made by our nation to the development of modern democracy—a unique institution the value of which is as evident in times of stress and strain as in periods of quiet.

As an instrument for carrying out the judgment and will of the people of a nation, the American executive occupies an enviable position among the executives of the states of the world, combining as it does the elements of popular control and the means for vigorous action and leadership—uniting stability and flexibility. The American executive as an institution stands across the path of those who mistakenly assert that democracy must fail because it can neither decide promptly nor act vigorously.

Our presidency unites at least three important functions. From one point of view the president is a political leader—leader of a party, leader of the Congress, leader of a people. From another point of view he is head of the nation in the ceremonial sense of the term, the symbol of our American national solidarity. From still another point of view the president is the chief executive and administrator within the federal system and service. In many types of government these duties are divided or only in part combined, but in the United States they have always been united in one and the same person whose duty it is to perform all of these tasks.

Your Committee on Administrative Management has been asked to investigate and report particularly upon the last function; namely, that of administrative management—the organization for the performance of the duties imposed upon the president in exercising the executive power vested in him by the Constitution of the United States.

Improving the Machinery of Government

Throughout our history we have paused now and then to see how well the spirit and purpose of our nation is working out in the machinery of everyday government with a view to making such modifications and improvements as prudence and the spirit of progress might suggest. Our government was the first to set up in its formal Constitution a method of amendment, and the spirit of America has been from the beginning of our history the spirit of progressive changes to meet conditions shifting perhaps more rapidly here than elsewhere in the world.

Since the Civil War, as the tasks and responsibilities of our government have grown with the growth of the nation in sweep and power, some notable attempts have been made to keep our administrative system abreast of the new times. The assassination of President Garfield by a disappointed office seeker aroused the nation against the spoils system and led to the enactment of the civil service law of 1883. We have struggled to make the principle of this law effective for half a century. The confusion in fiscal management led to the establishment of the Bureau of the Budget and the budgetary system in 1921. We still strive to realize the goal set for the nation at that time. And, indeed, many other important forward steps have been taken.

Now we face again the problem of governmental readjustment, in part as the result of the activities of the nation during the desperate years of the industrial depression, in part because of the very growth of the nation, and in part because of the vexing social problems of our times. There is room for vast increase in our national productivity and there is much bitter wrong to set right in neglected ways of human life. There is need for improvement of our governmental machinery to meet new conditions and to make us ready for the problems just ahead.

Facing one of the most troubled periods in all the troubled history of mankind, we wish to set our affairs in the very best possible order to make the best use of all of our national resources and to make good our democratic claims. If America fails, the hopes and dreams of

democracy over all the world go down. We shall not fail in our task and our responsibility, but we cannot live upon our laurels alone.

We seek modern types of management in national government best fitted for the stern situations we are bound to meet, both at home and elsewhere. As to ways and means of improvement, there are naturally sincere differences of judgment and opinion, but only a reasonable design could oppose careful attention to the best and soundest practices of government available for the American nation in the conduct of its heavy responsibilities.

The Foundations of Governmental Efficiency

The efficiency of government rests upon two factors: the consent of the governed and good management. In a democracy consent may be achieved readily, though not without some effort, as it is the cornerstone of the Constitution. Efficient management in a democracy is a factor of peculiar significance.

Administrative efficiency is not merely a matter of paper clips, time clocks, and standardized economies of motion. These are but minor gadgets. Real efficiency goes much deeper down. It must be built into the structure of a government just as it is built into a piece of machinery.

Fortunately the foundations of effective management in public affairs, no less than in private, are well known. They have emerged universally wherever men have worked together for some common purpose, whether through the state, the church, the private association, or the commercial enterprise. They have been written into constitutions, charters, and articles of incorporation, and exist as habits of work in the daily life of all organized peoples. Stated in simple terms these canons of efficiency require the establishment of a responsible and effective chief executive as the center of energy, direction, and administrative management; the systematic organization of all activities in the hands of a qualified personnel under the direction of the chief executive; and to aid him in this, the establishment of appropriate

managerial and staff agencies. There must also be provision for planning, a complete fiscal system, and means for holding the executive accountable for his program.

Taken together, these principles, drawn from the experience of mankind in carrying on large-scale enterprises, may be considered as the first requirement of good management. They comprehend the subject matter of administrative management as it is dealt with in this report. Administrative management concerns itself in democracy with the executive and his duties, with managerial and staff aides, with organization, with personnel, and with the fiscal system because these are the indispensable means of making good the popular will in a people's government.

Modernizing Our Governmental Management

In the light of these canons of efficiency what must be said of the government of the United States today? Speaking in the broadest terms at this point, and in detail later on, we find in the American government at the present time that the effectiveness of the chief executive is limited and restricted, in spite of the clear intent of the Constitution to the contrary; that the work of the executive branch is badly organized; that the managerial agencies are weak and out of date; that the public service does not include its share of men and women of outstanding capacity and character; and that the fiscal and auditing systems are inadequate. These weaknesses are found at the center of our government and involve the office of the chief executive itself.

While in general principle our organization of the presidency challenges the admiration of the world, yet in equipment for administrative management our Executive Office is not fully abreast of the trend of our American times, either in business or in government. Where, for example, can there be found an executive in any way comparable upon whom so much petty work is thrown? Or who is forced to see so many persons on unrelated matters and to make so many decisions on the basis of what may be, because of the very press of work, incomplete information? How is it humanly

possible to know fully the affairs and problems of over 100 separate major agencies, to say nothing of being responsible for their general direction and coordination?

These facts have been known for many years and are so well appreciated that it is not necessary for us to prove again that the president's administrative equipment is far less developed than his responsibilities, and that a major task before the American government is to remedy this dangerous situation. What we need is not a new principle, but a modernizing of our managerial equipment.

This is not a difficult problem in itself. In fact, we have already dealt with it successfully in state governments, in city governments, and in large-scale private industry. Gov. Frank O. Lowden in Illinois, Gov. Alfred E. Smith in New York, Gov. Harry F. Byrd in Virginia, and Gov. William Tudor Gardiner in Maine, among others, have all shown how similar problems can be dealt with in large governmental units. The federal government is more extensive and more complicated, but the principles of reorganization are the same. On the basis of this experience and our examination of the executive branch we conclude that the following steps should now be taken:

1. To deal with the greatly increased duties of executive management falling upon the president, the White House staff should be expanded.
2. The managerial agencies of the government, particularly those dealing with the budget, efficiency research, personnel, and planning, should be greatly strengthened and developed as arms of the chief executive.
3. The merit system should be extended upward, outward, and downward to cover all non-policy-determining posts, and the civil service system should be reorganized and opportunities established for a career system attractive to the best talent of the nation.
4. The whole executive branch of the government should be overhauled and the present 100 agencies reorganized under a few large departments in which every executive activity would find its place.

5. The fiscal system should be extensively revised in the light of the best governmental and private practice, particularly with reference to financial records, audit, and accountability of the executive to the Congress.

These recommendations are explained and discussed in the following sections of this report.

The Purpose of Reorganization

In proceeding to the reorganization of the government it is important to keep prominently before us the ends of reorganization. Too close a view of machinery must not cut off from sight the true purpose of efficient management. Economy is not the only objective, though reorganization is the first step to savings; the elimination of duplication and contradictory policies is not the only objective, though this will follow; a simple and symmetrical organization is not the only objective, though the new organization will be simple and symmetrical; higher salaries and better jobs are not the only objectives, though these are necessary; better business methods and fiscal controls are not the only objectives, though these too are demanded. There is but one grand purpose, namely, to make democracy work today in our national government; that is, to make our government an up-to-date, efficient, and effective instrument for carrying out the will of the nation. It is for this purpose that the government needs thoroughly modern tools of management.

As a people we congratulate ourselves justly on our skill as managers—in the home, on the farm, in business big and little—and we properly expect that management in government shall be of the best American model. We do not always get these results, and we must modestly say “we count not ourselves to have attained,” but there is a steady purpose in America to press forward until the practices of our governmental administration are as high as the purpose and standards of our people. We know that bad management may spoil good purposes, and that without good management democracy itself cannot achieve its highest goals.

The White House Staff

In this broad program of administrative reorganization the White House itself is involved. The president needs help. His immediate staff assistance is entirely inadequate. He should be given a small number of executive assistants who would be his direct aides in dealing with the managerial agencies and administrative departments of the government. These assistants, probably not exceeding six in number, would be in addition to his present secretaries, who deal with the public, with the Congress, and with the press and the radio. These aides would have no power to make decisions or issue instructions in their own right. They would not be interposed between the president and heads of his departments. They would not be assistant presidents in any sense. Their function would be, when any matter was presented to the president for action affecting any part of the administrative work of the government, to assist him in obtaining quickly and without delay all pertinent information possessed by any of the executive departments so as to guide him in making his responsible decisions; and then when decisions have been made, to assist him in seeing to it that every administrative department and agency affected is promptly informed. Their effectiveness in assisting the president will, we think, be directly proportional to their ability to discharge their functions with restraint. They would remain in the background, issue no orders, make no decisions, emit no public statements. Men for these positions should be carefully chosen by the president from within and without the government. They should be men in whom the president has personal confidence and whose character and attitude is such that they would not attempt to exercise power on their own account. They should be possessed of high competence, great physical vigor, and a passion for anonymity. They should be installed in the White House itself, directly accessible to the president. In the selection of these aides the president should be free to call on departments from time to time for the assignment of persons who, after a tour of duty as his aides, might be restored to their old positions.

This recommendation arises from the growing complexity and magnitude of the work of the president's office. Special assistance is needed to insure that all matters coming to the attention of the president have been examined from the over-all managerial point of view, as well as from all standpoints that would bear on policy and operation. It also would facilitate the flow upward to the president of information upon which he is to base his decisions and the flow downward from the president of the decisions once taken for execution by the department or departments affected. Thus such a staff would not only aid the president but would also be of great assistance to the several executive departments and to the managerial agencies in simplifying executive contacts, clearance, and guidance.

The president should also have at his command a contingent fund to enable him to bring in from time to time particular persons possessed of particular competency for a particular purpose and whose services he might usefully employ for short periods of time.

The president in his regular office staff should be given a greater number of positions so that he will not be compelled, as he has been compelled in the past, to use for his own necessary work persons carried on the pay rolls of other departments.

If the president be thus equipped he will have but the ordinary assistance that any executive of a large establishment is afforded as a matter of course.

In addition to this assistance in his own office the president must be given direct control over and be charged with immediate responsibility for the great managerial functions of the government which affect all of

the administrative departments. . . . These functions are personnel management, fiscal and organizational management, and planning management. Within these three groups may be comprehended all of the essential elements of business management.

The development of administrative management in the federal government requires the improvement of the administration of these managerial activities, not only by the central agencies in charge, but also by the departments and bureaus. The central agencies need to be strengthened and developed as managerial arms of the chief executive, better equipped to perform their central responsibilities and to provide the necessary leadership in bringing about improved practices throughout the government.

The three managerial agencies, the Civil Service Administration, the Bureau of the Budget, and the National Resources Board, should be a part and parcel of the Executive Office. Thus the president would have reporting to him directly the three managerial institutions whose work and activities would affect all of the administrative departments.

The budgets for the managerial agencies should be submitted to the Congress by the president as a part of the budget for the Executive Office. This would distinguish these agencies from the operating administrative departments of the government, which should report to the president through the heads of departments who collectively compose his cabinet. Such an arrangement would materially aid the president in his work of supervising the administrative agencies and would enable the Congress and the people to hold him to strict accountability for their conduct.

Bureaucratic Structure and Personality

Robert K. Merton

A formal, rationally organized social structure involves clearly defined patterns of activity in which, ideally, every series of actions is functionally related to the purposes of the organization.¹ In such an organization there is integrated a series of offices, of hierarchized statuses, in which inhere a number of obligations and privileges closely defined by limited and specific rules. Each of these offices contains an area of imputed competence and responsibility. Authority, the power of control which derives from an acknowledged status, inheres in the office and not in the particular person who performs the official role. Official action ordinarily occurs within the framework of pre-existing rules of the organization. The system of prescribed relations between the various offices involves a considerable degree of formality and clearly defined social distance between the occupants of these positions. Formality is manifested by means of a more or less complicated social ritual which symbolizes and supports the "pecking order" of the various offices. Such formality, which is integrated with the distribution of authority within the system, serves to minimize friction by largely restricting (official) contact to modes which are previously defined by the rules of the organization. Ready calculability of others' behavior and a stable set of mutual expectations is thus built up. Moreover, formality facilitates the interaction of the occupants of offices despite their (possibly hostile) private attitudes toward one another. In this way, the subordinate is protected from the arbitrary action of his superior, since the actions of

both are constrained by a mutually recognized set of rules. Specific procedural devices foster objectivity and restrain the "quick passage of impulse into action."²

The ideal type of such formal organization is bureaucracy and, in many respects, the classical analysis of bureaucracy is that by Max Weber.³ As Weber indicates, bureaucracy involves a clear-cut division of integrated activities which are regarded as duties inherent in the office. A system of differentiated controls and sanctions are stated in the regulations. The assignment of roles occurs on the basis of technical qualifications which are ascertained through formalized, impersonal procedures (e.g. examinations). Within the structure of hierarchically arranged authority, the activities of "trained and salaried experts" are governed by general, abstract, clearly defined rules which preclude the necessity for the issuance of specific instructions for each specific case. The generality of the rules requires the constant use of *categorization*, whereby individual problems and cases are classified on the basis of designated criteria and are treated accordingly. The pure type of bureaucratic official is appointed, either by a superior or through the exercise of impersonal competition; he is not elected. A measure of flexibility in the bureaucracy is attained by electing higher functionaries who presumably express the will of the electorate (e.g. a body of citizens or a board of directors). The election of higher officials is designed to affect the purposes of the organization, but the technical procedures for attaining these ends are performed by a continuous bureaucratic personnel.⁴

The bulk of bureaucratic offices involve the expectation of life-long tenure, in the absence of disturbing factors which may decrease the size of the organization. Bureaucracy maximizes vocational security.⁵ The function of security of tenure, pensions, incremental salaries and regularized procedures for promotion is to ensure the devoted performance of official duties, without regard for extraneous pressures.⁶ The

Source: Social Forces, University of North Carolina Press, Vol. 18, No. 4 (May, 1940), pp. 560-568, by permission of Oxford University Press on behalf of Social Forces.

chief merit of bureaucracy is its technical efficiency, with a premium placed on precision, speed, expert control, continuity, discretion, and optimal returns on input. The structure is one which approaches the complete elimination of personalized relationships and of nonrational considerations (hostility, anxiety, affectual involvements, etc.).

Bureaucratization is accompanied by the centralization of means of production, as in modern capitalistic enterprise, or as in the case of the post-feudal army, complete separation from the means of destruction. Even the bureaucratically organized scientific laboratory is characterized by the separation of the scientist from his technical equipment.

Bureaucracy is administration which almost completely avoids public discussion of its techniques, although there may occur public discussion of its policies.⁷ This “bureaucratic secrecy” is held to be necessary in order to keep valuable information from economic competitors or from foreign and potentially hostile political groups.

In these bold outlines, the positive attainments and functions of bureaucratic organization are emphasized and the internal stresses and strains of such structures are almost wholly neglected. The community at large, however, evidently emphasizes the imperfections of bureaucracy, as is suggested by the fact that the “horrid hybrid,” bureaucrat, has become a *Schimpfwort*. The transition to a study of the negative aspects of bureaucracy is afforded by the application of Veblen’s concept of “trained incapacity,” Dewey’s notion of “occupational psychosis” or Warnott’s view of “professional deformation.” Trained incapacity refers to that state of affairs in which one’s abilities function as inadequacies or blind spots. Actions based upon training and skills which have been successfully applied in the past may result in inappropriate responses *under changed conditions*. An inadequate flexibility in the application of skills will, in a changing milieu, result in more or less serious maladjustments.⁸ Thus, to adopt a barnyard illustration used in this connection by Burke, chickens may be readily conditioned to interpret the sound of a bell as a signal for food. The same bell may now be used to summon the “trained chickens” to their doom as

they are assembled to suffer decapitation. In general, one adopts measures in keeping with his past training and, under new conditions which are not recognized as *significantly* different, the very soundness of this training may lead to the adoption of the wrong procedures. Again, in Burke’s almost echolalic phrase, “people may be unfitted by being fit in an unfit fitness”; their training may become an incapacity.

Dewey’s concept of occupational psychosis rests upon much the same observations. As a result of their day to day routines, people develop special preferences, antipathies, discriminations and emphases.⁹ (The term psychosis is used by Dewey to denote a “pronounced character of the mind.”) These psychoses develop through demands put upon the individual by the particular organization of his occupational role.

The concepts of both Veblen and Dewey refer to a fundamental ambivalence. Any action can be considered in terms of what it attains or what it fails to attain. “A way of seeing is also a way of not seeing—a focus upon object A involves a neglect of object B.”¹⁰ In his discussion, Weber is almost exclusively concerned with what the bureaucratic structure attains: precision, reliability, efficiency. This same structure may be examined from another perspective provided by the ambivalence. What are the limitations of the organization designed to attain these goals?

For reasons which we have already noted, the bureaucratic structure exerts a constant pressure upon the official to be “methodical, prudent, disciplined.” If the bureaucracy is to operate successfully, it must attain a high degree of reliability of behavior, an unusual degree of conformity with prescribed patterns of action. Hence, the fundamental importance of discipline which may be as highly developed in a religious or economic bureaucracy as in the army. Discipline can be effective only if the ideal patterns are buttressed by strong sentiments which entail devotion to one’s duties, a keen sense of the limitation of one’s authority and competence, and methodical performance of routine activities. The efficacy of social structure depends ultimately upon infusing group participants with appropriate attitudes and sentiments. As we shall see, there are definite

arrangements in the bureaucracy for inculcating and reinforcing these sentiments.

At the moment, it suffices to observe that in order to ensure discipline (the necessary reliability of response), these sentiments are often more intense than is technically necessary. There is a margin of safety, so to speak, in the pressure exerted by these sentiments upon the bureaucrat to conform to his patterned obligations, in much the same sense that added allowances (precautionary overestimations) are made by the engineer in designing the supports for a bridge. But this very emphasis leads to a transference of the sentiments from the *aims* of the organization onto the particular details of the behavior required by the rules. Adherence to the rules, originally conceived as a means, becomes transformed into an end-in-itself; there occurs the familiar process of *displacement of goals* whereby “an instrumental value becomes a terminal value.”¹¹ Discipline, readily interpreted as conformance with regulations, whatever the situation, is seen not as a measure designed for specific purposes but becomes an immediate value in the life-organization of the bureaucrat. This emphasis, resulting from the displacement of the original goals, develops into rigidities and an inability to adjust readily. Formalism, even ritualism, ensues with an unchallenged insistence upon punctilious adherence to formalized procedures.¹² This may be exaggerated to the point where primary concern with conformity to the rules interferes with the achievement of the purposes of the organization, in which case we have the familiar phenomenon of the technicism or red tape of the official. An extreme product of this process of displacement of goals is the bureaucratic virtuoso, who never forgets a single rule binding his action and hence is unable to assist many of his clients.¹³ A case in point, where strict recognition of the limits of authority and literal adherence to rules produced this result, is the pathetic plight of Bernt Balchen, Admiral Byrd’s pilot in the flight over the South Pole.

According to a ruling of the department of labor Bernt Balchen ... cannot receive his citizenship papers. Balchen, a native of Norway, declared his intention in 1927. It is held that he has failed to meet the condition of

five years’ continuous residence in the United States. The Byrd antarctic voyage took him out of the country, although he was on a ship flying the American flag, was an invaluable member of an American expedition, and in a region to which there is an American claim because of the exploration and occupation of it by Americans, this region being Little America.

The bureau of naturalization explains that it cannot proceed on the assumption that Little America is American soil. That would be *trespass on international questions* where it has no sanction. So far as the bureau is concerned, Balchen was out of the country and *technically* has not complied with the law of naturalization.¹⁴

Such inadequacies in orientation which involve trained incapacity clearly derive from structural sources. The process may be briefly recapitulated. (1) An effective bureaucracy demands reliability of response and strict devotion to regulations. (2) Such devotion to the rules leads to their transformation into absolutes; they are no longer conceived as relative to a given set of purposes. (3) This interferes with ready adaptation under special conditions not clearly envisaged by those who drew up the general rules. (4) Thus, the very elements which conduce toward efficiency in general produce inefficiency in specific instances. Full realization of the inadequacy is seldom attained by members of the group who have not divorced themselves from the “meanings” which the rules have for them. These rules in time become symbolic in cast, rather than strictly utilitarian.

Thus far, we have treated the ingrained sentiments making for rigorous discipline simply as data, as given. However, definite features of the bureaucratic structure may be seen to conduce to these sentiments. The bureaucrat’s official life is planned for him in terms of a graded career, through the organizational devices of promotion by seniority, pensions, incremental salaries, *etc.*, all of which are designed to provide incentives for disciplined action and conformity to the official regulations.¹⁵ The official is tacitly expected to and largely does adapt his thoughts, feelings, and actions to the prospect of this career. But *these very devices* which

increase the probability of conformance also lead to an over-concern with strict adherence to regulations which induces timidity, conservatism, and technicism. Displacement of sentiments from goals onto means is fostered by the tremendous symbolic significance of the means (rules).

Another feature of the bureaucratic structure tends to produce much the same result. Functionaries have the sense of a common destiny for all those who work together. They share the same interests, especially since there is relatively little competition insofar as promotion is in terms of seniority. In-group aggression is thus minimized and this arrangement is therefore conceived to be positively functional for the bureaucracy. However, the esprit de corps and informal social organization which typically develops in such situations often leads the personnel to defend their entrenched interests rather than to assist their clientele and elected higher officials. As President Lowell reports, if the bureaucrats believe that their status is not adequately recognized by an incoming elected official, detailed information will be withheld from him, leading him to errors for which he is held responsible. Or, if he seeks to dominate fully, and thus violates the sentiment of self-integrity of the bureaucrats, he may have documents brought to him in such numbers that he cannot manage to sign them all, let alone read them.¹⁶ This illustrates the defensive informal organization which tends to arise whenever there is an apparent threat to the integrity of the group.¹⁷

It would be much too facile and partly erroneous to attribute such resistance by bureaucrats simply to vested interests. Vested interests oppose any new order which either eliminates or at least makes uncertain their differential advantage deriving from the current arrangements. This is undoubtedly involved in part in bureaucratic resistance to change but another process is perhaps more significant. As we have seen, bureaucratic officials affectively identify themselves with their way of life. They have a pride of craft which leads them to resist change in established routines; at least, those changes which are felt to be imposed by persons outside the inner circle of coworkers. This nonlogical pride of craft is a familiar pattern found even, to

judge from Sutherland's *Professional Thief*, among pickpockets who, despite the risk, delight in mastering the prestige-bearing feat of "beating a left breech" (picking the left front trousers pocket).

In a stimulating paper, Hughes has applied the concepts of "secular" and "sacred" to various types of division of labor; "the sacredness" of caste and *Stände* prerogatives contrasts sharply with the increasing secularism of occupational differentiation in our mobile society.¹⁸ However, as our discussion suggests, there may ensue, in particular vocations and in particular types of organization, the *process of sanctification* (viewed as the counterpart of the process of secularization). This is to say that through sentiment-formation, emotional dependence upon bureaucratic symbols and status, and affective involvement in spheres of competence and authority, there develop prerogatives involving attitudes of moral legitimacy which are established as values in their own right, and are no longer viewed as merely technical means for expediting administration. One may note a tendency for certain bureaucratic norms, originally introduced for technical reasons, to become rigidified and sacred, although, as Durkheim would say, they are *laique en apparence*.¹⁹ Durkheim has touched on this general process in his description of the attitudes and values which persist in the organic solidarity of a highly differentiated society.

Another feature of the bureaucratic structure, the stress on depersonalization of relationships, also plays its part in the bureaucrat's trained incapacity. The personality pattern of the bureaucrat is nucleated about this norm of impersonality. Both this and the categorizing tendency, which develops from the dominant role of general, abstract rules, tend to produce conflict in the bureaucrat's contacts with the public or clientele. Since functionaries minimize personal relations and resort to categorization, the peculiarities of individual cases are often ignored. But the client who, quite understandably, is convinced of the "special features" of *his* own problem often objects to such categorical treatment. Stereotyped behavior is not adapted to the exigencies of individual problems. The impersonal treatment of affairs which are at times of great personal significance to the

client gives rise to the charge of “arrogance” and “haughtiness” of the bureaucrat. Thus, at the Greenwich Employment Exchange, the unemployed worker who is securing his insurance payment resents what he deems to be “the impersonality and, at times, the apparent abruptness and even harshness of his treatment by the clerks. . . . Some men complain of the superior attitude which the clerks have.”²⁰

Still another source of conflict with the public derives from the bureaucratic structure. The bureaucrat, in part irrespective of his position within the hierarchy, acts as a representative of the power and prestige of the entire structure. In his official role he is vested with definite authority. This often leads to an actual or apparent domineering attitude, which may only be exaggerated by a discrepancy between his position within the hierarchy and his position with reference to the public.²¹ Protest and recourse to other officials on the part of the client are often ineffective or largely precluded by the previously mentioned esprit de corps which joins the officials into a more or less solidary in-group. This source of conflict *may* be minimized in private enterprise since the client can register an effective protest by transferring his trade to another organization within the competitive system. But with the monopolistic nature of the public organization, no such alternative is possible. Moreover, in this case, tension is increased because of a discrepancy between ideology and fact: the governmental personnel are held to be “servants of the people,” but in fact they are usually superordinate, and release of tension can seldom be afforded by turning to other agencies for the necessary service.²² This tension is in part attributable to the confusion of status of bureaucrat and client; the client may consider himself socially superior to the official who is at the moment dominant.²³

Thus, with respect to the relations between officials and clientele, one structural source of conflict is the pressure for formal and impersonal treatment when individual, personalized consideration is desired by the client. The conflict may be viewed, then, as deriving from the introduction of inappropriate attitudes and relationships. Conflict within the bureaucratic structure arises from the converse situation,

namely, when personalized relationships are substituted for the structurally required impersonal relationships. This type of conflict may be characterized as follows.

The bureaucracy, as we have seen, is organized as a secondary, formal group. The normal responses involved in this organized network of social expectations are supported by affective attitudes of members of the group. Since the group is oriented toward secondary norms of impersonality, any failure to conform to these norms will arouse antagonism from those who have identified themselves with the legitimacy of these rules. Hence, the substitution of personal for impersonal treatment within the structure is met with widespread disapproval and is characterized by such epithets as graft, favoritism, nepotism, apple-polishing, etc. These epithets are clearly manifestations of injured sentiments.²⁴ The function of such “automatic resentment” can be clearly seen in terms of the requirements of bureaucratic structure.

Bureaucracy is a secondary group mechanism designed to carry on certain activities which cannot be satisfactorily performed on the basis of primary group criteria.²⁵ Hence behavior which runs counter to these formalized norms becomes the object of emotionalized disapproval. This constitutes a functionally significant defence set up against tendencies which jeopardize the performance of socially necessary activities. To be sure, these reactions are not rationally determined practices explicitly designed for the fulfilment of this function. Rather, viewed in terms of the individual’s interpretation of the situation, such resentment is simply an immediate response opposing the “dishonesty” of those who violate the rules of the game. However, this subjective frame of reference notwithstanding, these reactions serve the function of maintaining the essential structural elements of bureaucracy by reaffirming the necessity for formalized, secondary relations and by helping to prevent the disintegration of the bureaucratic structure which would occur should these be supplanted by personalized relations. This type of conflict may be generically described as the intrusion of primary group attitudes when secondary group attitudes are institutionally

demanding, just as the bureaucrat-client conflict often derives from interaction on impersonal terms when personal treatment is individually demanded.²⁶

The trend toward increasing bureaucratization in Western society, which Weber had long since foreseen, is not the sole reason for sociologists to turn their attention to this field. Empirical studies of the interaction of bureaucracy and personality should especially increase our understanding of social structure. A large number of specific questions invite our attention. To what extent are particular personality types selected and modified by the various bureaucracies (private enterprise, public service, the quasi-legal political machine, religious orders)? Inasmuch as ascendancy and submission are held to be traits of personality, despite their variability in different stimulus-situations, do bureaucracies select personalities of particularly submissive or ascendant tendencies? And since various studies have shown that these traits can be modified, does participation in bureaucratic office tend to increase ascendant tendencies? Do various systems of recruitment (e.g. patronage, open competition involving specialized knowledge or “general mental capacity,” practical experience) select different personality types? Does promotion through seniority lessen competitive anxieties and enhance administrative efficiency? A detailed examination of mechanisms for imbuing the bureaucratic codes with affect would be instructive both sociologically and psychologically. Does the general anonymity of civil service decisions tend to restrict the area of prestige-symbols to a narrowly defined inner circle? Is there a tendency for differential association to be especially marked among bureaucrats?

The range of theoretically significant and practically important questions would seem to be limited only by the accessibility of the concrete data. Studies of religious, educational, military, economic, and political bureaucracies dealing with the interdependence of social organization and personality formation should constitute an avenue for fruitful research. On that avenue, the functional analysis of concrete structures may yet build a Solomon’s House for sociologists.

NOTES

1. For a development of the concept of “rational organization,” see Karl Mannheim, *Mensch und Gesellschaft im Zeitalter des Umbaus* (Leiden: A. W. Sijthoff, 1935), esp. pp. 28 ff.
2. H. D. Lasswell, *Politics* (New York: McGraw-Hill, 1936), pp. 120–21.
3. Max Weber, *Wirtschaft und Gesellschaft* (Tübingen: J. C. B. Mohr, 1922), Pt. III, chap. 6, pp. 650–678. For a brief summary of Weber’s discussion, see Talcott Parsons, *The Structure of Social Action* (New York: McGraw-Hill, 1937), esp. pp. 506 ff. For a description, which is not a caricature, of the bureaucrat as a personality type, see C. Rabany, “Les types sociaux: le fonctionnaire,” *Revue générale d’administration*, LXXXVIII (1907), 5–28.
4. Karl Mannheim, *Ideology and Utopia* (New York: Harcourt, Brace, 1936), pp. 18n., 105 ff. See also Ramsay Muir, *Peers and Bureaucrats* (London: Constable, 1910), pp. 12–13.
5. E. G. Cahen-Salvador suggests that the personnel of bureaucracies is largely constituted of those who value security above all else. See his “La situation matérielle et morale des fonctionnaires,” *Revue politique et parlementaire* (1926), p. 319.
6. H. J. Laski, “Bureaucracy,” *Encyclopedia of the Social Sciences*. This article is written primarily from the standpoint of the political scientist rather than that of the sociologist.
7. Weber, *op. cit.*, p. 671.
8. For a stimulating discussion and application of these concepts, see Kenneth Burke, *Permanence and Change* (New York: New Republic, 1935), pp. 50 ff.; Daniel Warnotte, “Bureaucratic et Fonctionnarisme,” *Revue de l’Institut de Sociologie*, XVII (1937), 245.
9. *Ibid.*, pp. 58–59.
10. *Ibid.*, p. 70.
11. This process has often been observed in various connections. Wundt’s *heterogony of ends* is a case in point; Max Weber’s *Paradoxie der Folgen* is another. See also MacIver’s observations on the transformation of civilization into culture and Lasswell’s remark that “the

- human animal distinguishes himself by his infinite capacity for making ends of his means." See R. K. Merton, "The Unanticipated Consequences of Purposive Social Action," *American Sociological Review*, I (1936), 894–904. In terms of the psychological mechanisms involved, this process has been analyzed most fully by Gordon W. Allport, in his discussion of what he calls "the functional autonomy of motives." Allport amends the earlier formulations of Woodworth, Tolman, and William Stern, and arrives at a statement of the process from the standpoint of individual motivation. He does not consider those phases of the social structure which conduce toward the "transformation of motives." The formulation adopted in this paper is thus complementary to Allport's analysis; the one stressing the psychological mechanisms involved, the other considering the constraints of the social structure. The convergence of psychology and sociology toward this central concept suggests that it may well constitute one of the conceptual bridges between the two disciplines. See Gordon W. Allport, *Personality* (New York: Henry Holt & Co., 1937), chap. 7.
12. See E. C. Hughes, "Institutional Office and the Person," *American Journal of Sociology*, XLIII (1937), 404–413; R. K. Merton, "Social Structure and Anomie," *American Sociological Review*, III (1938), 672–682; E. T. Hiller, "Social Structure in Relation to the Person," *Social Forces*, XVI (1937), 34–44.
 13. Mannheim, *Ideology and Utopia*, p. 106.
 14. Quoted from the *Chicago Tribune* (June 24, 1931, p. 10) by Thurman Arnold, *The Symbols of Government* (New Haven, Conn.: Yale University Press, 1935), pp. 201–2. (My italics.)
 15. Mannheim, *Mensch und Gesellschaft*, pp. 32–33. Mannheim stresses the importance of the "Lebens-plan" and the "Amtskarriere." See the comments by Hughes, *op. cit.*, 413.
 16. A. L. Lowell, *The Government of England* (New York, 1908), I, 189 ff.
 17. For an instructive description of the development of such a defensive organization in a group of workers, see F. J. Roethlisberger and W. J. Dickson, *Management and the Worker* (Boston: Harvard School of Business Administration, 1934).
 18. E. C. Hughes, "Personality Types and the Division of Labor," *American Journal of Sociology*, XXXIII (1928), 754–768. Much the same distinction is drawn by Leopold von Wiese and Howard Becker, *Systematic Sociology* (New York: John Wiley & Sons, Inc., 1932), pp. 222–25 *et passim*.
 19. Hughes recognizes one phase of this process of sanctification when he writes that professional training "carries with it as a by-product assimilation of the candidate to a set of professional attitudes and controls, a professional conscience and solidarity. The profession claims and aims to become a moral unit." Hughes, *op. cit.*, p. 762, (italics inserted). In this same connection, Sumner's concept of *pathos*, as the halo of sentiment which protects a social value from criticism, is particularly relevant, inasmuch as it affords a clue to the mechanisms involved in the process of sanctification. See his *Folkways* (Boston: Ginn & Co., 1906), pp. 180–181.
 20. "They treat you like a lump of dirt they do. I see a navy reach across the counter and shake one of them by the collar the other day. The rest of us felt like cheering. Of course he lost his benefit over it. . . . But the clerk deserved it for his sassy way." (E. W. Bakke, *The Unemployed Man*, New York: Dutton, 1934, pp. 79–80). Note that the domineering attitude was *imputed* by the unemployed client who is in a state of tension due to his loss of status and self-esteem in a society where the ideology is still current that an "able man" can always find a job. That the imputation of arrogance stems largely from the client's state of mind is seen from Bakke's own observation that "the clerks were rushed, and had no time for pleasantries, but there was little sign of harshness or a superiority feeling in their treatment of the men." Insofar as there is an objective basis for the imputation of arrogant behavior to bureaucrats, it may possibly be explained by the following juxtaposed statements. "Auch der moderne, sei es öffentliche, sei es private, Beamte erstrebt immer und

genießt meist den Beherrschten gegenüber eine spezifisch gehobene, 'ständische' soziale Schätzung." (Weber, *op. cit.*, 652.) "In persons in whom the craving for prestige is upper-most, hostility usually takes the form of a desire to humiliate others." (K. Horney, *The Neurotic Personality of Our Time*, New York: Norton, 1937, pp. 178–79.)

21. In this connection, note the relevance of Koffka's comments on certain features of the pecking-order of birds. "If one compares the behavior of the bird at the top of the pecking list, the depot, with that of one very far down, the second or third from the last, then one finds the latter much more cruel to the few others over whom he lords it than the former in his treatment of all members. As soon as one removes from the group all members above the penultimate, his behavior becomes milder and may even become very friendly. . . . It is not difficult to find analogies to this in human societies, and therefore one side of such behavior must be primarily the effects of the social groupings, and not of individual characteristics." K. Koffka, *Principles of Gestalt Psychology* (New York: Harcourt, Brace, 1935), pp. 668–9.
22. At this point the political machine often becomes functionally significant. As Steffens and others have shown, highly personalized relations and the abrogation of formal rules (red tape) by the machine often satisfy the needs of individual "clients" more fully than the formalized mechanism of governmental bureaucracy.
23. As one of the unemployed men remarked about the clerks at the Greenwich

Employment Exchange: "And the bloody blokes wouldn't have their jobs if it wasn't for us men out of a job either. That's what gets me about their holding their noses up.'" Bakke, *op. cit.*, p. 80.

24. The diagnostic significance of such linguistic indices as epithets has scarcely been explored by the sociologist. Sumner properly observes that epithets produce "summary criticisms" and definitions of social situations. Dollard also notes that "epithets frequently define the central issues in a society," and Sapir has rightly emphasized the importance of context of situations in appraising the significance of epithets. Of equal relevance is Linton's observation that "in case histories the way in which the community felt about a particular episode is, if anything, more important to our study than the actual behavior. . . ." A sociological study of "vocabularies of encomium and opprobrium" should lead to valuable findings.
25. Cf. Ellsworth Faris, *The Nature of Human Nature* (New York: McGraw-Hill, 1937), pp. 41 ff.
26. Community disapproval of many forms of behavior may be analyzed in terms of one or the other of these patterns of substitution of culturally inappropriate types of relationship. Thus, prostitution constitutes a type-case where coitus, a form of intimacy which is institutionally defined as symbolic of the most "sacred" primary group relationship, is placed within a contractual context, symbolized by the exchange of that most impersonal of all symbols, money. See Kingsley Davis, "The Sociology of Prostitution," *American Sociological Review*, II (1937), 744–55.

A Theory of Human Motivation

A. H. Maslow

I. Introduction

In a previous paper¹ various propositions were presented which would have to be included in any theory of human motivation that could lay claim to being definitive. These conclusions may be briefly summarized as follows:

1. The integrated wholeness of the organism must be one of the foundation stones of motivation theory.
2. The hunger drive (or any other physiological drive) was rejected as a centering point or model for a definitive theory of motivation. Any drive that is somatically based and localizable was shown to be atypical rather than typical in human motivation.
3. Such a theory should stress and center itself upon ultimate or basic goals rather than partial or superficial ones, upon ends rather than means to these ends. Such a stress would imply a more central place for unconscious than for conscious motivations.
4. There are usually available various cultural paths to the same goal. Therefore conscious, specific, local-cultural desires are not as fundamental in motivation theory as the more basic, unconscious goals.
5. Any motivated behavior, either preparatory or consummatory, must be understood to be a channel through which many basic needs may be simultaneously expressed or satisfied. Typically an act has *more* than one motivation.
6. Practically all organismic states are to be understood as motivated and as motivating.
7. Human needs arrange themselves in hierarchies of prepotency. That is to say, the appearance of one need usually rests on the prior satisfaction of another, more prepotent need. Man is a perpetually wanting animal. Also no need or drive can be treated as if it were isolated or discrete; every drive is related to the state of satisfaction or dissatisfaction of other drives.
8. Lists of drives will get us nowhere for various theoretical and practical reasons. Furthermore any classification of motivations must deal with the problem of levels of specificity or generalization of the motives to be classified.
9. Classifications of motivations must be based upon goals rather than upon instigating drives or motivated behavior.
10. Motivation theory should be human-centered rather than animal-centered.
11. The situation or the field in which the organism reacts must be taken into account, but the field alone can rarely serve as an exclusive explanation for behavior. Furthermore the field itself must be interpreted in terms of the organism. Field theory cannot be a substitute for motivation theory.
12. Not only the integration of the organism must be taken into account, but also the possibility of isolated, specific, partial or segmental reactions.
13. Motivations theory is not synonymous with behavior theory. The motivations are only one class of determinants of behavior. While behavior is almost always motivated, it is also almost always biologically, culturally, and situationally determined as well.

The present paper is an attempt to formulate a positive theory of motivation which will satisfy these theoretical demands and at the same time conform to the known facts, clinical and observational as well as experimental. It derives

Source: *Psychological Review* 50 (July 1943): 370–396.

most directly, however, from clinical experience. This theory is, I think, in the functionalist tradition of James and Dewey, and is fused with the holism of Wertheimer,² Goldstein,³ and Gestalt Psychology and with the dynamicism of Freud⁴ and Adler.⁵ This fusion or synthesis may arbitrarily be called a “general-dynamic” theory.

It is far easier to perceive and to criticize the aspects in motivation theory than to remedy them. Mostly this is because of the very serious lack of sound data in this area. I conceive this lack of sound facts to be due primarily to the absence of a valid theory of motivation. The present theory then must be considered to be a suggested program or framework for future research and must stand or fall, not so much on facts available or evidence presented, as upon researches yet to be done, researches suggested perhaps, by the questions raised in this paper.

II. The Basic Needs

The “Physiological” Needs The needs that are usually taken as the starting point for motivation theory are the so-called physiological drives. Two recent lines of research make it necessary to revise our customary notions about these needs: first, the development of the concept of homeostasis, and second, the finding that appetites (preferential choices among foods) are a fairly efficient indication of actual needs or lacks in the body.

Homeostasis refers to the body’s automatic efforts to maintain a constant, normal state of the blood stream. Cannon⁶ has described this process for (1) the water content of the blood, (2) salt content, (3) sugar content, (4) protein content, (5) fat content, (6) calcium content, (7) oxygen content, (8) constant hydrogen-ion level (acid-base balance), and (9) constant temperature of the blood. Obviously this list can be extended to include other minerals, the hormones, vitamins, etc.

Young in a recent article⁷ has summarized the work on appetite in its relation to body needs. If the body lacks some chemical, the individual will tend to develop a specific appetite or partial hunger for that food element.

Thus it seems impossible as well as useless to make any list of fundamental physiological needs for they can come to almost any number

one might wish, depending on the degree of specificity of description. We can not identify all physiological needs as homeostatic. That sexual desire, sleepiness, sheer activity and maternal behavior in animals, are homeostatic, has not yet been demonstrated. Furthermore, this list would not include the various sensory pleasures (tastes, smells, tickling, stroking) which are probably physiological and which may become the goals of motivated behavior.

In a previous paper⁸ it has been pointed out that these physiological drives or needs are to be considered unusual rather than typical because they are isolable, and because they are localizable somatically. That is to say, they are relatively independent of each other, of other motivations and of the organism as a whole, and secondly, in many cases, it is possible to demonstrate a localized, underlying somatic base for the drive. This is true less generally than has been thought (exceptions are fatigue, sleepiness, maternal responses) but it is still true in the classic instances of hunger, sex, and thirst.

It should be pointed out again that any of the physiological needs and the consummatory behavior involved with them serve as channels for all sorts of other needs as well. That is to say, the person who thinks he is hungry may actually be seeking more for comfort, or dependence, than for vitamins or proteins. Conversely, it is possible to satisfy the hunger need in part by other activities such as drinking water or smoking cigarettes. In other words, relatively isolable as these physiological needs are, they are not completely so.

Undoubtedly these physiological needs are the most prepotent of all needs. What this means specifically is, that in the human being who is missing everything in life in an extreme fashion, it is most likely that the major motivation would be the physiological needs rather than any others. A person who is lacking food, safety, love, and esteem would most probably hunger for food more strongly than for anything else.

If all the needs are unsatisfied, and the organism is then dominated by the physiological needs, all other needs may become simply nonexistent or be pushed into the background. It is then fair to characterize the whole organism by saying simply that it is hungry, for consciousness is almost

completely preempted by hunger. All capacities are put into the service of hunger-satisfaction, and the organization of these capacities is almost entirely determined by the one purpose of satisfying hunger. The receptors and effectors, the intelligence, memory, habits, all may now be defined simply as hunger-gratifying tools. Capacities that are not useful for this purpose lie dormant, or are pushed into the background. The urge to write poetry, the desire to acquire an automobile, the interest in American history, the desire for a new pair of shoes are, in the extreme case, forgotten or become of secondary importance. For the man who is extremely and dangerously hungry, no other interests exist but food. He dreams food, he remembers food, he thinks about food, he emotes only about food, he perceives only food and he wants only food. The more subtle determinants that ordinarily fuse with the physiological drives in organizing even feeding, drinking or sexual behavior, may now be so completely overwhelmed as to allow us to speak at this time (but *only* at this time) of pure hunger drive and behavior, with the one unqualified aim of relief.

Another peculiar characteristic of the human organism when it is dominated by a certain need is that the whole philosophy of the future tends also to change. For our chronically and extremely hungry man, Utopia can be defined very simply as a place where there is plenty of food. He tends to think that, if only he is guaranteed food for the rest of his life, he will be perfectly happy and will never want anything more. Life itself tends to be defined in terms of eating. Anything else will be defined as unimportant. Freedom, love, community feeling, respect, philosophy, may all be waved aside as fripperies which are useless since they fail to fill the stomach. Such a man may fairly be said to live by bread alone.

It cannot possibly be denied that such things are true, but their *generality* can be denied. Emergency conditions are, almost by definition, rare in the normally functioning peaceful society. That this truism can be forgotten is due mainly to two reasons. First, rats have few motivations other than physiological ones, and since so much of the research upon motivation has been made with these animals, it is easy to carry the rat-picture over to the human being. Secondly, it is too often not realized that culture

itself is an adaptive tool, one of whose main functions is to make the physiological emergencies come less and less often. In most of the known societies, chronic extreme hunger of the emergency type is rare, rather than common. In any case, this is still true in the United States. The average American citizen is experiencing appetite rather than hunger when he says "I am hungry." He is apt to experience sheer life-and-death hunger only by accident and then only a few times through his entire life.

Obviously a good way to obscure the "higher" motivations, and to get a lopsided view of human capacities and human nature, is to make the organism extremely and chronically hungry or thirsty. Anyone who attempts to make an emergency picture into a typical one, and who will measure all of man's goals and desires by his behavior during extreme physiological deprivation is certainly being blind to many things. It is quite true that man lives by bread alone—when there is no bread. But what happens to man's desires when there *is* plenty of bread and when his belly is chronically filled?

At once other (and "higher") needs emerge and these, rather than physiological hungers, dominate the organism. And when these in turn are satisfied, again new (and still "higher") needs emerge and so on. This is what we mean by saying that the basic human needs are organized into a hierarchy of relative prepotency.

One main implication of this phrasing is that gratification becomes as important a concept as deprivation in motivation theory, for it releases the organism from the domination of a relatively more physiological need, permitting thereby the emergence of other more social goals. The physiological needs, along with their partial goals, when chronically gratified cease to exist as active determinants or organizers of behavior. They now exist only in a potential fashion in the sense that they may emerge again to dominate the organism if they are thwarted. But a want that is satisfied is no longer a want. The organism is dominated and its behavior organized only by unsatisfied needs. If hunger is satisfied, it becomes unimportant in the current dynamics of the individual.

This statement is somewhat qualified by a hypothesis to be discussed more fully later, namely that it is precisely those individuals in

whom a certain need has always been satisfied who are best equipped to tolerate deprivation of that need in the future, and that furthermore, those who have been deprived in the past will react differently to current satisfactions than the one who has never been deprived.

The Safety Needs If the physiological needs are relatively well gratified, there then emerges a new set of needs, which we may categorize roughly as the safety needs. All that has been said of the physiological needs is equally true, although in lesser degree, of these desires. The organism may equally well be wholly dominated by them. They may serve as the almost exclusive organizers of behavior, recruiting all the capacities of the organism in their service, and we may then fairly describe the whole organism as a safety seeking mechanism. Again we may say of the receptors, the effectors, of the intellect and the other capacities that they are primarily safety-seeking tools. Again, as in the hungry man, we find that the dominating goal is a strong determinant not only of his current world-outlook and philosophy but also of his philosophy of the future. Practically everything looks less important than safety (even sometimes the physiological needs which being satisfied, are now underestimated). A man, in this state, if it is extreme enough and chronic enough, may be characterized as living almost for safety alone.

Although in this paper we are interested primarily in the needs of the adult, we can approach an understanding of his safety needs perhaps more efficiently by observation of infants and children, in whom these needs are much more simple and obvious. One reason for the clearer appearance of the threat or danger reaction in infants is that they do not inhibit this reaction at all, whereas adults in our society have been taught to inhibit it at all costs. Thus even when adults do feel their safety to be threatened, we may not be able to see this on the surface. Infants will react in a total fashion and as if they were endangered, if they are disturbed or dropped suddenly, startled by loud noises, flashing light, or other unusual sensory stimulation, by rough handling, by general loss of support in the mother's arms, or by inadequate support.⁹

In infants we can also see a much more direct reaction to bodily illnesses of various kinds. Sometimes these illnesses seem to be immediately and *per se* threatening and seem to make the child feel unsafe. For instance, vomiting, colic or other sharp pains seem to make the child look at the whole world in a different way. At such a moment of pain, it may be postulated that, for the child, the appearance of the whole world suddenly changes from sunniness to darkness, so to speak, and becomes a place in which anything at all might happen, in which previously stable things have suddenly become unstable. Thus a child who because of some bad food is taken ill may, for a day or two, develop fear, nightmares, and a need for protection and reassurance never seen in him before his illness.

Another indication of the child's need for safety is his preference for some kind of undisturbed routine or rhythm. He seems to want a predictable, orderly world. For instance, injustice, unfairness, or inconsistency in the parents seems to make a child feel anxious and unsafe. This attitude may be not so much because of the injustice *per se* or any particular pains involved, but rather because this treatment threatens to make the world look unreliable, or unsafe, or unpredictable. Young children seem to thrive better under a system which has at least a skeletal outline of rigidity, in which there is a schedule of a kind, some sort of routine, something that can be counted upon, not only for the present but also far into the future. Perhaps one could express this more accurately by saying that the child needs an organized world rather than an unorganized or unstructured one.

The central role of the parents and the normal family setup are indisputable. Quarreling, physical assault, separation, divorce or death within the family may be particularly terrifying. Also parental outbursts or rage or threats of punishment directed to the child, calling him names, speaking to him harshly, shaking him, handling him roughly, or actual physical punishment sometimes elicit such total panic and terror in the child that we must assume more is involved than the physical pain alone. While it is true that in some children this terror may represent also a fear of loss of parental love, it can also occur in completely rejected children,

who seem to cling to the hating parents more for sheer safety and protection than because of hope of love.

Confronting the average child with new, unfamiliar, strange, unmanageable stimuli or situations will too frequently elicit the danger or terror reaction, as for example, getting lost or even being separated from the parents for a short time, being confronted with new faces, new situations or new tasks, the sight of strange, unfamiliar or uncontrollable objects, illness or death. Particularly at such times, the child's frantic clinging to his parents is eloquent testimony to their role as protectors (quite apart from their roles as food-givers and love-givers).

From these and similar observations, we may generalize and say that the average child in our society generally prefers a safe, orderly, predictable, organized world, which he can count on, and in which unexpected, unmanageable or other dangerous things do not happen, and in which, in any case, he has all-powerful parents who protect and shield him from harm.

That these reactions may so easily be observed in children is in a way a proof of the fact that children in our society feel too unsafe (or, in a word, are badly brought up). Children who are reared in an unthreatening, loving family do *not* ordinarily react as we have described above.¹⁰ In such children the danger reactions are apt to come mostly to objects or situations that adults too would consider dangerous.¹¹

The healthy, normal, fortunate adult in our culture is largely satisfied in his safety needs. The peaceful, smoothly running "good" society ordinarily makes its members feel safe enough from wild animals, extremes of temperature, criminals, assault and murder, tyranny, etc. Therefore, in a very real sense, he no longer has any safety needs as active motivators. Just as a sated man no longer feels hungry, a safe man no longer feels endangered. If we wish to see these needs directly and clearly we must turn to neurotic or near-neurotic individuals, and to the economic and social underdogs. In between these extremes, we can perceive the expressions of safety needs only in such phenomena as, for instance, the common preference for a job with tenure and protection, the desire for a savings account, and for insurance of various kinds (medical, dental, unemployment, disability, old age).

Other broader aspects of the attempt to seek safety and stability in the world are seen in the very common preference for familiar rather than unfamiliar things, or for the known rather than the unknown. The tendency to have some religion or world-philosophy that organizes the universe and the men in it into some sort of satisfactorily coherent, meaningful whole is also in part motivated by safety-seeking. Here too we may list science and philosophy in general as partially motivated by the safety needs (we shall see later that there are also other motivations to scientific, philosophical or religious endeavor).

Otherwise the need for safety is seen as an active and dominant mobilizer of the organism's resources only in emergencies, *e.g.*, war, disease, natural catastrophes, crime waves, societal disorganization, neurosis, brain injury, chronically bad situation.

Some neurotic adults in our society are, in many ways, like the unsafe child in their desire for safety, although in the former it takes on a somewhat special appearance. Their reaction is often to unknown, psychological dangers in a world that is perceived to be hostile, overwhelming and threatening. Such a person behaves as if a great catastrophe were almost always impending, *i.e.*, he is usually responding as if to an emergency. His safety needs often find specific expression in search for a protector, or a stronger person on whom he may depend, or perhaps, a Fuehrer.

The neurotic individual may be described in a slightly different way with some usefulness as a grown-up person who retains his childish attitudes toward the world. That is to say, a neurotic adult may be said to behave "as if" he were actually afraid of a spanking, or of his mother's disapproval, or of being abandoned by his parents, or having his food taken away from him. It is as if his childish attitudes of fear and threat reaction to a dangerous world had gone underground, and untouched by the growing up and learning processes, were now ready to be called out by any stimulus that would make a child feel endangered and threatened.¹²

The neurosis in which the search for safety takes its clearest form is in the compulsive-obsessive neurosis. Compulsive obsessives try frantically to order and stabilize the world so that no unmanageable, unexpected or

unfamiliar dangers will ever appear.¹³ They hedge themselves about with all sorts of ceremonials, rules and formulas so that every possible contingency may be provided for and so that no new contingencies may appear. They are much like the brain-injured cases, described by Goldstein,¹⁴ who manage to maintain their equilibrium by avoiding everything unfamiliar and strange and by ordering their restricted world in such a neat, disciplined, orderly fashion that everything in the world can be counted upon. They try to arrange the world so that anything unexpected (dangers) cannot possibly occur. If, through no fault of their own, something unexpected does occur, they go into a panic reaction as if this unexpected occurrence constituted a grave danger. What we can see only as a none-too-strong preference in the healthy person, *e.g.*, preference for the familiar, becomes a life-and-death necessity in abnormal cases.

The Love Needs If both the physiological and the safety needs are fairly well gratified, then there will emerge the love and affection and belongingness needs, and the whole cycle already described will repeat itself with this new center. Now the person will feel keenly, as never before, the absence of friends, or a sweetheart, or a wife, or children. He will hunger for affectionate relations with people in general, namely, for a place in his group, and he will strive with great intensity to achieve this goal. He will want to attain such a place more than anything else in the world and may even forget that once, when he was hungry, he sneered at love.

In our society the thwarting of these needs is the most commonly found core in cases of maladjustment and more severe psychopathology. Love and affection, as well as their possible expression in sexuality, are generally looked upon with ambivalence and are customarily hedged about with many restrictions and inhibitions. Practically all theorists of psychopathology have stressed thwarting of the love needs as basic in the picture of maladjustment. Many clinical studies have therefore been made of this need and we know more about it perhaps than any of the other needs except the physiological ones.¹⁵

One thing that must be stressed at this point is that love is not synonymous with sex. Sex may be studied as a purely physiological need. Ordinarily sexual behavior is multidetermined, that is to say, determined not only by sexual but also by other needs, chief among which are the love and affection needs. Also not to be overlooked is the fact that the love needs involve both giving *and* receiving love.¹⁶

The Esteem Needs All people in our society (with a few pathological exceptions) have a need or desire for a stable, firmly based (usually) high evaluation of themselves, for self-respect, or self-esteem, and for the esteem of others. By firmly based self-esteem, we mean that which is soundly based upon real capacity, achievement and respect from others. These needs may be classified into two subsidiary sets. These are, first, the desire for strength, for achievement, for adequacy, for confidence in the face of the world, and for independence and freedom.¹⁷ Secondly, we have what we may call the desire for reputation or prestige (defining it as respect or esteem from other people), recognition, attention, importance or appreciation.¹⁸ These needs have been relatively stressed by Alfred Adler and his followers, and have been relatively neglected by Freud and the psychoanalysts. More and more today however there is appearing widespread appreciation of their central importance.

Satisfaction of the self-esteem need leads to feelings of self-confidence, worth, strength, capability and adequacy of being useful and necessary in the world. But thwarting of these needs produces feelings of inferiority, of weakness and of helplessness. These feelings in turn give rise to either basic discouragement or else compensatory or neurotic trends. An appreciation of the necessity of basic self-confidence and an understanding of how helpless people are without it, can be easily gained from a study of severe traumatic neurosis.¹⁹

The Need for Self-Actualization Even if all these needs are satisfied, we may still often (if not always) expect that a new discontent and restlessness will soon develop, unless the individual is doing what he is fitted for. A musician must make music, an artist must paint, a poet must write, if he is to be ultimately happy.

What a man *can* be, he *must* be. This need we may call self-actualization.

This term, first coined by Kurt Goldstein, is being used in this paper in a much more specific and limited fashion. It refers to the desire for self-fulfillment, namely, to the tendency for him to become actualized in what he is potentially. This tendency might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming.

The specific form that these needs will take will of course vary greatly from person to person. In one individual it may take the form of the desire to be an ideal mother, in another it may be expressed athletically, and in still another it may be expressed in painting pictures or in inventions. It is not necessarily a creative urge although in people who have any capacities for creation it will take this form.

The clear emergence of these needs rests upon prior satisfaction of the physiological, safety, love and esteem needs. We shall call people who are satisfied in these needs, basically satisfied people, and it is from these that we may expect the fullest (and healthiest) creativeness.²⁰ Since, in our society, basically satisfied people are the exception, we do not know much about self-actualization, either experimentally or clinically. It remains a challenging problem for research. . . .

NOTES

1. A. H. Maslow, "A Preface to Motivation Theory," *Psychosomatic Med.* 5 (1943): 85–92.
2. M. Wertheimer, unpublished lectures at the New School for Social Research.
3. K. Goldstein, *The Organism* (New York: American Book Co., 1939).
4. S. Freud, *New Introductory Lectures on Psychoanalysis* (New York: Norton, 1933).
5. A. Adler, *Social Interest* (London: Faber and Faber, 1938).
6. W. B. Cannon, *Wisdom of the Body* (New York: Norton, 1932).
7. P. T. Young, "The Experimental Analysis of Appetite," *Psychol. Bull.* 38 (1941): 129–164.
8. Maslow, op. cit.
9. As the child grows up, sheer knowledge and familiarity as well as better motor development make these "dangers" less and less dangerous and more and more manageable. Throughout life it may be said that one of the main conative functions of education is this neutralizing of apparent dangers through knowledge, e.g., I am not afraid of thunder because I know something about it.
10. M. Shirley, "Children's Adjustments to a Strange Situation," *J. Abnorm. (Soc.) Psychol.* 37 (1942): 201–217.
11. A "test battery" for safety might be confronting the child with a small exploding firecracker, or with a bewhiskered face, having the mother leave the room, putting him upon a high ladder, a hypodermic injection, having a mouse crawl up to him, etc. Of course I cannot seriously recommend the deliberate use of such "tests" for they might very well harm the child being tested. But these and similar situations come up by the score in the child's ordinary day-to-day living and may be observed. There is no reason why these stimuli should not be used with, for example, young chimpanzees.
12. Not all neurotic individuals feel unsafe. Neurosis may have at its core a thwarting of the affection and esteem needs in a person who is generally safe.
13. A. H. Maslow and B. Mittelmann, *Principles of Abnormal Psychology* (New York: Harper and Row, 1941).
14. Goldstein, op. cit.
15. Maslow and Mittelmann, op. cit.
16. For further details, see A. H. Maslow, "The Dynamics of Psychological Security-Insecurity," *Character and Pers.* 10 (1942): 331–344; and J. Plant, *Personality and the Cultural Pattern* (New York: Commonwealth Fund, 1937), chap. 5.
17. Whether or not this particular desire is universal we do not know. The crucial question, especially important today, is "Will men who are enslaved and dominated inevitably feel dissatisfied and rebellious?" We may assume on the basis of commonly known clinical

data that a man who has known true freedom (not paid for by giving up safety and security but rather built on the basis of adequate safety and security) will not willingly or easily allow his freedom to be taken away from him. But we do not know that this is true for the person born into slavery. The events of the next decade should give us our answer. See discussion of this problem in E. Fromm, *Escape from Freedom* (New York: Farrar and Rinehart, 1941).

18. Perhaps the desire for prestige and respect from others is subsidiary to the desire for self-esteem or confidence in oneself. Observation of children seems to indicate that this is so, but clinical data give no clear support for such a conclusion.
19. A. Kardiner, *The Traumatic Neuroses of Our Time* (New York: Hoeber, 1941). For more

extensive discussion of normal self-esteem, as well as for reports of various researchers, see A. H. Maslow, "Dominance, Personality and Social Behavior in Women," *J. Soc. Psychol.* 10 (1939): 3–39.

20. Clearly creative behavior, like painting, is like any other behavior in having multiple determinants. It may be seen in "innately creative" people whether they are satisfied or not, happy or unhappy, hungry or sated. Also it is clear that creative activity may be compensatory, ameliorative or purely economic. It is my impression (as yet unconfirmed) that it is possible to distinguish the artistic and intellectual products of basically satisfied people by inspection alone. In any case, here too we must distinguish, in a dynamic fashion, the overt behavior itself from its various motivations or purposes.

The Proverbs of Administration

Herbert A. Simon

A fact about proverbs that greatly enhances their quotability is that they almost always occur in mutually contradictory pairs. “Look before you leap!”—but “He who hesitates is lost.”

This is both a convenience and a serious defect—depending on the use to which one wishes to put the proverbs in question. If it is a matter of rationalizing behavior that has already taken place or justifying action that has already been decided upon, proverbs are ideal. Since one is never at a loss to find one that will prove his point—or the precisely contradictory point, for that matter—they are a great help in persuasion, political debate, and all forms of rhetoric.

But when one seeks to use proverbs as the basis of a scientific theory, the situation is less happy. It is not that the propositions expressed by the proverbs are insufficient; it is rather that they prove too much. A scientific theory should tell what is true but also what is false. If Newton had announced to the world that particles of matter exert either an attraction or a repulsion on each other, he would not have added much to scientific knowledge. His contribution consisted in showing that an attraction was exercised and in announcing the precise law governing its operation.

Most of the propositions that make up the body of administrative theory today share, unfortunately, this defect of proverbs. For almost every principle one can find an equally plausible and acceptable contradictory principle. Although the two principles of the pair will lead to exactly opposite organizational

recommendations, there is nothing in the theory to indicate which is the proper one to apply.¹

It is the purpose of this paper to substantiate the sweeping criticism of administrative theory, and to present some suggestions—perhaps less concrete than they should be—as to how the existing dilemma can be solved.

Some Accepted Administrative Principles

Among the more common principles that occur in the literature of administration are these:

1. Administrative efficiency is increased by a specialization of the task among the group.
2. Administrative efficiency is increased by arranging the members of the group in a determinate hierarchy of authority.
3. Administrative efficiency is increased by limiting the span of control at any point in the hierarchy to a small number.
4. Administrative efficiency is increased by grouping the workers, for purposes of control, according to (a) purpose, (b) process, (c) clientele, (d) place. (This is really an elaboration of the first principle but deserves separate discussion.)

Since these principles appear relatively simple and clear, it would seem that their application to concrete problems of administrative organization would be unambiguous and that their validity would be easily submitted to empirical test. Such, however, seems not to be the case. To show why it is not, each of the four principles just listed will be considered in turn.

Specialization Administrative efficiency is supposed to increase with an increase in specialization. But is this intended to mean that *any* increase in specialization will increase efficiency? If so, which of the following alternatives is the correct application of the principle in a particular case?

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1. A plan of nursing should be put into effect by which nurses will be assigned to districts and do all nursing within that district, including school examinations, visits to homes of school children, and tuberculosis nursing.
2. A functional plan of nursing should be put into effect by which different nurses will be assigned to school examinations, visits to homes of school children, and tuberculosis nursing. The present method of generalized nursing by districts impedes the development of specialized skills in the three very diverse programs.

Both of these administrative arrangements satisfy the requirement of specialization—the first provides specialization by place; the second, specialization by function. The principles of specialization is of no help at all in choosing between the two alternatives.

It appears that the simplicity of the principle of specialization is a deceptive simplicity—a simplicity which conceals fundamental ambiguities. For “specialization” is not a condition of efficient administration; it is an inevitable characteristic of all group effort; however efficient or inefficient that effort may be. Specialization merely means that different persons are doing different things—and since it is physically impossible for two persons to be doing the same thing in the same place at the same time, two persons are always doing different things.

The real problem of administration, then, is not to “specialize,” but to specialize in that particular manner and along those particular lines which will lead to administrative efficiency. But, in thus rephrasing this “principle” of administration, there has been brought clearly into the open its fundamental ambiguity: “Administrative efficiency is increased by a specialization of the task among the group in the direction which will lead to greater efficiency.”

Further discussion of the choice between competing bases of specialization will be undertaken after two other principles of administration have been examined.

Unity of Command Administrative efficiency is supposed to be enhanced by arranging the members of the organization in a determi-

nate hierarchy of *authority* in order to preserve “unity of command.”

Analysis of this “principle” requires a clear understanding of what is meant by the term “*authority*.” A subordinate may be said to accept authority whenever he permits his behavior to be guided by a decision reached by another, irrespective of his own judgment as to the merits of that decision.

In one sense the principle of unity of command, like the principle of specialization, cannot be violated; for it is physically impossible for a man to obey two contradictory commands—that is what is meant by “contradictory commands.” Presumably, if unity of command is a principle of administration, it must assert something more than this physical impossibility. Perhaps it asserts this: that it is undesirable to place a member of an organization in a position where he receives orders from more than one superior. This is evidently the meaning that Gulick attaches to the principle when he says,

The significance of this principle in the process of co-ordination and organization must not be lost sight of. In building a structure of co-ordination, it is often tempting to set up more than one boss for a man who is doing work which has more than one relationship. Even as great a philosopher of management as Taylor fell into this error in setting up separate foremen to deal with machinery, with materials, with speed, etc., each with the power of giving orders directly to the individual workman. The rigid adherence to the principle of unity of command may have its absurdities; these are, however, unimportant in comparison with the certainty of confusion, inefficiency and irresponsibility which arise from the violation of the principle.²

Certainly the principle of unity of command, thus interpreted, cannot be criticized for any lack of clarity or any ambiguity. The definition of authority given above should provide a clear test whether, in any concrete situation, the principle is observed. The real fault that must be found with this principle is that it is incompatible with the principle of specialization. One of the most important uses to which authority is

put in an organization is to bring about specialization in the work of making decisions, so that each decision is made at a point in the organization where it can be made most expertly. As a result, the use of authority permits a greater degree of expertness to be achieved in decision making than would be possible if each operative employee had himself to make all the decisions upon which his activity is predicated. The individual fireman does not decide whether to use a two-inch hose or a fire extinguisher; that is decided for him by his officers, and the decision is communicated to him in the form of a command.

However, if unity of command, in Gulick's sense, is observed, the decisions of a person at any point in the administrative hierarchy are subject to influence through only one channel of authority; and if his decisions are of a kind that require expertise in more than one field of knowledge, then advisory and informational services must be relied upon to supply those premises which lie in a field not recognized by the mode of specialization in the organization. For example, if an accountant in a school department is subordinate to an educator, and if unity of command is observed, then the finance department cannot issue direct orders to him regarding the technical, accounting aspects of his work. Similarly, the director of motor vehicles in the public works department will be unable to issue direct orders on care of motor equipment to the fire-truck driver.³

Gulick, in the statement quoted above, clearly indicates the difficulties to be faced if unity of command is not observed. A certain amount of irresponsibility and confusion are almost certain to ensue. But perhaps this is not too great a price to pay for the increased expertise that can be applied to decisions. What is needed to decide the issue is a principle of administration that would enable one to weigh the relative advantages of the two courses of action. But neither the principle of unity of command nor the principle of specialization is helpful in adjudicating the controversy. They merely contradict each other without indicating any procedure for resolving the contradiction.

If this were merely an academic controversy—if it were generally agreed and

had been generally demonstrated that unity of command must be preserved in all cases, even with a loss in expertise—one could assert that in case of conflict between the two principles, unity of command should prevail. But the issue is far from clear, and experts can be ranged on both sides of the controversy. On the side of unity of command there may be cited the dictums of Gulick and others.⁴ On the side of specialization there are Taylor's theory of functional supervision, Macmahon and Millett's idea of "dual supervision," and the practice of technical supervision in military organization.⁵

It may be, as Gulick asserts, that the notion of Taylor and these others is an "error." If so, the evidence that it is an error has never been marshalled or published—apart from loose heuristic arguments like that quoted above. One is left with a choice between equally eminent theorists of administration and without any evidential basis for making that choice.

What evidence there is of actual administrative practice would seem to indicate that the need for specialization is to a very large degree given priority over the need for unity of command. As a matter of fact, it does not go too far to say that unity of command, in Gulick's sense, never has existed in any administrative organization. If a line officer accepts the regulations of an accounting department with regard to the procedure for making requisitions, can it be said that, in this sphere, he is not subject to the authority of the accounting department? In any actual administrative situation authority is zoned, and to maintain that this zoning does not contradict the principle of unity of command requires a very different definition of authority from that used here. This subjection of the line officer to the accounting department is no different, in principle, from Taylor's recommendation that in the matter of work programming a workman be subject to one foreman, in the matter of machine operation to another.

The principle of unity of command is perhaps more defensible if narrowed down to the following: In case two authoritative commands conflict, there should be a single determinate person whom the subordinate is expected to obey; and the sanctions of authority should be

applied against the subordinate only to enforce his obedience to that one person.

If the principle of unity of command is more defensible when stated in this limited form, it also solves fewer problems. In the first place, it no longer requires, except for settling conflicts of authority, a single hierarchy of authority. Consequently, it leaves unsettled the very important question of how authority should be zoned in a particular organization (i.e., the modes of specialization) and through what channels it should be exercised. Finally, even this narrower concept of unity of command conflicts with the principle of specialization, for whenever disagreement does occur and the organization members revert to the formal lines of authority, then only those types of specialization which are represented in the hierarchy of authority can impress themselves on a decision. If the training officer of a city exercises only functional supervision over the police training officer, then in case of disagreement with the police chief, specialized knowledge of police problems will determine the outcome while specialized knowledge of training problems will be subordinated or ignored. That this actually occurs is shown by the frustration so commonly expressed by functional supervisors at their lack of authority to apply sanctions.

Span of Control Administrative efficiency is supposed to be enhanced by limiting the number of subordinates who report directly to any one administrator to a small number—say six. This notion that the “span of control” should be narrow is confidently asserted as a third incontrovertible principle of administration. The usual common-sense arguments for restricting the span of control are familiar and need not be repeated here. What is not so generally recognized is that a contradictory proverb of administration can be stated which, though it is not so familiar as the principle of span of control, can be supported by arguments of equal plausibility. The proverb in question is the following: Administrative efficiency is enhanced by keeping at a minimum the number of organizational levels through which a matter must pass before it is acted upon.

This latter proverb is one of the fundamental criteria that guide administrative analysis in procedures simplification work. Yet in many situations the results to which this principle leads are in direct contradiction to the requirements of the principle of span of control, the principle of unity of command, and the principle of specialization. The present discussion is concerned with the first of these conflicts. To illustrate the difficulty, two alternative proposals for the organization of a small health department will be presented—one based on the restriction of span of control, the other on the limitation of number of organization levels:

1. The present organization of the department places an administrative overload on the health officer by reason of the fact that all eleven employees of the department report directly to him and the further fact that some of the staff lack adequate technical training. Consequently, venereal disease clinic treatments and other details require an undue amount of the health officer's personal attention.

It has previously been recommended that the proposed medical officer be placed in charge of the venereal disease and chest clinics and all child hygiene work. It is further recommended that one of the inspectors be designated chief inspector and placed in charge of all the department's inspectional activities and that one of the nurses be designated as head nurse. This will relieve the health commissioner of considerable detail and will leave him greater freedom to plan and supervise the health program as a whole, to conduct health education, and to coordinate the work of the department with that of other community agencies. If the department were thus organized, the effectiveness of all employees could be substantially increased.

2. The present organization of the department leads to inefficiency and excessive red tape by reason of the fact that an unnecessary supervisory level intervenes between the health officer and the operative employees, and that those four of the

twelve employees who are best trained technically are engaged largely in “over-head” administrative duties. Consequently, unnecessary delays occur in securing the approval of the health officer on matters requiring his attention, and too many matters require review and review.

The medical officer should be left in charge of the venereal disease and chest clinics and child hygiene work. It is recommended, however, that the position of chief inspector and head nurse be abolished and that the employees now filling these positions perform regular inspectional and nursing duties. The details of work scheduling now handled by these two employees can be taken care of more economically by the secretary to the health officer, and, since broader matters of policy have, in any event, always required the personal attention of the health officer, the abolition of these two positions will eliminate a wholly unnecessary step in review, will allow an expansion of inspectional and nursing services, and will permit at least a beginning to be made in the recommended program of health education. The number of persons reporting directly to the health officer will be increased to nine, but since there are few matters requiring the coordination of these employees, other than the work schedules and policy questions referred to above, this change will not materially increase his work load.

The dilemma is this: in a large organization with complex interrelations between members, a restricted span of control inevitably produces excessive red tape, for each contact between organization members must be carried upward until a common superior is found. If the organization is at all large, this will involve carrying all such matters upward through several levels of officials for decision and then downward again in the form of orders and instructions—a cumbersome and time-consuming process.

The alternative is to increase the number of persons who are under the command of each officer, so that the pyramid will come more rapidly to a peak, with fewer intervening levels. But

this, too, leads to difficulty, for if an officer is required to supervise too many employees, his control over them is weakened.

If it is granted, then, that both the increase and the decrease in span of control has some undesirable consequences, what is the optimum point? Proponents of a restricted span of control have suggested three, five, even eleven, as suitable numbers, but nowhere have they explained the reasoning which led them to the particular number they selected. The principle as stated casts no light on this very crucial question. One is reminded of current arguments about the proper size of the national debt.

Organization by Purpose, Process, Clientele, Place Administrative efficiency is supposed to be increased by grouping workers according to (a) purpose, (b) process, (c) clientele, or (d) place. But from the discussion of specialization it is clear that this principle is internally inconsistent; for purpose, process, clientele, and place are competing bases of organization, and at any given point of division the advantages of three must be sacrificed to secure the advantages of the fourth. If the major departments of a city, for example, are organized on the basis of major purpose, then it follows that all the physicians, all the lawyers, all the engineers, all the statisticians will not be located in a single department exclusively composed of members of their profession but will be distributed among the various city departments needing their services. The advantages of organization by process will thereby be partly lost.

Some of these advantages can be regained by organizing on the basis of process *within* the major departments. Thus there may be an engineering bureau within the public works department, or the board of education may have a school health service as a major division of its work. Similarly, within smaller units there may be division by area or by clientele: e.g., fire department will have separate companies located throughout the city, while a welfare department may have intake and case work agencies in various locations. Again, however, these major types of specialization cannot be simultaneously achieved, for at any point in the

organization it must be decided whether specialization at the next level will be accomplished by distinction of major purpose, major process, clientele, or area.

The conflict may be illustrated by showing how the principle of specialization according to purpose would lead to a different result from specialization according to clientele in the organization of a health department.

1. Public health administration consists of the following activities for the prevention of disease and the maintenance of healthful conditions: (1) vital statistics; (2) child hygiene—prenatal, maternity, postnatal, infant, preschool, and school health programs; (3) communicable disease control; (4) inspection of milk, foods, and drugs; (5) sanitary inspection; (6) laboratory service; (7) health education.

One of the handicaps under which the health department labors is the fact that the department has no control over school health, that being an activity of the county board of education, and there is little or no coordination between that highly important part of the community health program and the balance of the program which is conducted by the city-county health unit. It is recommended that the city and county open negotiations with the board of education for the transfer of all school health work and the appropriation therefor to the joint health unit. . . .

2. To the modern school department is entrusted the care of children during almost the entire period that they are absent from the parental home. It has three principal responsibilities toward them: (1) to provide for their education in useful skills and knowledge and in character; (2) to provide them with wholesome play activities outside school hours, (3) to care for their health and to assure the attainment of minimum standards of nutrition.

One of the handicaps under which the school board labors is the fact that, except for school lunches, the board has no control over child health and nutrition, and there is little or no coordination between that highly important part of the child

development program and the balance of the program which is conducted by the board of education. It is recommended that the city and county open negotiations for the transfer of all health work for children of school age to the board of education.

Here again is posed the dilemma of choosing between alternative, equally plausible, administrative principles. But this is not the only difficulty in the present case, for a closer study of the situation shows there are fundamental ambiguities in the meanings of the key items—“purpose,” “process,” “clientele,” and “place.”

“Purpose” may be roughly defined as the objective or end for which an activity is carried on; “process” as a means for accomplishing a purpose. Processes, then, are carried on in order to achieve purposes. But purposes themselves may generally be arranged in some sort of hierarchy. A typist moves her fingers in order to type; types in order to reproduce a letter; reproduces a letter in order that an inquiry may be answered. Writing a letter is then the purpose for which the typing is performed; while writing a letter is also the process whereby the purpose of replying to an inquiry is achieved. It follows that the same activity may be described as purpose or as process.

This ambiguity is easily illustrated for the case of an administrative organization. A health department conceived as a unit whose task it is to care for the health of the community is a purpose organization; the same department conceived as a unit which makes use of the medical arts to carry on its work is a process organization. In the same way, an education department may be viewed as a purpose (to educate) organization, or a clientele (children) organization; the forest service as a purpose (forest conservation), process (forest management), clientele (lumbermen and cattlemen utilizing public forests), or area (publicly owned forest lands) organization. When concrete illustrations of this sort are selected, the lines of demarcation between these categories become very hazy and unclear indeed.

“Organization by major purpose,” says Gulick, “. . . serves to bring together in a single large department all of those who are at work

endeavoring to render a particular service.”⁶ But what is a particular service? Is fire protection a single purpose, or is it merely a part of the purpose of public safety?—or is it a combination of purposes including fire prevention and fire fighting? It must be concluded that there is no such thing as a purpose, or a unifunctional (single-purpose) organization. What is to be considered a single function depends entirely on language and techniques.⁷ If the English language has a comprehensive term which covers both of two sub-purposes it is natural to think of the two together as a single purpose. If such a term is lacking, the two sub-purposes become purposes in their own right. On the other hand, a single activity may contribute to several objectives, but since they are technically (procedurally) inseparable, the activity is considered a single function or purpose.

The fact, mentioned previously, that purposes form a hierarchy, each sub-purpose contributing to some more final and comprehensive end, helps to make clear the relation between purpose and process. “Organization by major process,” says Gulick, “. . . tends to bring together in a single department all of those who are at work making use of a given special skill or technology, or are members of a given profession.”⁸ Consider a simple skill of this kind—typing. Typing is a skill which brings about a means-end coordination of muscular movements, but at a very low level in the means-end hierarchy. The content of the typewritten letter is indifferent to the skill that produces it. The skill consists merely in the ability to hit the letter “*t*” quickly whenever the letter “*t*” is required by the content and to hit the letter “*a*” whenever the letter “*a*” is required by the content.

There is, then, no essential difference between a “purpose” and a “process,” but only a distinction of degree. A “process” is an activity whose immediate purpose is at a low level in the hierarchy of means and ends, while a “purpose” is a collection of activities whose orienting value or aim is at a high level in the means-end hierarchy.

Next consider “clientele” and “place” as bases of organization. These categories are really not separate from purpose, but a part of it. A complete statement of the purpose of a fire department would have to include the area served by

it: “to reduce fire losses on property in the city of X.” Objectives of an administrative organization are phrased in terms of a service to be provided and an area for which it is provided. Usually, the term “*purpose*” is meant to refer only to the first element, but the second is just as legitimately an aspect of purpose. Area of service, of course, may be a specified clientele quite as well as a geographical area. In the case of an agency which works on “shifts,” time will be a third dimension of purpose—to provide a given service in a given area (or to a given clientele) during a given time period.

With this clarification of terminology, the next task is to reconsider the problem of specializing the work of an organization. It is no longer legitimate to speak of a “purpose” organization, a “process” organization, a “clientele” organization, or an “area” organization. The same unit might fall into any one of these four categories, depending on the nature of the larger organizational unit of which it was a part. A unit providing public health and medical services for school-age children in Multnomah County might be considered (1) an “area” organization if it were part of a unit providing the same service for the state of Oregon; (2) a “clientele” organization if it were part of a unit providing similar services for children of all ages; (3) a “purpose” or a “process” organization (it would be impossible to say which) if it were part of an education department.

It is incorrect to say that Bureau A is a process bureau; the correct statement is that Bureau A is a process bureau *within* Department X.⁹ This latter statement would mean that Bureau A incorporates all the processes of a certain kind in Department X, without reference to any special subpurposes, subareas, or subclientele of Department X. Now it is conceivable that a particular unit might incorporate all processes of a certain kind but that these processes might relate to only certain particular subpurposes of the department purpose. In this case, which corresponds to the health unit in an education department mentioned above, the unit would be specialized by both purpose and process. The health unit would be the only one in the education department using the medical art (process) and concerned with health (subpurpose).

Even when the problem is solved of proper usage for the terms “purpose,” “process,” “clientele,” and “area,” the principles of administration give no guide as to which of these four competing bases of specialization is applicable in any particular situation. The British Machinery of Government Committee had no doubts about the matter. It considered purpose and clientele as the two possible bases of organization and put its faith entirely in the former. Others have had equal assurance in choosing between purpose and process. The reasoning which leads to these unequivocal conclusions leaves something to be desired. The Machinery of Government Committee gives this sole argument for its choice:

Now the inevitable outcome of this method of organization [by clientele] is a tendency to Lilliputian administration. It is impossible that the specialized service which each Department has to render to the community can be of as high a standard when its work is at the same time limited to a particular class of persons and extended to every variety of provision for them, as when the Department concentrates itself on the provision of the particular service only by whomsoever required, and looks beyond the interest of comparatively small classes.¹⁰

The faults in this analysis are obvious. First, there is no attempt to determine how a service is to be recognized. Second, there is a bald assumption, absolutely without proof, that a child health unit, for example, in a department of child welfare could not offer services of “as high a standard” as the same unit if it were located in a department of health. Just how the shifting of the unit from one department to another would improve or damage the quality of its work is not explained. Third, no basis is set forth for adjudicating the competing claims of purpose and process—the two are merged in the ambiguous term “service.” It is not necessary here to decide whether the committee was right or wrong in its recommendation; the important point is that the recommendation represented a choice, without any apparent logical or empirical grounds, between contradictory principles of administration.

Even more remarkable illustrations of illogic can be found in most discussions of purpose versus process. They would be too ridiculous to cite if they were not commonly used in serious political and administrative debate.

For instance, where should agricultural education come: in the Ministry of Education, or of Agriculture? That depends on whether we want to see the best farming taught, though possibly by old methods, or a possibly out-of-date style of farming, taught in the most modern and compelling manner. The question answers itself.¹¹

But does the question really answer itself? Suppose a bureau of agricultural education were set up, headed, for example, by a man who had extensive experience in agricultural research or as administrator of an agricultural school, and staffed by men of similarly appropriate background. What reason is there to believe that if attached to a Ministry of Education they would teach old-fashioned farming by new-fashioned methods, while if attached to a Ministry of Agriculture they would teach new-fashioned farming by old-fashioned methods? The administrative problem of such a bureau would be to teach new-fashioned farming by new-fashioned methods, and it is a little difficult to see how the departmental location of the unit would affect this result. “The question answers itself” only if one has a rather mystical faith in the potency of bureau—shuffling as a means for redirecting the activities of an agency.

These contradictions and competitions have received increasing attention from students of administration during the past few years. For example, Gulick, Wallace, and Benson have stated certain advantages and disadvantages of the several modes of specialization, and have considered the conditions under which one or the other mode might best be adopted.¹² All this analysis has been at a theoretical level—in the sense that data have not been employed to demonstrate the superior effectiveness claimed for the different modes. But though theoretical, the analysis has lacked a theory. Since no comprehensive framework has been constructed within which the discussion could take place, the analysis has tended either to the logical

one-sidedness which characterizes the examples quoted above or to inconclusiveness.

The Impasse of Administrative Theory The four “principles of administration” that were set forth at the beginning of this paper have now been subjected to critical analysis. None of the four survived in very good shape, for in each case there was found, instead of an unequivocal principle, a set of two or more mutually incompatible principles apparently equally applicable to the administrative situation.

Moreover, the reader will see that the very same objections can be urged against the customary discussions of “centralization” versus “decentralization,” which usually conclude, in effect, that “on the one hand, centralization of decision-making functions is desirable; on the other hand, there are definite advantages in decentralization.”

Can anything be salvaged which will be useful in the construction of an administrative theory? As a matter of fact, almost everything can be salvaged. The difficulty has arisen from treating as “principles of administration” what are really only criteria for describing and diagnosing administrative situations. Closet space is certainly an important item in the design of a successful house; yet a house designed entirely with a view to securing a maximum of closet space—all other considerations being forgotten—would be considered, to say the least, somewhat unbalanced. Similarly, unity of command, specialization by purpose, decentralization are all items to be considered in the design of an efficient administrative organization. No single one of these items is of sufficient importance to suffice as a guiding principle for the administrative analyst. In the design of administrative organization, as in their operation, overall efficiency must be the guiding criterion. Mutually incompatible advantages must be balanced against each other, just as an architect weighs the advantages of additional closet space against the advantages of a larger living room.

This position, if it is a valid one, constitutes an indictment of much current writing about administrative matters. As the examples cited in this chapter amply demonstrate, much administrative analysis proceeds by selecting a

single criterion and applying it to an administrative situation to reach a recommendation; while the fact that equally valid, but contradictory, criteria exist which could be applied with equal reason, but with a different result, is conveniently ignored. A valid approach to the study of administration requires that *all* the relevant diagnostic criteria be identified; that each administrative situation be analyzed in terms of the entire set of criteria; and that research be instituted to determine how weights can be assigned to the several criteria when they are, as they usually will be, mutually incompatible.

An Approach to Administrative Theory

This program needs to be considered step by step. First, what is included in the description of administrative situations for purposes of such an analysis? Second, how can weights be assigned to the various criteria to give them their proper place in the total picture?

The Description of Administrative Situations Before a science can develop principles, it must possess concepts. Before a law of gravitation could be formulated, it was necessary to have the notions of “acceleration” and “weight.” The first task of administrative theory is to develop a set of concepts that will permit the description in terms relevant to the theory, of administrative situations. These concepts, to be scientifically useful, must be operational; that is, their meanings must correspond to empirically observable facts or situations. The definition of “authority” given earlier in this paper is an example of an operational definition.

What is a scientifically relevant description of an organization? It is a description that, so far as possible, designates for each person in the organization what decisions that person makes and the influences to which he is subject in making each of these decisions. Current descriptions of administrative organizations fall far short of this standard. For the most part, they confine themselves to the allocation of *functions* and the formal structure of *authority*. They give little attention to the other types of organizational influence or to the system of communication.¹³

What does it mean, for example, to say: “The department is made up of three bureaus. The first has the function of _____, the second the function of _____, and the third the function of _____?” What can be learned from such a description about the workability of the organizational arrangement? Very little, indeed. For from the description there is obtained no idea of the degree to which decisions are centralized at the bureau level or at the departmental level. No notion is given as to the extent to which the (presumably unlimited) authority of the department over the bureau is actually exercised or by what mechanisms. There is no indication of the extent to which systems of communication assist the coordination of the three bureaus or, for that matter, to what extent coordination is required by the nature of their work. There is no description of the kinds of training the members of the bureau have undergone or of the extent to which this training permits decentralization at the bureau level. In sum, a description of administrative organizations in terms almost exclusively of functions and lines of authority is completely inadequate for purposes of administrative analysis.

Consider the term “centralization.” How is it determined whether the operations of a particular organization are “centralized” or “decentralized”? Does the fact that field offices exist prove anything about decentralization? Might not the same decentralization take place in the bureaus of a centrally located office? A realistic analysis of centralization must include a study of the allocation of decisions in the organization and the methods of influence that are employed by the higher levels to affect the decisions at the lower levels. Such an analysis would reveal a much more complex picture of the decision-making process than any enumeration of the geographical locations of organizational units at the different levels.

Administrative description suffers currently from superficiality, oversimplification, lack of realism. It has confined itself too closely to the mechanism of authority and has failed to bring within its orbit the other, equally important, modes of influence on organizational behavior. It has refused to undertake the tiresome task of studying the actual allocation of decision-making functions. It has been satisfied to speak

of “authority,” “centralization,” “span of control,” “function,” without seeking operational definitions of these terms. Until administrative description reaches a higher level of sophistication, there is little reason to hope that rapid progress will be made toward the identification and verification of valid administrative principles.

Does this mean that a purely formal description of an administrative organization is impossible—that a relevant description must include an account of the content of the organization’s decisions? This is a question that is almost impossible to answer in the present state of knowledge of administrative theory. One thing seems certain: content plays a greater role in the application of administrative principles than is allowed for in the formal administrative theory of the present time. This is a fact that is beginning to be recognized in the literature of administration. If one examines the chain of publications extending from Mooney and Reilly, through Gulick and the President’s Committee controversy, to Schuyler Wallace and Benson, he sees a steady shift of emphasis from the “principles of administration” themselves to a study of the *conditions* under which competing principles are respectively applicable. Recent publications seldom say that “organization should be by purpose,” but rather that “under such and such conditions purpose organization is desirable.” It is to these conditions which underlie the application of the proverbs of administration that administrative theory and analysis must turn in their search for really valid principles to replace the proverbs.

The Diagnosis of Administrative Situations Before any positive suggestions can be made, it is necessary to digress a bit and to consider more closely the exact nature of the proposition of administrative theory. The theory of administration is concerned with how an organization should be constructed and operated in order to accomplish its work efficiently. A fundamental principle of administration, which follows almost immediately from the rational character of “good” administration, is that among several alternatives involving the same expenditure that one should always be selected which leads to the greatest accomplish-

ment of administrative objectives; and among several alternatives that lead to the same accomplishment that one should be selected which involves the least expenditure. Since this “principle of efficiency” is characteristic of any activity that attempts rationally to maximize the attainment of certain ends with the use of scarce means, it is as characteristic of economic theory as it is of administrative theory. The “administrative man” takes his place alongside the classical “economic man.”¹⁴

Actually, the “principle” of efficiency should be considered a definition rather than a principle: it is a definition of what is meant by “good” or “correct” administrative behavior. It does not tell *how* accomplishments are to be maximized, but merely states that this maximization is the aim of administrative activity, and that administrative theory must disclose under what conditions the maximization takes place.

Now what are the factors that determine the level of efficiency which is achieved by an administrative organization? It is not possible to make an exhaustive list of these but the principal categories can be enumerated. Perhaps the simplest method of approach is to consider the single member of the administrative organization and ask what the limits are to the quantity and quality of his output. These limits include (a) limits on his ability to perform and (b) limits on his ability to make correct decisions. To the extent that these limits are removed, the administrative organization approaches its goal of high efficiency. Two persons, given the same skills, the same objectives and values, the same knowledge and information, can rationally decide only upon the same course of action. Hence, administrative theory must be interested in the factors that will determine with what skills, values, and knowledge the organization member undertakes his work. These are the “limits” to rationality with which the principles of administration must deal.

On one side, the individual is limited by those skills, habits, and reflexes which are no longer in the realm of the conscious. His performance, for example, may be limited by his manual dexterity or his reaction time or his strength. His decision-making processes may be limited by the speed of his mental processes, his skill in elementary arithmetic, and so forth. In this

area, the principles of administration must be concerned with the physiology of the human body and with the laws of skill-training and of habit. This is the field that has been most successfully cultivated by the followers of Taylor and in which has been developed time-and-motion study and the *therblig*.

On a second side, the individual is limited by his values and those conceptions of purpose which influence him in making his decisions. If his loyalty to the organization is high, his decisions may evidence sincere acceptance of the objectives set for the organization; if that loyalty is lacking, personal motives may interfere with his administrative efficiency. If his loyalties are attached to the bureau by which he is employed, he may sometimes make decisions that are inimical to the larger unit of which the bureau is a part. In this area the principles of administration must be concerned with the determinants of loyalty and morale, with leadership and initiative, and with the influences that determine where the individual’s organizational loyalties will be attached.

On a third side, the individual is limited by the extent of his knowledge of things relevant to his job. This applies both to the basic knowledge required in decision making—a bridge designer must know the fundamentals of mechanics—and to the information that is required to make his decisions appropriate to the given situation. In this area, administrative theory is concerned with such fundamental questions as these: What are the limits on the mass of knowledge that human minds can accumulate and apply? How rapidly can knowledge be assimilated? How is specialization in the administrative organization to be related to the specializations of knowledge that are prevalent in the community’s occupational structure? How is the system of communication to channel knowledge and information to the appropriate decision-points? What types of knowledge can, and what types cannot, be easily transmitted? How is the need for intercommunication of information affected by the modes of specialization in the organization? This is perhaps the *terra incognita* of administrative theory, and undoubtedly its careful exploration will cast great light on the proper application of the proverbs of administration.

Perhaps this triangle of limits does not completely bound the area of rationality, and other sides need to be added to the figure. In any case, this enumeration will serve to indicate the kinds of considerations that must go into the construction of valid and non-contradictory principles of administration.

An important fact to be kept in mind is that the limits of rationality are variable limits. Most important of all, consciousness of the limits may in itself alter them. Suppose it were discovered in a particular organization, for example, that organizational loyalties attached to small units had frequently led to a harmful degree of intra-organizational competition. Then, a program which trained members of the organization to be conscious of their loyalties, and to subordinate loyalties to the smaller group to those of the large, might lead to a very considerable alteration of the limits in that organization.¹⁵

A related point is that the term “rational behavior,” as employed here, refers to rationality when that behavior is evaluated in terms of the objectives of the larger organization; for, as just pointed out, the difference in direction of the individual’s aims from those of the larger organization is just one of those elements of non-rationality with which the theory must deal.

A final observation is that, since administrative theory is concerned with the non-rational limits of the rational, it follows that the larger the area in which rationality has been achieved the less important is the exact form of the administrative organization. For example, the function of plan preparation, or design, if it results in a written plan that can be communicated interpersonally without difficulty, can be located almost anywhere in the organization without affecting results. All that is needed is a procedure whereby the plan can be given authoritative status, and this can be provided in a number of ways. A discussion, then, of the proper location for a planning or designing unit is apt to be highly inconclusive and is apt to hinge on the personalities in the organization and their relative enthusiasm, or lack of it, toward the planning function rather than upon any abstract principles of good administration.¹⁶

On the other hand, when factors of communication or faiths or loyalty are crucial to the making of a decision, the location of the decision in the organization is of great importance. The

method of allocating decisions in the army, for instance, automatically provides (at least in the period prior to the actual battle) that each decision will be made where the knowledge is available for coordinating it with other decisions.

Assigning Weights to the Criteria A first step, then, in the overhauling of the proverbs of administration is to develop a vocabulary, along the lines just suggested, for the description of administrative organization. A second step, which has also been outlined, is to study the limits of rationality in order to develop a complete and comprehensive enumeration of the criteria that must be weighed in evaluating an administrative organization. The current proverbs represent only a fragmentary and unsystematized portion of these criteria.

When these two tasks have been carried out, it remains to assign weights to the criteria. Since the criteria, or “proverbs,” are often mutually competitive or contradictory, it is not sufficient merely to identify them. Merely to know, for example, that a specified change in organization will reduce the span of control is not enough to justify the change. This gain must be balanced against the possible resulting loss of contact between the higher and lower ranks of the hierarchy.

Hence, administrative theory must also be concerned with the question of the weights that are to be applied to these criteria—to the problems of their relative importance in any concrete situation. This question is not one that can be solved in a vacuum. Armchair philosophizing about administration—of which the present paper is an example—has gone about as far as it can profitably go in this particular direction. What is needed now is empirical research and experimentation to determine the relative desirability of alternative administrative arrangements.

The methodological framework for this research is already at hand in the principle of efficiency. If an administrative organization whose activities are susceptible to objective evaluation be subjected to study, then the actual change in accomplishment that results from modifying administrative arrangements in these organizations can be observed and analyzed.

There are two indispensable conditions to successful research along these lines. First, it is

necessary that the objectives of the administrative organization under study be defined in concrete terms so that results, expressed in terms of these objectives, can be accurately measured. Second, it is necessary that sufficient experimental control be exercised to make possible the isolation of the particular effect under study from other disturbing factors that might be operating on the organization at the same time.

These two conditions have seldom been even partially fulfilled in so-called “administrative experiments.” The mere fact that a legislature passes a law creating an administrative agency, that the agency operates for five years, that the agency is finally abolished, and that a historical study is then made of the agency’s operations is not sufficient to make of that agency’s history an “administrative experiment.” Modern American legislation is full of such “experiments” which furnish orators in neighboring states with abundant ammunition when similar issues arise in their bailiwicks, but which provide the scientific investigator with little or nothing in the way of objective evidence, one way or the other.

In the literature of administration, there are only a handful of research studies that satisfy these fundamental conditions of methodology—and these are, for the most part, on the periphery of the problem of organization. There are, first of all, the studies of the Taylor group which sought to determine the technological conditions of efficiency. Perhaps none of these is a better example of the painstaking methods of science than Taylor’s own studies of the cutting of metals.¹⁷

Studies dealing with the human and social aspects of administration are even rarer than the technological studies. Among the more important are the whole series of studies on fatigue, starting in Great Britain during World War I and culminating in the Westinghouse experiments.¹⁸

In the field of public administration, almost the sole example of such experimentation is the series of studies that have been conducted in the public welfare field to determine the proper case loads for social workers.¹⁹

Because, apart from these scattered examples, studies of administrative agencies have been carried out without benefit of control or of

objective measurement of results, they have had to depend for their recommendations and conclusions upon *a priori* reasoning proceeding from “principles of administration.” The reasons have already been stated why the “principles” derived in this way cannot be more than “proverbs.”

Perhaps the program outlined here will appear an ambitious or even a quixotic one. There should certainly be no illusions, in undertaking it, as to the length and deviousness of the path. It is hard to see, however, what alternative remains open. Certainly neither the practitioner of administration nor the theoretician can be satisfied with the poor analytic tools that the proverbs provide him. Nor is there any reason to believe that a less drastic reconversion than that outlined here will rebuild those tools to usefulness.

It may be objected that administration cannot aspire to be a “science”; that by the nature of its subject it cannot be more than an “art.” Whether true or false, this objection is irrelevant to the present discussion. The question of how “exact” the principles of administration can be made is one that only experience can answer. But as to whether they should be logical or illogical there can be no debate. Even an “art” cannot be founded on proverbs.

NOTES

1. Lest it be thought that this deficiency is peculiar to the science—or “art”—of administration, it should be pointed out that the same trouble is shared by most Freudian psychological theories, as well as by some sociological theories.
2. Luther Gulick, “Notes on the Theory of Organization,” in *Papers on the Science of Administration*, ed. Luther Gulick and L. Urwick (Institute of Public Administration, Columbia University, 1937), p. 9.
3. This point is discussed in Herbert A. Simon, “Decision-Making and Administrative Organization,” *Pub. Adm. Rev.* 4 (winter 1944): 20–21.
4. Gulick, op. cit., p. 9; L. D. White, *Introduction to the Study of Public Administration* (Macmillan Co., 1939), p. 45.

5. Frederick W. Taylor, *Shop Management* (New York and London: Harper and Bros., 1911), p. 99; Macmahon, Millett, and Ogden, *The Administration of Federal Work Relief* (Public Administration Service, 1941), pp. 265–268; and L. Urwick, who describes British army practice in “Organization as a Technical Problem,” in *Papers on the Science of Administration*, ed. Luther Gulick and L. Urwick (Institute of Public Administration, Columbia University, 1937), pp. 67–69.
6. Gulick, op. cit., p. 21.
7. If this is correct, then any attempt to prove that certain activities belong in a single department because they relate to a single purpose is doomed to fail. See, for example, John M. Gaus and Leon Wolcott, *Public Administration and the U.S. Department of Agriculture* (Public Administration Service, 1940).
8. Gulick, op. cit., p. 23.
9. This distinction is implicit in most of Gulick’s analysis of specialization. However, since he cites as examples single departments within a city, and since he usually speaks of “grouping activities” rather than “dividing work,” the relative character of these categories is not always apparent in this discussion (Gulick, op. cit., pp. 15–30).
10. *Report of the Machinery of Government Committee* (H. M. Stationery Office, 1918).
11. Sir Charles Harris, “Decentralization,” *Journal of Public Administration* 3 (April 1925): 117–233.
12. Gulick, op. cit., pp. 21–30; Schuyler Wallace, *Federal Departmentalization* (Columbia University Press, 1941); George C. S. Benson, “International Administrative Organization,” *Pub. Adm. Rev.* 1 (autumn 1941): 473–486.
13. The monograph by Macmahon, Millett, and Ogden, op. cit., perhaps approaches nearer than any other published administrative study to the sophistication required in administrative description. See, for example, the discussion on pp. 233–236 of headquarters-field relationships.
14. For an elaboration of the principle of efficiency and its place in administrative theory see Clarence E. Ridley and Herbert A. Simon, *Measuring Municipal Activities* (International City Managers’ Association, 2d ed., 1943), particularly chap. 1 and the preface to the second edition.
15. For an example of the use of such training, see Herbert A. Simon and William Divine, “Controlling Human Factors in an Administrative Experiment,” *Pub. Adm. Rev.* 1 (autumn 1941): 487–492.
16. See, for instance, Robert A. Walker, *The Planning Function in Urban Government* (University of Chicago Press, 1941), pp. 166–175. Walker makes out a strong case for attaching the planning agency to the chief executive. But he rests his entire case on the rather slender reed that “as long as the planning agency is outside the governmental structure . . . planning will tend to encounter resistance from public officials as an invasion of their responsibility and jurisdiction.” This “resistance” is precisely the type of nonrational loyalty which has been referred to previously, and which is certainly a variable.
17. F. W. Taylor, *On the Art of Cutting Metals* (American Society of Mechanical Engineers, 1907).
18. Great Britain, Ministry of Munitions, Health of Munitions Workers Committee, *Final Report* (H. M. Stationery Office, 1918); F. J. Roethlisberger and William J. Dickson, *Management and the Worker* (Harvard University Press, 1939).
19. Ellery F. Reed, *An Experiment in Reducing the Cost of Relief* (American Public Welfare Administration, 1937); Rebecca Staman, “What Is the Most Economical Case Load in Public Relief Administration?” *Social Work Technique* 4 (May–June, 1938): 117–121; Chicago Relief Administration, *Adequate Staff Brings Economy* (American Public Welfare Association, 1939); Constance Hastings and Saya S. Schwartz, *Size of Visitor’s Caseload as a Factor in Efficient Administration of Public Assistance* (Philadelphia County Board of Assistance, 1939); Simon et al., *Determining Work Loads for Professional Staff in a Public Welfare Agency* (Bureau of Public Administration, University of California, 1941).

The Administrative State Revisited

Dwight Waldo

How Could I decline a request, flattering in itself and flatteringly worded, to address myself to the topic “The Administrative State Revisited”? I couldn’t. I didn’t even try.

My remarks will be presented under three headings: (1) On Origins and Reception; (2) On Some Matters of Content: Notes for Revision; and (3) On the Agenda. As is patent, my plan is to begin with the retrospective and personal and to proceed to the prospective and general. Some, interested in our intellectual and disciplinary problems, but not in history or self-analysis, may wish to turn immediately to the second part—or even the third. For I shall begin by being unabashedly personal. After all, a like opportunity may not present itself again.

On Origins and Reception

The thing that seems to me clearest about *The Administrative State* is that it is a “different” book. My point does not concern its merits or demerits. It does not concern any claim of “original ideas”;¹ it concerns only a certain originality in perspective, in combination of subject matters, in thoroughness of execution of the central idea. Put it this way: one would not say of it that it is better or poorer than book *x* (of similar nature): there was not and is not anything much like it. It may be useful, therefore, to comment on how I came to write the book—how I hit upon the subject, why I chose the perspective I took, what I thought I was doing.

Source: Dwight Waldo, “The Administrative State Revisited,” *Public Administration Review*, Reproduced with Permission of Blackwell Publishing Ltd. March 1965, pp 5–20.

The Administrative State, published in 1948, was a much condensed and somewhat updated and revised version of a doctoral dissertation presented in 1942, and titled *Theoretical Aspects of the American Literature of Public Administration*. In intent, my dissertation was one in Political Theory (as we say). This was my chief interest and major field; I had been attracted to Yale to study with Francis W. Coker, under whose chairmanship the dissertation was written. My original scheme for a dissertation was titled: “Ideas of Expertise in the Democratic Tradition.” What interested me was that one can discern in putatively democratic countries and writers a variety of claims to a greater power or special political role based on “expertise”—i.e., an unusual knowledge, training or skill. How, then, did one reconcile these claims with the general aura—and sometime doctrinaire statement—of equalitarianism in democratic theory? How much democracy must be “yielded,” under what circumstances, and how? As is frequently true, the first statement of the dissertation project was much too large and unwieldy, and after a period of threshing around I decided to deal with what had been only a chapter in the original grand design. For the writers on Public Administration seemed to me to be making a claim to a greater power or special political function, and to be doing it in a democracy and even in the *name* of democracy. Once cut out of the grand design, my project developed other dimensions, but the notion that I was dealing with “theory” in general and democratic theory in particular remained central.

But why choose to concentrate upon Public Administration rather than some other “chapter”? (Here I shall be very personal, but this is necessary in understanding the general tone of the work, as well as some of its idiosyncracies and weaknesses.) One reason was a certain animus toward, even contempt for, the literature of Public Administration.² This came naturally. There was first of all the familiar “superiority” of

theory to practice, of humanistic studies (in which I had specialized) to applied disciplines. Secondly, within Political Science this general orientation was reflected in the fact that within Political Science there was, and perhaps still is, a usually unvoiced belief that Political Theory and Public Administration are at opposite ends of a theoretical-applied spectrum of “fields.” There was a third and special reason: My former mentor and good friend, Lane W. Lancaster, had viewed the literature of Public Administration as dull, pretentious nonsense.

Now I sensed in turn the also familiar disdain of the “practical man” for the theorist, and felt somewhat insecure, defensive; two or three slight not-very-successful encounters with public affairs accentuated my feelings. One of the—also familiar—defenses of the theorist is of course the posture that nothing is more practical than theory: that the world moves or fails to move as the result of theories held about it. (This also happens to be in large measure true, but that’s not the point at the moment.) I was not content simply to be Right; I had a determination to prove that I—*we*—were also Relevant and Useful.

Looking closely at the literature of Public Administration through the lens of Political Theory it seemed to me plainly true that, paradoxically, it had a matrix of political theory: paradoxically because those producing the literature frequently, characteristically, presumed or stated that they were getting away from mere pleasant cloud-gazing and were addressing themselves directly to the world of facts and the hard, important business of how a modern government does and should perform its functions. My dissertation, then, would be an expose. Less dramatically: my task was to dig through the overburden and expose the bedrock; to set forth the theory for all to see; to examine and criticize in the manner in which Political Theorists treated all political theories.

Basically, the original ideas were executed, the original motives satisfied. But eight years intervened between the conception and the publication, and “a funny thing happened to the dissertation on its way to the printer.” In fact, several things. In the first place, working through the materials, assembling and schematizing the theories (ideology, or what you will)

of the Public Administration movement, I came to have a basic respect for the achievement, for the product, *considered as a political theory*. This is reflected in the book. I was in earnest when I said that this is an important political theory; it is one of the most important in the history of political thought and deserves to be taken seriously by Political Theorists—indeed by anyone interested in the modern State and public affairs. Moreover, that it was constructed, on the whole, by men who were not consciously trying to “theorize” I do not regard as abnormal. I have long been of the opinion that “political theorist” is very largely a *post hoc* designation and that those men we study under that label little more set out to be political theorists than dinosaurs set out to be mesozoic animals.

Another thing that happened was that, after the dissertation was written, I spent four years working in or at public administration. This unplanned exposure to my subject-matter, though arranged at a horrendous cost to the World, proved to be very valuable in forwarding my education.³ Its effects were mixed, somewhat contradictory. In some respects my prejudices were confirmed; an effect probably not unrelated to the fact that as a bureaucrat I was, by my own estimate, a failure. In some respects, however, I became a Convert. For example, I became convinced that the case against legal training for public administration was, if anything, understated; “we” looked very good compared with the competition. Anyhow, whatever my personal difficulties, I was capable of learning from observation. I merged with a very wholesome respect for the difficulties of administration and with a well-developed capacity to “empathize” with administrators.

After the War I came to the University of California with a letter in my pocket saying I had been hired to teach Political Theory. As it turned out, I taught courses in every division of the curriculum *but* Political Theory, and by the time of publication of the book in 1948, had come to be identified with Public Administration. (I did not bother to tell my Chairman that I’d never taken a course in it, and, on those grounds, had been refused permission earlier to take the Federal J.P.A. exam.)

The purpose of these personal remarks is to forward an understanding of the work, first of

all in its “idea” and main thrust, but also in its development, through revision for publication late in 1945 and subsequent tinkering. For if the book struck the reader—as it often did—as smart alec, presumptuous, or hostile, there was good reason. On the other hand, had the book been published in 1942 (though it would have been more “original”) its offensiveness to the Public Administration fraternity would certainly have been substantially greater.

I wish to comment on some peculiarities and deficiencies of the book, but first I enter a favorable verdict overall. I would not be likely to do otherwise, of course, but I *think* I can now view the past two decades with considerable detachment: luck led me to a project that was “different,” the project was executed with thoroughness, the project was one for which the time was ripe, and the impact of the book was important for the discipline. No one has argued (to my knowledge) that I significantly misread the history and outlines of the Public Administration movement, that my conception of its relationship to its historical milieu is seriously askew or unfair. My judgment rests on much evidence that seems “objective”—though of course I might be likely to misread the record.

Respecting some of the peculiarities and deficiencies of the book, let me first comment on what I above referred to as its “smart alec” flavor. This may be a deficiency in the book and reflect a deficiency in me. But, in any case, it was an aspect of my approach and style of which I was well aware, both in the original writing and in the subsequent revision. It was the subject of considerable advice from and argument with the publisher and editor, who sought to “tone down” its offensiveness; as indicated above, there *was* considerable toning down. However, I was determined to be heard. A book with weaknesses I would chance, but not a *dull* book that would be ignored. I was well aware I would pay a price for a book that was not only critical, but irritating as well. I was willing to pay the price, and the price was in fact exacted and paid. It took a decade to achieve a fair amount of respectability and acceptance in what had become “my” fraternity.

There is no space—or reason—to catalog all of what I now regard as immature, too-pointed,

or simply puzzling passages in the book. However, I seize the opportunity to comment on two or three of the more significant errors or omissions.

One of these is the absence of any reference to Chester Barnard’s *The Functions of the Executive*, published in 1939. Several persons have queried me on this matter, and I have justified the exclusion on jurisdictional grounds: Barnard was not writing about public administration nor had he, by the mid-forties, made any notable impression on writers in this area.⁴ But I confess that more was involved. I had read *Functions* (in 1941), but at the time my mind was simply not prepared to “receive”—to really understand and appreciate—what I now regard as a remarkably original and useful work. Nor is there any mention of Max Weber, though his writings on bureaucracy had begun in the thirties to exert some influence on the literature of Public Administration.⁵ I confess that what later seemed to me as almost a Revelation at first merely struck the mind and glanced off.

A footnote (186) dismissing the Hawthorne experiments as misguided and insignificant is, at this point, embarrassing: How could I have been more wrong? In a way I *was* right. My reaction may be regarded as a commentary on the Two Cultures and their differing view of the world: a humanist education acquaints one naturally and easily with what the scientist often only learns with a laboriousness bordering on the absurd. “Acquaints” him with; but while the knowledge is about the same phenomena, it differs in tone, precision, and effect. I confess that at that time I was quite unprepared to appreciate such careful empirical research as the Hawthorne experiments represented and stimulated.

A few words on the reception and use of the book. (Note that I do not say “influence”; gauging the influence of a book is a very imprecise art.) The reviews were, as they say, mixed,⁶ That in *Public Administration Review* laid about me a salvo which lifted me right out of the water⁷ (to use a now quaint idiom); but this was nicely balanced by a favorable lead review in the *American Political Science Review*. The book was not written for “text” purposes, of course, and has never been widely used in

undergraduate teaching. But its use in graduate training, and as a general scholarly treatise, has been and remains gratifyingly substantial. The pattern of favorable reception and use outside the United States long puzzled me, but at last I discerned a pattern: older “successful” countries (notably the United Kingdom, France and Germany), firm in a belief they have little to learn, have largely ignored it; as have new and struggling countries, where *any* sort of administrative apparatus is an achievement. But in the wide band of countries in between in which the remodeling or improvement of administrative systems is high on the agenda reception has been and is highly satisfying.⁸

On Some Matters of Content: Notes for Revision

I have often been asked whether, or when, I intended to revise *The Administrative State*. But it has always struck me as a book that does not lend itself to revision and up-dating, at least on any five or ten year basis. W. J. M. Mackenzie, in a more favorable British view than that noted above, once wrote: “Professor Waldo has read practically everything that has been published on the study of public administration in the U.S. . . . with the happy result that it should not be necessary for anyone to do this job again for at least another fifty years.”⁹ I accepted this as a compliment, but also recognized the mild sarcasm. So I made a note to myself to lay on consideration of revision (or a sequel) for year 2000, and have not seriously considered the project mean-while. But as a matter of “revisiting” I have scanned the book, noting various points on which some “new thoughts” might be in order now more than two decades after the main outlines of the work were fixed. My notes, thus, might be regarded as “thoughts on revision” if one *were* to be done at this time. I comment on some of the points in this section.¹⁰

Part I. The Material and Ideological Background

The matters selected for discussion under the two categories “material” and “ideological”

were probably appropriately chosen. If one were writing a similar essay today his task would be primarily to note that *x* belongs essentially to history, that the impact of *y* has now changed in such-and-such a fashion, and that *z* might now be included. A few notes in this vein:

As the descriptive Great Society has become a normative slogan for a national Administration, no doubt this deserves up-dating. This should focus upon (a) the overall rapidity of movement along the course Graham Wallas charted when he coined (or popularized) the phrase; but (b) the tremendous unevenness of the “advances,” with resulting tensions and confusions.

The influence of Our Business Civilization would need thoughtful revision, with the theme that the nature of the influence has changed but certainly not diminished. Recently I asked a friend what he intended to entitle a new book, and he replied that he was searching for a title that would appeal to the Business Administration people because “that’s where the big market is.” He was right (and I understand and respect his motive). We are outnumbered, schools and students, twenty to one by my rough guess; and the impact upon us is simultaneously massive and subtle. For instance: Since most of the money for research on organizations has come from business and has been done *on* business-type organizations, isn’t it likely as a result that theory of organization tends to view the world as though all organizations are business organizations? I put it as a question, but to me it is a fact. Recently, “research money” has started to flow in significant amount from a new source, the Federal government. But selectively. One result is completed research on hospitals, prisons and mental institutions, and there is now the alternative of viewing the world of organization not from the Fortieth Floor but from the Warden’s Office.

The “corporate revolution” should now be subsumed under the broadened phrase invented (or popularized) by Kenneth Boulding, the Organizational Revolution. Writing on the “corporation” continues, but has been outflanked and by-passed by a great deal of attention—centrally but by no means exclusively by the Sociologists—to organizations generally and generically.

Urbanization has proceeded at such a pace that one could of course speak of an Urban (or Metropolitan) Revolution—except that already there is abroad the notion we are moving into the Post-Urban period of civilization. I had and have no doubt that Public Administration was a response to the urbanization of the United States; the question is whether our disciplinary response has been significant, has adequately kept pace with *accelerated* urbanization. (Perhaps the first, but not the second?)

The rapid advance of automation would of course be added to the Second Phase of the Industrial Revolution, the latter is history, the former contemporary enviroing factor. The Advance of Specialization is hardly outdated in view of recent works pointing to a “crisis” in organizational theory and practice because of a disparity or conflict between knowledge and authority. Democracy and the Mission of America has perhaps a quaintness in its connotations; but again, is it not relevant to the extensive world-wide “engagement” of the United States government for now two decades? Is it not significant for technical assistance and Comparative Public Administration?

To what extent The Fundamental Law should be relegated to history or carried forward as a theme would constitute a problem of the most difficult sort. The problem is posed by the fact that—as I perceive it—the idea of a fundamental law has not so much disappeared as “gone underground.” In any event, one would face an incredibly difficult task in trying, in short compass, to say anything accurate and significant about an intellectual universe so complex and chaotic. And as to Progress? This is much the same: it has gone underground. At some levels of our thought we no longer “believe” in it; still, if we did not believe in it, what possible sense or justification could many of our professional activities have? And again as to Efficiency: as I read the situation, it has gone underground. Harrington Emerson’s “gospel of efficiency” sounds as quaint as Third Century metaphysics, and one senses a slight embarrassment when the word “efficiency” is introduced; but except in terms of *some* version of this concept, how can one make sense of much we do?

Faith in Science is quite a different matter. This waxes, I judge, despite iconoclasm, fear

and rebellion in various quarters; the believers are In, the rebels Out. More, as a faith, as Myth, it has a unifying, energizing function, important generally and certainly important in understanding the world of research in and out of academia, in and out of government. I speculate—I don’t know how proof could be had—that much of what has gone “underground” with respect to Fundamental Law, Progress and Efficiency emerges and is unified here.

The Movements, the Men, the Motifs In this chapter and elsewhere it is noted that, though in part the Public Administration movement began with more attention to “administrative” law, something of a split and rebellion occurred in the twenties, and Public Administration developed an anti-legal bias. Today, as against two or three decades ago, there is perhaps less hostility, but more simple indifference and ignorance: our Public Administration curricula hardly emphasize public law. This would perhaps deserve no comment were it not for the fact that the legal approach to administrative training and “study” is so widespread in the world; in fact, what seems to us at this point as natural and good is hard even to *understand* in much of the world. This might or might not be reason for some reexamination on our part. In any case, it is a matter of import for us when we are engaged in large technical assistance projects and are studying earnestly what to make of Comparative Public Administration.

What was said of Public Administration’s innocence of Psychology was true, and important to an understanding of two generations of theory and action. But important changes marked the late forties. “Human relations” sprang more or less from the Hawthorne experiments and became something of a fad in Business Administration, and also became an important motif in Public Administration—as signaled by Alfred de Grazia’s bibliography on the subject for Public Administration Service in 1949. Psychology has “entered” by other channels. I have in mind, for example, the uses made of certain schools and theories by Herbert Simon and James March, the application in small group theory and research, and the recent research interest by Psychologists in organizational

phenomena. In fact, the events of two decades with respect to the “reception” of Psychology are remarkable. However, the reception has been selective: a rank amateur in Psychology can quickly identify theories and techniques not yet brought into our professional range.

I would now couch a discussion of The Administrative Training Movement in different terms. But I would have to say that we really have not come very far along this road; indeed, in some respects may have lost ground. The problems are our own disciplinary problems—scientific, philosophical, moral and other—but they also relate to the fact that we exist in a very large, complicated and changing society. We are far indeed from a generally accepted set of ideas as to what Public Administration is, how it should be taught, who should learn it, and why; and getting the “package” accepted and institutionalized.¹¹

Of the Bureau Movement one would have to say of that part of it that was once “independent” and (or) “municipal” that it is moribund: that the impulse has been passed to different types of organizations, that while some lineal descendants may still perform a useful function they make no significant scientific or philosophical contribution. (I except the Institute of Public Administration, a unique phenomenon, from my generalizations.) The university-affiliated bureaus, which sprang from the municipal bureaus, have become the main stream, and this stream continues to swell at a modest rate. Their contribution of research and new ideas is significant and probably increasing, but on the whole their energies are chiefly and necessarily given to what might be called “technical assistance at home.”

Respecting The Reorganization Movement, the past fifteen years have witnessed a great number of “Hoover Commission” types of effort, proceeding generally along the lines indicated: “accepting” the general frame of institutional arrangements and seeking to apply more-or-less “orthodox” organization theory. To be sure, these activities are often infused with a great deal of common sense and prudence, political savvy and careful strategizing; but it is an interesting question whether any of the research findings and “new ideas” of the past two decades are having any significant role in reorganization attempts of this decade.

And of Foreign Influence? This, as nearly every topic I mention, deserves essay-length exploration, but I venture a few generalizations. First, the influence of the influx of foreign scholars identified with Public Administration (or Political Science) had largely made itself felt by the late forties; their writings have been respectable, to say the least of it, but they have added nothing new—except as some of them (our world resisting neat compartmentalization) might be identified with my second generalization. Second, the impact of Continental writers, chiefly through Sociology and Social Psychology, has been very great for now two decades. The impact is chiefly in the area of “theory of organization,” and is felt less in Public Administration than in Business Administration and elsewhere. Third, the impact upon our discipline of our wide-ranging and now long-term technical assistance (and related) activities will prove to be of fundamental importance. Probably we will learn more than we teach; though to state it in these terms suggests both a too-simple view of what we “teach” and what (or how) we “learn,” as well as implying that the teaching and learning are opposed rather than closely joined and interacting.

Scientific Management and Public Administration This is a completed chapter in intellectual history and influence, in the sense that the national movement lost its momentum and distinct identity in the thirties and the international movement was mortally wounded in the War.¹² However, apart from its value in understanding the development of Public Administration, the essay stands as summary of and commentary on one of the many varieties of scientific-technological utopianism. (Technocracy, much less significant on any scale I can think of, received considerable attention from social scientists interested in its social-political doctrines, Scientific Management, hardly any.)

Part: II The Good Life

My judgment is that nothing has occurred that would alter the main features of the sketch here drawn. “Documentation” from more recent sources could be had in abundance on the main points. To be sure new refinements and fresher styling could be shown. But the differences

would be, by analogy, those between an automobile of the forties and an automobile of the sixties. (I reserve till later some comment bearing upon Democracy: End or Means?)

The Criteria of Action To up-date this chapter at a certain level of reporting and commentary would not be too difficult, but to report and comment in depth would be rather like drawing and explaining a map of Chaos. For the trails would lead out through the boundaries of ordinary disciplinary attention, through the tangled areas of social science and social-political theory, and to the foundations of contemporary philosophy. Or perhaps more accurately, varied and conflicting foundations—or *absence* of foundations for those who won't buy any brand of what is being offered in the marketplace of ideas.

However—a few notes. Of Pragmatism one would have to say that it has sharply declined as a “fashionable” philosophy, in general so to speak, and as a known and consciously held philosophy by and for social scientists. In fact, its decline has been precipitous, a remarkable event in intellectual history. Of course, pragmatism can exist without Pragmatism, and of the lower-case variety there is plainly a great deal; we impart a great deal of it in teaching Public Administration and it is the unarticulated working philosophy of much public administration.

The observations on The Positivism of Public Administration, focusing centrally on its “naturalistic fallacy,” are still pertinent to the ordinary garden varieties of positivism (of which Pragmatism may be regarded as one for this purpose). However, a treatment of the recent and contemporary scene would deal with an extremely important development, the introduction of Logical Positivism into American Social Science. With its careful distinction between “fact” and “value” Logical Positivism avoids the naturalistic fallacy, whatever its other limitations or errors may be. Logical Positivism as a methodological platform or professional “stance” was proposed for Public Administration by Simon in *Administrative Behavior*, just at the time the books were closed on *The Administrative State*. Updating this chapter would entail assessing the impact of Logical Positivism and analyzing

its nature, effects and implications. (It occurs to me in a way it has not before that it may be laziness and cowardice that keeps me from the revision!)

Regarding budgetary theory: undoubtedly I was correct in thinking that Criteria of Action are (logically, but probably not usually empirically) of the essence here. That is, as a formal matter, decisions on goals and means are being made, and it is reasonable to think or hope that something beyond chance or force is involved, something “reasonable.” Exploring this trail would lead in several directions; for example, into various aspects of Economics (e.g., “welfare Economics,” cost-benefit studies) of which I am too ignorant to do more than note their relevance. However, the main direction of exploration would take one into “decision-making” theory generally; and this brings one into a literature so large that bibliographies have been issued as guides to it. Exploring this, one comes—and soon—back to Logical Positivism. Remember: the subtitle of *Administrative Behavior* is *A Study of Decision-Making Processes in Administrative Organization*.

Who Should Rule? Here my eye is caught by a sentence that seems apt and still quite pertinent: “All of the conflicts and inconsistencies in the public administration movement meet at this point; all of the unresolved theoretical problems of the movement break the surface of the current.” I now realize that in my comments above on education for public administration I touched upon what is centrally relevant here and will not repeat.

But a few further notes: The sociological literature (e.g., Weber on the “indispensability” of the bureaucrat in modern society) would now have to be explored. The recent books on the “crisis of authority” (Victor Thompson and Robert V. Prethuis) are highly relevant. The debate over whether (or in what pattern) to establish a “Senior” civil service category is probably the most pertinent of the strictly professional literature. Trends—and justifying literature—in education and training for public administration would need to be reviewed. (To what extent is there movement in “our” direction, particularly in Western Europe, and what are the implications?)

The Separation of Powers The major part of this chapter (104-122) is History-Willoughby's *Government of Modern States* was regarded as quaint even in my graduate days. But as History it can stand. It tells how we got to where we are.

And where are we? Still in the state of divided and conflicting opinion I noted under the heading *Toward a New Theory*. There is no reason in the nature of things, I suppose, that we should ever reach as much agreement as the record signifies that there was for a couple of decades on the politics-administration dichotomy; and perhaps we shouldn't. A review of what is pertinent here would now include (but I am sure not be limited to): the relevance of the fact-value dichotomy of Logical Positivism—the extent to which it is solution or surrogate; the writings of Paul Appleby, who, it will be recalled, thought he discerned *eight* distinctive political processes; the writings on the “politics of administration” (giving especial attention to those of Norton Long); and those writings urging a “public policy” or “policy process” focus for a discipline of or curriculum in Public Administration.

Centralization Versus Decentralization My reactions to this chapter are ambivalent: In some ways this material seems dated (History, again), but in other ways quite relevant to our present situation. In significant measure the formulae of centralization here reviewed remain our “working faith,” simultaneously embodying our “science” and serving as a program for administrative reform. But they are no longer (except for certain strategic, political purposes) “dogmas”; and the mood of Skepticism and Compromise, on which I closed the chapter, continues to characterize much of what would be reviewed in updating this chapter.¹⁸

Part III: Principles, Theory of Organization and Scientific Method

Again ambivalence, but this time of another nature. On the one hand I think that I was acute and prescient, that what I said was and is true in its main thrust; on the other hand, I am made uncomfortable, even embarrassed, by some half-truths and awkwardnesses.

In considerable part the latter are related to the fact that I was then ignorant of what was about to become a very important feature of the landscape of Social Science, namely, Logical Positivism. For a graduate student of my day—before Behavioralism had come over the horizon—I had done reasonably well in my attention to “methodology”; I had, for example, read my Morris Cohen, had taken work with F. S. C. Northrop. I had done systematic work in the history of Philosophy—but not in contemporary Philosophy. I was vaguely aware that something called Logical Positivism was about, but had not investigated it. And did not, until Herbert Simon bludgeoned me with it in the early fifties. (He charged me, correctly, with having failed to understand a central postulate.) When I did study it I found it acute and useful in some ways, but limited and misleading in others.¹⁴ But in any case, studying it is rather like eating the Apple: the World never looks the same after the experience. There are moods and styles in discourse, arguments; and one can hardly speak or write “Social Science” nowadays in America without being affected by the Logical Positivist-Behavioral atmosphere (as he could not in another atmosphere by, say, Dialectical Materialism).

Let me point the relevance of these considerations. I state (181): “It is submitted that the established techniques of science are inapplicable to thinking and valuing human beings.” This is, shall we say, a half-truth. It is simply not the way I would now put and argue my opinions. I would now feel obliged to start with Logical Positivism's distinction between judgments of fact and judgments of value, note the way in which it treats human values as data (“scientifically”) but does not purport to deal with values “as values”—and go on to make whatever argument I wished, and could, about the usefulness and limitations of this view, the importance of what it slights and how this might be handled “respectably.” Again: the passage (185) beginning: “*The data of administrative study are organizations in relation to purposes.*” Purpose is not a constant that can be assumed or an irrelevancy that can be put aside.” Logical Positivism as philosophy and Behavioralism as methodology do not deny the importance of “purposes”; they *insist* upon the

importance of treating them and offer an approach, “methods.” The important questions would concern *how* they deal with this area; what is done and how well, what is obscured or left undone. And again: the treatment of Theory of Organization. The idea that one could achieve a general theory of organization, or theory of organization in general, was of course already abroad; but up to the forties the idea was, or at least I interpreted it as being, conceived as *normative* theory, i.e., theory about how organizations *should* be constructed. A present day treatment would not only have to take cognizance of a vast literature treating or relating to theory of organization, but have to recognize the fact that on the whole the claim or assumption is made that this theory is non-normative. The question then would be—if one wanted to raise it—whether through “envi-roning” factors and (or) in choice of organizations treated, hidden assumptions of a normative character had crept in; if so (as I think), what they are and what is implied;¹⁵ whether, to what extent, or in what fashion, it is possible to achieve “purely descriptive” generalizations, uncontaminated by purpose, culture, etc.

Two other matters also are related, but perhaps not so closely, to the impact of Logical Positivism-Behavioralism. One of these concerns the notion of “principles” of administration. Already questioned pre-War (as by Schuyler Wallace), in the immediate post War period the “principles” were attacked and thoroughly discredited, by Robert Dahl, Herbert Simon, and others, as well as in *The Administrative State*. In fact, the reaction was so complete that I soon found myself wondering (as James Fesler put it in 1949) whether we weren’t throwing the baby out with the bath. Hadn’t we learned *anything* of value in two generations of study?¹⁶ (Simon seemed to be saying that we had not, that we had to start afresh and build on new foundations. For all the difference in outlook, the “case program” seemed to be saying by implication much the same: We had to back up, take a fresh look free of preconceptions, proceed cautiously from new beginnings.) We wavered uncertainly between the old “principles,” which we taught—and then qualified and criticized; and the Promised Land in which principles *would* be achieved, but

principles of a new kind, descriptive generalizations rather than normative injunctions. No one could, or at least has, chosen to rehabilitate “principles” at their proper level, so to speak; explicitly and without apology. This strikes me as a respectable and much needed enterprise, and I judge the crux if it to be the avoidance of “universalism,” either of normative principles or of non-normative principles: the relating of certain generalizations derived from certain experience to the achievement of certain types and ranges of goals.¹⁷

This brings me to the final matter, the Reflections on Science and Common Sense with which I closed the chapter. Perhaps, if I had been able to see more clearly, I should have argued here for the “resuscitation” of principles on more modest, but firmer foundations. As it was I left myself open to the charge of confusion, indecisiveness (as one reviewer put it, I “marched down the hill” I had laboriously climbed). But I do not there by conclude that common sense, “prudence,” should be dropped from consideration. This is, I think, a quality in persons and a factor in administration, distinct from principles of any kind, and deserving of respectful attention; nor is it dealt with adequately by simply noting or positing a distinction between pure and applied (or practical) science. Unfortunately, this area of contemporary thinking (I don’t even know if I’m phrasing the matter clearly) remains chaotic, and I don’t pretend that I could clarify it—even with a big Foundation Grant.

Economy and Efficiency The statement and interpretation of History in this chapter can stand essentially unchanged. There are a couple of amendments I would now make to Efficiency: End or Means? and there is one aspect of the discussion of The Idea of a Hierarchy of Purposes that continues to puzzle me after years of turning it over in my mind.

My argument that efficiency cannot in itself be a value, but becomes a value only by courtesy or reference, I regard as overshooting the target, overstating the case. I was essentially correct at the analytical or rational level, but I failed to take account of certain psychological and social phenomena. At the individual level, it now seems clear that by “goal displacement” what begins as an instrumental value may end

as a value-in-itself. Similarly, at the social level, it now appears obvious that in a society in which efficiency is sedulously cultivated for its instrumental value it may become in time and in important ways a value-in-itself; as cleanliness, valued first for reasons of hygiene, may end up next to Godliness.

The argument that efficiency is a “mental” rather than “objective” phenomenon likewise carried beyond the mark. It now strikes me as too much an Idealist view; put the other way, I now believe that efficiencies (and inefficiencies) characterize natural phenomena, are “objectively true”—a point which I don’t suppose I need to argue.

The matter in the final section that I continue to mull over concerns the “neutrality of the instrument.” The example of the typewriter, which I used, poses it in a nice manner. Now it still seems to me true that an instrument so “passive,” so adaptable to many ends, has a similar efficiency under similar conditions—conditions as similar as those implied in the three organizations I instanced. But does this not imply that the frame of reference is Western, i.e., industrial, bureaucratic, etc.? What is its “efficiency” to the Aruntas in the Outback? Or, to take a closer, more relevant example, is it value-neutral in any society in which there is a “modernization” program with its inevitable clash of values? Doesn’t it carry with it by implication, a culture, a view and style of life? One with steel, rubber, plastics, chemicals; with typists, a postal system, bureaucrats, typewriter distributors and repairmen? (And all of this without taking cognizance of the fact that the keys of the machines bear differing, distinctive symbols, which can write certain languages and not others; and that languages are the bearers of distinctive value-systems.)

Updating this chapter would entail primarily tracing the developments already clear in the forties: we continue to emphasize economy and efficiency; to improve our achievement, to refine our measurement of them; but this primarily at the “lower” levels of administration.¹⁸ At the “upper” levels the broadening into considerations of “social efficiency” continues; the unit for which we do our computing of costs and benefits tends to be large and complex—the national unit, at least, often in some sense larger. We appreciate the difficulties; but accept the

necessity, if we are to be not only unselfish, but realistic, *relevant* to our situation. Social efficiency (much less efficiency) is not of course a *term* much used at this level of thought nowadays: we seek “good,” “wise,” or simply “workable” decisions. *Decisions*: obviously in pursuing the matter we would be entering the area of the newer, more popular decision-making idiom.

One area in which the most difficult tracing out of strands of thought, and their analysis and synthesis, is called for, is indicated by my reflections above on the typewriter—on the “neutrality of the instrument.” I refer to our world-wide “engagement,” only in its preliminary stages in the forties: *The Administrative State* is chronologically joined with the Marshall Plan but logically precedes it. What are the implications respecting efficiency in the enterprises of Technical Assistance and Comparative Public Administration)? That with the best of intentions we have nevertheless often been ineffectual, naive, perhaps even “immoral” and “destructive” (if Social Science is your Mother Tongue, “dysfunctional” may be substituted here), would not seem to need much argument. What is the efficiency of our administrative techniques when transposed to a differing culture? Indeed, can they be transposed without transposing also important aspects of culture (including efficiency as a “value”)? If not, what does this imply, for science *and* morality? As just one example of what is within this tangled skein, I call attention to a “speculation” that has now reached the stage of scholarly writing: that dishonesty, “corruption” may be functional for “development.”¹⁹ With this we are at a far remove indeed from the Founding Fathers of our discipline, who posed not just honesty, but economy and efficiency against corruption. Rethinking, anyone?

On The Agenda

As originally conceived, there were to be four parts to this discussion, a third part entitled “On the Developments of Two Decades.” As it turns out, I find many of themes that were to have been treated in this part have already been touched upon, or can as well be discussed under the present rubric. (In a maddening way,

everything relates to everything.) To be sure, a full discussion of trends would treat some things not mentioned, and others, such as the development of the “case program,” more fully. On the other hand, the developments of the past two decades are not secrets hidden from the readers of the *Review*.

I will, however, comment “in general” on the post-World War II period. What characterizes it as a period? What are its distinctive qualities? It begins with two things, clearly. One is a tremendous input of new views and to some extent new ideas. By the hundreds, teachers, writers and researchers had been engaged during the War years in, or at least by, public administration; without too much exaggeration, had packed decades of experience into a few years. At the same time that this experience was being inspected and analyzed, the “tradition” was subjected to severe scrutiny. Several younger writers, working separately but more or less along parallel lines, concluded that the “principles” were really “proverbs.” One might think, then, that there would emerge, after a seasonable period of turmoil, some new synthesis, a restructuring of our “universe”; a disciplinary code, viewpoint, or philosophy on which most of us could agree. One of the younger writers, Herbert Simon, in fact offered not simply a critique of the past but a closely reasoned, firmly structured program for the future.

Why was it not accepted in Public Administration?—with which it was formally connected and for which it was putatively presented; whereas its reception in Business Administration and elsewhere was enthusiastic? I do not claim to *know*, but let me speculate. One possible factor I have suggested above: the simple inability of some persons to understand clearly what was being presented. But many, surely, more experienced and intelligent than I, *understood*, but were not *persuaded*. Just *possibly* this was because the analysis and program did not ring true to them: the world of public administration as they had experienced it simply was not present in Simon’s analysis. For all they have in common, public administration and business administration are nevertheless significantly *different* perhaps? And it was the commonality and even the distinctive qualities of business administration (as

suggested by the borrowings from Barnard, and Economics) rather than public administration that *Administrative Behavior* caught? A distinctive quality of Simon’s formulation, a paradox of sorts, may be relevant: the formulation was novel, even radical, but also very “traditional” in some major lineaments. Its traditional features consisted in this: that a science is possible, that principles can be achieved, that our world is divisible indeed into two distinct realms, that efficiency is the proper criterion. These notions were of course quite restructured by Simon. But my point is that to a generation eager to be rid of past errors and useless encumbrances he perhaps seemed but to present the old goods in a new package. For example, a generation now convinced that the separation of politics and administration was a gross error might view the fact-value dichotomy as but a variation on a tired theme. The case program seemed to many of the ablest of the new generation to offer more promise: let’s look at the phenomena of public administration afresh, see it in its context and rich fullness, observe carefully, proceed with great caution.

For whatever reasons, no “new synthesis.” Public Administration has grown by “receiving” this bundle of data, that body of concepts, the other disciplinary perspective; by “cognizance” of this and that and the other event, development, opportunity. We are anything but stagnant—but no new synthesis. And *perhaps* none should be expected, would be, undesirable if achieved because it would constitute another “orthodoxy.” The proper orienting analogy may not be theory of particle physics or astronomy (and even here theories contend) but medicine, law and other professions. Schools of medicine, for example, use data and theory from dozens of fields, and these data and theories change frequently and are never fully reconciled one to the other.

The post-World War II period has its own distinctive flavor. In one sense it is most like the period from World War I to the Great Depression: in that both were periods in which historical events and public mood tended to “devalue” public administration. But whereas the former period synthesized and summarized—producing the first textbooks—the latter steadily adds without ever summing

or subtracting, argues without agreeing or concluding. The end product *may* be (as suggested above and underscored below) the abandonment of the “disciplinary” for the “professional” orienting concept.

Now, to the “Agenda.” What I have in mind is a cataloguing of various matters that present themselves prominently to us as problems, opportunities, questions—whatever the proper term may be. Put it this way: I am trying to guess or imagine what themes the writer of an *Administrative State* at some future time will address himself to in discussing the development of Public Administration in the sixties and seventies. In some respects I shall undoubtedly choose incorrectly or “structure” what I choose awkwardly, misleadingly; and of course my catalogue will be incomplete.

Trying to “make sense” of the items that I have jotted down, it seems to me that they can be divided into three groups, though I emphasize that my three-fold classification is but rough and tentative and that every item I list has aspects and ramifications under all three headings. I am not even pleased with the accuracy and felicity of my three rubrics: (1) Historical developments (environmental challenges), (2) Intellectual and doctrinal problems, (3) Institutional problems. And as will be seen, I am not the first to call attention to most of them. Incidentally, no significance attaches to the order of listing.

Historical developments (environmental challenges) No doubt the reader tires of the “prefacing,” but a further word is necessary with respect to this heading. I do not mean to imply by “environmental” that the phenomena of which I speak are up to this point quite “outside” the discipline or profession; public administration is more or less “within” all, and Public Administration has addressed itself to them in various ways. I *do* mean to suggest that we have not yet given them the attention they deserve, and that they will probably be receiving much greater attention in the years ahead.

I first cite the development of “government-by-contract” or the “new federalism.” Surely one of the most obvious and significant developments during the past two decades has been the expansion of government-by-contract. In terms

of objectives sought, resources committed, apparatus employed, here is a large part of contemporary American government. It seems “business-like” and fits fairly unobtrusively into, indeed is “encouraged” by the American ideology of private, or free, enterprise; additionally, it is a “natural” way of bridging between what are usually conceived as “levels” of government in a federal system. The developments have taken place with respect to both: contractual arrangements with the “private” sphere, primarily profit-seeking business-type organizations, but also with respect to non-profit organizations of various kinds; and with various organs and agents of the states, for example—and notably—the state universities.

Obviously, these developments are of great import in the evolution of our national life—of our constitution, in the broader sense; for all that there are precedents and analogs in the misty past (or because of them), we may be insufficiently aware of changes both massive and subtle now under way. Who can find any meaningful line between federal and state in defense-connected developmental research in state universities? And at what point does (or ought) Union Carbide or General Dynamics become “affected by the public interest,” i.e., in effect a public utility? (And *what*, pray God, is Comsat?)

I do not allege that these momentous developments have gone unnoticed. Altogether, there is considerable attention evidenced, one way or another, in the scholarly-professional literature; and some of the work—one instance that of the late Morton Grodzins exploring the “real” nature of our federal system—is of a high order indeed. I also take judicial notice, so to speak, of a study in breadth and depth now nearing completion at The Brookings Institution. On the other hand, I do not know offhand where I could now turn even for a useful “map,” or classification, of the flora and fauna of the new realms. Assuming that The Brookings Institution study gives us this and a great deal more, it still will have but prepared the groundwork for the more intensive studies and reflection that are due.

Second, I cite the growth of the military and its heightened importance in our lives. To be sure, recent trends are subject not only to possible alteration but—what shall we

say?—complete cessation. But presuming no End: a prime fact of American life during the past two decades is that we have entered into a new phase—new for us, though old for much of the world—in which the military is of high and continuous importance in our national life. We no longer have frontiers, buffers, of time, space and allies to save us from sudden and overwhelming assault; and the threat, most believe, is real and persisting into a distant future. The implications of our own modified version of the “garrison State” of course stretch far beyond the administrative or governmental, but centrally and importantly they *are* administrative and governmental.

Two generations ago in the gestation period of Public Administration there was considerable interest in military administration (though perhaps the interest concerned its lessons for other administration), and of course considerable attention was given to military matters during and after the two World Wars (e.g., after the Second by John Millett, Otto Nelson, Frederick Mosher) by persons identified with Public Administration. But the amount of study by “us” is small indeed compared to the need and possibilities. There is a great deal of study of military (or civil-military) matters, not to mention foreign affairs,²⁰ by psychologists, pollsters, economists, mathematicians, and others; persons from Business Administration are actively, prominently, involved (indeed conspicuous in Defense). Considering that here is a wide range of phenomena, engaging more persons and absorbing more resources than any other governmental activity, *public* by definition and certainly *administrative* in many dimensions, ought we not be more concerned and involved?

I turn now to science. By science I mean the remarkable recent and contemporary growth of scientific research, pure and applied, together with related activities: to the growth of science as an “institution,” its rise to a place of eminence as a part of the Establishment, its ramification into new places or its increased dimensions in old, its new or increased intermingling with the process of politics and administration. Much of the growing importance and prominence of science is implied in or an aspect of the first two “environmental challenges,” of course; but this is only a part of the “story.” I refer to the widely

popularized estimate that ninety percent of the scientists who have ever lived are now alive; to analyses of the nature of Derek J. de Solla Price’s in *Little Science, Big Science*, calling attention to an exponential increase in scientific research. One can, I think, discount a fair amount of this. But even at sharp discount, we confront a phenomena of first magnitude; without question, we are already into a period of human experience without significant precedent.

We have only begun to experience the impact of science, directly and as “mediated” through technology. The implications run to all aspects of individual and collective life. In government, *nothing* is or will be untouched by this scientific revolution, unless it is such sentimental oddities as the Congressional snuff-boxes. The implications and effects pertain, of course, both to what and how, to substance and procedure, to what government is and will be doing and to the ways of doing what is done. Regarding the “what,” one can begin with such dramatic and grave subjects as weapons limitation, space travel and world population control, work down through all the familiar categories of human interest and activity—agriculture, education, entertainment, etc.—to the range of traffic and fire control in one’s own neighborhood: science will profoundly affect what is undertaken. And science will also affect the “how” for every one of this enormous range of subjects of governmental import: how the various areas of activity are administered, regulated, directed, controlled or not controlled.

If we do not wish to become obsolete, if we intend to be relevant and effective, I think we need more awareness, more knowledge and sensitivity, than we now have respecting the scientific revolution that on the evidence is only in its simple beginnings. Not that we are ignorant in a comparative sense: as a group in our society we are among the better informed about the scientific-technological complex and what recent and present developments therein may mean for society, for government and public administration. In some places and ways we are indeed the scientists ourselves, or the administrators with the most highly developed expertise where science, technology and administration intersect. But our knowledge and skills nevertheless are not sufficient for the present, much

less the future.²¹ A new scientific elite is rising, one with a highly plausible claim to the exercise of political-administrative authority in the type of social-economic order that is developing.²² Whether our strategy should be to become “part” of it, or to balance and supplement, is to be determined; and the determination poses questions from the semantic to the moral.²³

The fourth “environmental challenge” is related to the third: essentially it may be viewed as one aspect of the total scientific revolution, though it in itself has many facets and far-reaching implications. Certainly it has no all-embracing accepted name or clear boundaries, for I have in mind a “conglomeration” of theories, machines, technologies and organizational phenomena which include the computer, automatic data processing, decision making theory, operations research, simulation, cybernetics, systems analysis, automation—and still more.

Now I am hardly likely, on the record, to urge that the complex of interests identified as Public Administration be completely merged with, and submerged by, the rising computer-automation tide. I do warn against our being drowned and lost in it, and this strikes me as a real danger unless we—to continue the metaphor—learn to swim. But with this extension the metaphor becomes awkward, misleading. The point is that all of us need, without losing our own identity and distinctive viewpoints, to become more generally knowledgeable about these developments now becoming so important a part of all organization and administration; and some of us need to become experts in the various theories, sciences and technologies, matching the expertise of those whose home discipline and professional orientations are quite outside of Public Administration, indeed outside of either the social sciences or the humanities. If we do not we will with certainty become increasingly ineffectual, by-passed by history.

I do not overlook the fact that we do presently move in this direction. For example, the display of “hardware” at the last national convention of the Society would have been unthinkable a decade before—and not simply because much of it did not exist a decade ago; and other evidence of “progress” could be

cited.²⁴ On the whole, however—well, here I quote from a memorandum addressed to me by a colleague engaged in a major study of the computer in relation to public administration: “Perhaps the most striking aspect of the computer’s impact upon public administration is that it has had so little impact on our literature. Even though the computer has received great aid in its development from government, and public agencies have pioneered many of the uses of the computer, the profession has not been greatly influenced by the computer revolution.” We had better be concerned not only with the small influence of the revolution on us, but with our lack of influence on the revolution.

As a fifth and final environmental challenge I cite the urban-metropolitan revolution. Again, “no news” to the members of the American Society for Public Administration, many of whom are much better prepared than I to cite chapter and verse—statistics, causes, theories and trends. Albeit, any discussion of the present and future of Public Administration that failed to touch upon this revolution would be deficient. For it *is* a revolution. Rather like the scientific revolution, it is generations old in its origins, but recently and prospectively “different.” That the origins and classical formulae of Public Administration were due to, at least related to, our shift from a predominantly rural to a predominantly urban condition, was a theme of *The Administrative State*. But the movement has not simply continued, it has accelerated in speed and increased in every dimension. How much of the United States is “urban” depends upon the criterion selected for scrutiny, but all quantitative estimates place the amount above 75 percent, some in the neighborhood of 90 percent; and that part not just urban but metropolitan at more than half. Except in the most remote, all-but-inaccessible areas, “rural” in the old sense has ceased to exist; the Great Society, in the sense of interdependence of the parts upon the whole, has engulfed all. As noted earlier, there is even abroad an opinion that “the city” in the meaning given it by history up to this point will cease to exist, through the twin processes of suburbanization, “sprawl,” dispersion on the one hand, and the urbanization (industrialization, etc.) of the “country” on the other.

The import of these developments touches Public Administration at every side and in every phase. If one runs through his mind the traditional headings of the textbooks—delegation, planning, communication, grants-in-aid, and so forth—relevancies present themselves almost immediately (often the interconnection is through a scientific-technological link). If one thinks of the functional categories of government, traditional or new, relevancies also are obvious: transportation, defense, police, fire protection, education, recreation—even, paradoxically, agriculture. Or if one takes disciplines and professions as a link or fulcrum, against obvious relevancies: Medicine, Sociology, Engineering, Social Welfare, and on—and on. There is no escape, no alternative: if we are to rise to our responsibilities and opportunities, if we are to remain (I use it again) *relevant* and not become obsolete, we must become “urbanists,” “metropolitanists” or whatever the proper term may prove to be.

Relations with other disciplines and professions is close to the heart of the matter. Many of the problems (touching upon the size, functions, nature of the “entities”) will relate to traditional interests of the mother-discipline, Political Science. If Political Science supplies the necessary help and guidance, well and good, but if not we must “go it alone” or seek assistance elsewhere. Happily there is a new ferment, indeed rapid developments (though whether “in” Political Science is an open question) in the area that Lawrence Herson less than a decade ago referred to as a “lost world.” I sense great disparity in the “valences” of the many disciplines and professions with which liaison, cooperation, interchange is necessary; but whether “we” are sought as partners or regarded as subversives or enemies, the extent and nature of the connections effected will shape our future. Emerging technologies, specializations and “professionalizations” will need to be watched carefully. This is not necessarily to incite to wars of succession or aggrandizement; it *is* to urge sensitivity to problems of boundaries and relations, to matters of what is being done, who is doing it, and how.

NOTES

1. I’m still trying to achieve one of *these*, and am both consoled and depressed by the fact that it is so rarely done by *anyone*.
2. To achieve clarity without repeated explanation of my referent, I shall do what I usually do: use upper case for this phrase when I am referring to the discipline or study, lower case when I am referring to the phenomena which are the subject and object of the discipline or study.
3. No month of my life has been as educational as my first in Washington, in which I was responsible for planning and executing the relatively small “mechanical” task of moving the Consumer Durable Goods Price Branch of O.P.A. from one building to another: the glib nonsense written and spoken in the academies about “national planning”! Ever since my Washington years I have regarded it as appalling that it is permitted to teach Political Science without any significant experience in public affairs; as reprehensible as, and more serious than, sending the medical student directly from his textbooks into the operating theatre.
4. Herbert Simon’s *Administrative Behavior* was published in 1947, but by then I was “in proof.”
5. I refer especially to Carl J. Friedrich and Taylor Cole’s *Responsible Bureaucracy* (1932).
6. The two English reviews that came to my attention may best be described as scathing—e.g., “journalistic superficialities and literary barbarism.” I was wounded the more because I was then a rather ardent Anglophile. My rationalization was that they simply didn’t understand what I was about; and I *had* jabbed sharply their ideological Sacred Cow.
7. Actually, onto the water, as I read the review and immediately went fishing to regain my composure.
8. Generalizations applying only to this side of the Curtain, of course.
9. “The Study of Public Administration in the U.S.,” 29 *Public Administrations* 131. (Summer 1951).

10. I shall proceed mechanically, so to speak, chapter by chapter, thus avoiding both the necessity and the pretense of logical order and “development” of ideas. Let me add also that I recognize an element of arbitrariness in the part of the essay in which matters are discussed, especially as between my second and third headings.
11. At the level of “philosophy of education” there has been no rapprochement with the field of Education. But in Educational Administration—a large field of (chiefly) public administration that has been largely separate from Public Administration—there are recent and contemporary stirrings of importance for us. I refer to the development of “behavioral” research, now a lively enterprise in many areas of education administration. What this will mean in terms of “influence,” of drawing together or a reinforced separation, remains to be seen.
12. My observation in the concluding chapter (209) that “Perhaps most important of the theoretical movements now influencing American administrative study is scientific management” is at best questionable. It was backward-looking, not “predictive.”
13. Unless I am overlooking something relevant, the recent material here is rather “thin.” Or perhaps it is a matter of how, or how broad, the subject should be conceptualized. I do not mean to state as firm truth that Nothing or even Nothing Important, has happened in this area. At one level, for example, a view such as Merriam’s (139 fn.) (apropos the role of the President as conceived in the *Report of the President’s Committee on Administrative Management*) that “The proper conception of the executive is precisely . . . as the director of works in the area of management” has a quaint ring. At another level, one could review the literature on organization theory, so far as it is relevant to or incorporated in Public Administration.
14. This is hardly the palce to go into all *that*. But my stance is that of the Existentialists (though I’m not one of *these*, either) that Logical Positivism is content to take one area of human experience and treat it as the whole.
15. Sherman Krupp’s *Pattern in Organization Analysis: A Critical Examination* (Philadelphia, Pa.: 1961) is a useful exercise in this connection.
16. My booklet, *The Study of Public Administration*, published in 1955, has been widely used for—I gather—“indoctrinating” or even “inspirational” purposes. In other words. I found the road from Young Radical to Old Conservative a short one.
17. Some, hard-core Behaviorists, who insist that nothing is scientific unless the standards of proof equal those of advanced natural sciences, would regard this as a futile exercise. But my own standards are not so rigorous, and I am prone to argue that we need to do the best we can at *every* level of complexity.
18. Simon’s chapter in *Administrative Behavior* on “The Criterion of Efficiency,” and his later decision (Second Edition, XXXV) that the original formulation is “applicable largely to low-level decisions,” is germane here; as is Simon on “satisficing,” Dahl and Lindblom in *Politics, Economics and Welfare*, and Lindblom’s later writings on “muddling through.”
19. See, for example, “Economic Development Through Bureaucratic Corruption,” by Nathaniel H. Leff, 8 *American Behavioral Scientist* 8–14. (November 1964). Note it is *economic* development for which the case is made: Does *economic* development effectively equate with development generally? or with other varieties, such as “national”?
20. We—Political Scientists at least—*have* given foreign policy formulation and implementation serious attention since World War II—I have in mind, for example, Robert Dahl and James McCamy. “Disaster” phenomena have been by and large left to others. Of civil defense and related matters, what is one to say of them? Certainly that they are peculiar, touchy—and either unrealistic or too realistic. What are our *obligations* here? What lessons are there to be learned? What contribution to their efficiency—or to show their impossibility—can we make?
21. Food for reflection is supplied by events in the French civil service during the past generation: the decline of the graduates of the

- École Normale, the rise of the products of the Polytechnique—the “technocrats”—to high positions.
22. I have predicted that we will elect a scientist to the Presidency by 1984. (The date has no connection—I hope—with *Nineteen Eighty-Four*, but was selected as a reasonable date: twenty years for fulfillment, a Presidential year, and far enough in the future to be forgotten if I am wrong.) Jefferson was among other things something of a scientist, but this is hardly a precedent. I have in mind a Glenn Seaborg type: one who comes from the natural sciences with a halo of undisputed achievement, finds public affairs congenial, and, eventually, politics tempting and/or inevitable.
 23. Questions run immediately in many directions: whether teachers of Public Administration ought to have more science (whatever that may be interpreted to mean), whether we ought in “our” faculties to have persons specialized in science affairs, what our relationship with scientific faculties, schools and institutes is and ought to be, and so forth. One area that should be of special concern to us is the administration of scientific research, particularly the study of the conditions under which both pure and applied research are most effectively carried on. Here we have been tardy, insensitive, and are far behind where we should be. (Business Administrationists and others have already run big-inch pipelines to the sources of research monies.)
 24. Herbert Simon is of course an outstanding pioneer in some aspects of my “conglomeration,” but it isn’t clear that he is nowadays identified with Public Administration. My guess is that, if the question were put to him, he would reply with considerable pertinence that it is an irrelevant, nonsensical question. Incidentally, his *The New Science of Management Decision* (New York: 1960) is “assigned reading” for topic four.

Theory Y: The Integration of Individual and Organizational Goals

Douglas McGregor

To some, the preceding analysis will appear unduly harsh. Have we not made major modifications in the management of the human resources of industry during the past quarter century? Have we not recognized the importance of people and made vitally significant changes in managerial strategy as a consequence? Do the developments since the twenties in personnel administration and labor relations add up to nothing?

There is no question that important progress has been made in the past two or three decades. During this period the human side of enterprise has become a major preoccupation of management. A tremendous number of policies, programs, and practices which were virtually unknown thirty years ago have become common-place. The lot of the industrial employee—be he worker, professional, or executive—has improved to a degree which could hardly have been imagined by his counterpart of the nineteen twenties. Management has adopted generally a far more humanitarian set of values; it has successfully striven to give more equitable and more generous treatment to its employees. It has significantly reduced economic hardships, eliminated the more extreme forms of industrial warfare, provided a generally safe and pleasant working environment, *but it has done all these things without changing its fundamental theory of management.* There are exceptions here and there, and they are important; nevertheless, the assumptions of Theory X remain predominant throughout our economy.

Source: The Human Side of Enterprise (1957) Douglas Murray McGregor; Chapter 4 pp 45–64. Theory Y: The Integration of Individual and Organizational Goals; McGraw-Hill, 1960. Reprinted with permission.

Management was subjected to severe pressures during the Great Depression of the thirties. The wave of public antagonism, the open warfare accompanying the unionization of the mass production industries, the general reaction against authoritarianism, the legislation of the New Deal produced a wide “pendulum swing.” However, the changes in policy and practice which took place during that and the next decade were primarily adjustments to the increased power of organized labor and to the pressures of public opinion.

Some of the movement was away from “hard” and toward “soft” management, but it was short-lived, and for good reasons. It has become clear that many of the initial strategic interpretations accompanying the “human relations approach” were as naïve as those which characterized the early stages of progressive education. We have now discovered that there is no answer in the simple removal of control—that abdication is not a workable alternative to authoritarianism. We have learned that there is no direct correlation between employee satisfaction and productivity. We recognize today that “industrial democracy” cannot consist in permitting everyone to decide everything, that industrial health does not flow automatically from the elimination of dissatisfaction, disagreement, or even open conflict. Peace is not synonymous with organizational health; socially responsible management is not co-extensive with permissive management.

Now that management has regained its earlier prestige and power, it has become obvious that the trend toward “soft” management was a temporary and relatively superficial reaction rather than a general modification of fundamental assumptions or basic strategy. Moreover, while the progress we have made in the past quarter century is substantial, it has reached the point of diminishing returns. The tactical possibilities within conventional managerial strategies have been pretty completely exploited, and significant new developments

will be unlikely without major modifications in theory.

The Assumptions of Theory Y

There have been few dramatic break-throughs in social science theory like those which have occurred in the physical sciences during the past half century. Nevertheless, the accumulation of knowledge about human behavior in many specialized fields has made possible the formulation of a number of generalizations which provide a modest beginning for new theory with respect to the management of human resources. Some of these assumptions were outlined in the discussion of motivation in Chapter 3. Some others, which will hereafter be referred to as Theory Y, are as follows:

1. *The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction (and will be voluntarily performed) or a source of punishment (and will be avoided if possible).*
2. *External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.*
3. *Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, e.g., the satisfaction of ego and self-actualization needs, can be direct products of effort directed toward organizational objectives.*
4. *The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.*
5. *The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.*

6. *Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.*

These assumptions involve sharply different implications for managerial strategy than do those of Theory X. They are dynamic rather than static: They indicate the possibility of human growth and development; they stress the necessity for selective adaptation rather than for a single absolute form of control. They are not framed in terms of the least common denominator of the factory hand, but in terms of a resource which has substantial potentialities.

Above all, the assumptions of Theory Y point up the fact that the limits on human collaboration in the organizational setting are not limits of human nature but of management's ingenuity in discovering how to realize the potential represented by its human resources. Theory X offers management an easy rationalization for ineffective organizational performance: It is due to the nature of the human resources with which we must work. Theory Y, on the other hand, places the problems squarely in the lap of management. If employees are lazy, indifferent, unwilling to take responsibility, intransigent, uncreative, uncooperative, Theory Y implies that the causes lie in management's methods of organization and control.

The assumptions of Theory Y are not finally validated. Nevertheless, they are far more consistent with existing knowledge in the social sciences than are the assumptions of Theory X. They will undoubtedly be refined, elaborated, modified as further research accumulates, but they are unlikely to be completely contradicted.

On the surface, these assumptions may not seem particularly difficult to accept. Carrying their implications into practice, however, is not easy. They challenge a number of deeply ingrained managerial habits of thought and action.

The Principle of Integration

The central principle of organization which derives from Theory X is that of direction and control through the exercise of authority—what has been called “the scalar principle.” The central principle which derives from Theory Y is

that of integration: the creation of conditions such that the members of the organization can achieve their own goals *best* by directing their efforts toward the success of the enterprise. These two principles have profoundly different implications with respect to the task of managing human resources, but the scalar principle is so firmly built into managerial attitudes that the implications of the principle of integration are not easy to perceive.

Someone once said that fish discover water last. The “psychological environment” of industrial management—like water for fish—is so much a part of organizational life that we are unaware of it. Certain characteristics of our society, and of organizational life within it, are so completely established, so pervasive, that we cannot conceive of their being otherwise. As a result, a great many policies and practices and decisions and relationships could only be—it seems—what they are.

Among these pervasive characteristics of organizational life in the United States today is a managerial attitude (stemming from Theory X) toward membership in the industrial organization. It is assumed almost without question that organizational requirements take precedence over the needs of individual members. Basically, the employment agreement is that in return for the rewards which are offered, the individual will accept external direction and control. The very idea of integration and self-control is foreign to our way of thinking about the employment relationship. The tendency, therefore, is either to reject it out of hand (as socialistic, or anarchistic, or inconsistent with human nature) or to twist it unconsciously until it fits existing conceptions.

The concept of integration and self-control carries the implication that the organization will be more effective in achieving its economic objectives if adjustments are made, in significant ways, to the needs and goals of its members.

A district manager in a large, geographically decentralized company is notified that he is being promoted to a policy level position at headquarters. It is a big promotion with a large salary increase. His role in the organization will be a much more powerful one, and he will be associated with the major executives of the firm.

The headquarters group who selected him for this position have carefully considered a number of possible candidates. This man stands out among them in a way which makes him the natural choice. His performance has been under observation for some time, and there is little question that he possesses the necessary qualifications, not only for this opening but for an even higher position. There is genuine satisfaction that such an outstanding candidate is available.

The man is appalled. He doesn't want the job. His goal, as he expresses it, is to be the “best damned district manager in the company.” He enjoys his direct associations with operating people in the field, and he doesn't want a policy level job. He and his wife enjoy the kind of life they have created in a small city, and they dislike actively both the living conditions and the social obligations of the headquarters city.

He expresses his feelings as strongly as he can, but his objections are brushed aside. The organization's needs are such that his refusal to accept the promotion would be unthinkable. His superiors say to themselves that of course when he has settled in to the new job, he will recognize that it was the right thing. And so he makes the move.

Two years later he is in an even higher position in the company's headquarters organization, and there is talk that he will probably be the executive vice-president before long. Privately he expresses considerable unhappiness and dissatisfaction. He (and his wife) would “give anything” to be back in the situation he left two years ago.

Within the context of the pervasive assumptions of Theory X, promotions and transfers in large numbers are made by unilateral decision. The requirements of the organization are given priority automatically and almost without question. If the individual's personal goals are considered at all, it is assumed that the rewards of salary and position will satisfy him. Should an individual actually refuse such a move without a compelling reason, such as health or a severe family crisis, he would be considered to have jeopardized his future because of this “selfish” attitude. It is rare indeed for management to give the individual the

opportunity to be a genuine and active partner in such a decision, even though it may affect his most important personal goals. Yet the implications following from Theory Y are that the organization is likely to suffer if it ignores these personal needs and goals. In making unilateral decisions with respect to promotion, management is failing to utilize its human resources in the most effective way.

The principle of integration demands that both the organization's and the individual's needs be recognized. Of course, when there is a sincere joint effort to find it, an integrative solution which meets the needs of the individual *and* the organization is a frequent outcome. But not always—and this is the point at which Theory Y begins to appear unrealistic. It collides head on with pervasive attitudes associated with management by direction and control.

The assumptions of Theory Y imply that unless integration is achieved *the organization will suffer*. The objectives of the organization are not achieved best by the unilateral administration of promotions, because this form of management by direction and control will not create the commitment which would make available the full resources of those affected. The lesser motivation, the lesser resulting degree of self-direction and self-control are costs which, when added up for many instances over time, will more than offset the gains obtained by unilateral decisions “for the good of the organization.”

One other example will perhaps clarify further the sharply different implications of Theory X and Theory Y.

It could be argued that management is already giving a great deal of attention to the principle of integration through its efforts in the field of economic education. Many millions of dollars and much ingenuity have been expended in attempts to persuade employees that their welfare is intimately connected with the success of the free enterprise system and of their own companies. The idea that they can achieve their own goals best by directing their effort toward the objectives of the organization has been explored and developed and communicated in every possible way. Is this not evidence that management is already committed to the principle of integration?

The answer is a definite no. These managerial efforts, with rare exceptions, reflect clearly the influence of the assumptions of Theory X. The central message is an exhortation to the industrial employee to work hard and follow orders in order to protect his job and his standard of living. Much has been achieved, it says, by our established way of running industry, and much more could be achieved if employees would adapt themselves *to management's definition* of what is required. Behind these exhortations lies the expectation that of course the requirements of the organization and its economic success must have priority over the needs of the individual.

Naturally, integration means working together for the success of the enterprise so we all may share in the resulting rewards. But management's implicit assumption is that working together means adjusting to the requirements of the organization *as management perceives them*. In terms of existing views, it seems inconceivable that individuals, seeking their own goals, would further the ends of the enterprise. On the contrary, this would lead to anarchy, chaos, irreconcilable conflicts of self-interest, lack of responsibility, inability to make decisions, and failure to carry out those that were made.

All these consequences, and other worse ones, *would* be inevitable unless conditions could be created such that the members of the organization perceived that they could achieve their own goals *best* by directing their efforts toward the success of the enterprise. If the assumptions of Theory Y are valid, the practical question is whether, and to what extent, such conditions can be created. To that question the balance of this volume is addressed.

The Application of Theory Y

In the physical sciences there are many theoretical phenomena which cannot be achieved in practice. Absolute zero and a perfect vacuum are examples. Others, such as nuclear power, jet aircraft, and human space flight, are recognized theoretically to be possible long before they become feasible. This fact does not make theory less useful. If it were not for our theoretical convictions, we would not even be attempting to

develop the means for human flight into space today. In fact, were it not for the development of physical science theory during the past century and a half, we would still be depending upon the horse and buggy and the sailing vessel for transportation. Virtually all significant technological developments wait on the formulation of relevant theory.

Similarly, in the management of the human resources of Industry, the assumptions and theories about human nature at any given time limit innovation. Possibilities are not recognized, innovating efforts are not undertaken, until theoretical conceptions lay a groundwork for them. Assumptions like those of Theory X permit us to conceive of certain possible ways of organizing and directing human effort, *but not others*. Assumptions like those of Theory Y open up a range of possibilities for new managerial policies and practices. As in the case of the development of new physical science theory, some of these possibilities are not immediately feasible, and others may forever remain unattainable. They may be too costly, or it may be that we simply cannot discover how to create the necessary “hardware.”

There is substantial evidence for the statement that the potentialities of the average human being are far above those which we typically realize in industry today. If our assumptions are like those of Theory X, we will not even recognize the existence of these potentialities and there will be no reason to devote time, effort, or money to discovering how to realize them. If, however, we accept assumptions like those of Theory Y, we will be challenged to innovate, to discover new ways of organizing and directing human effort, even though we recognize that the perfect organization, like the perfect vacuum, is practically out of reach.

We need not be overwhelmed by the dimensions of the managerial task implied by Theory Y. To be sure, a large mass production operation in which the workers have been organized by a militant and hostile union faces management with problems which appear at present to be insurmountable with respect to the application of the principle of integration. It may be decades before sufficient knowledge will have accumulated to make such an application feasible. Applications of Theory Y will have to be

tested initially in more limited ways and under more favorable circumstances. However, a number of applications of Theory Y *in managing managers and professional people* are possible today. Within the managerial hierarchy, the assumptions can be tested and refined, techniques can be invented and skill acquired in their use. As knowledge accumulates, some of the problems of application at the worker level in large organizations may appear less baffling than they do at present.

Perfect integration of organizational requirements and individual goals and needs is, of course, not a realistic objective. In adopting this principle, we seek that degree of integration in which the individual can achieve his goals *best* by directing his efforts toward the success of the organization. “Best” means that this alternative will be more attractive than the many others available to him: indifference, irresponsibility, minimal compliance, hostility, sabotage. It means that he will continuously be encouraged to develop and utilize voluntarily his capacities, his knowledge, his skill, his ingenuity in ways which contribute to the success of the enterprise.¹

Acceptance of Theory Y does not imply abdication, or “soft” management, or “permissiveness.” As was indicated above, such notions stem from the acceptance of authority as the *single* means of managerial control, and from attempts to minimize its negative consequences. Theory Y assumes that people will exercise self-direction and self-control in the achievement of organizational objectives *to the degree that they are committed to those objectives*. If that commitment is small, only a slight degree of self-direction and self-control will be likely, and a substantial amount of external influence will be necessary. If it is large, many conventional external controls will be relatively superfluous, and to some extent self-defeating. Managerial policies and practices materially affect this degree of commitment.

Authority is an inappropriate means for obtaining commitment to objectives. Other forms of influence—help in achieving integration, for example are required for this purpose. Theory Y points to the possibility of lessening the emphasis on external forms of control to the degree that commitment to organizational

objectives can be achieved. Its underlying assumptions emphasize the capacity of human beings for self-control, and the consequent possibility, of greater managerial reliance on other means of influence. Nevertheless, it is clear that authority is an appropriate means for control under certain circumstances—particularly where genuine commitment to objectives cannot be achieved. The assumptions of Theory Y do not deny the appropriateness of authority, but they do deny that it is appropriate for all purposes and under all circumstances.

Many statements have been made to the effect that we have acquired today the know-how to cope with virtually any technological problems which may arise, and that the major industrial advances of the next half century will occur on the human side of enterprise. Such advances, however, are improbable so long as management continues to organize and direct and control its human resources on the basis of assumptions—tacit or explicit like those of Theory X. Genuine innovation, in contrast to a refurbishing and patching of present managerial strategies, requires first the acceptance of less limiting assumptions about the nature of the human resources we seek to control, and second the readiness to adapt selectively to the implications contained in those new assumptions. Theory Y is an invitation to innovation.

NOTE

1. A recent, highly significant study of the sources of job satisfaction and dissatisfaction among managerial and professional people suggests that these opportunities for “self-actualization” are the essential requirements of both job satisfaction and high performance. The researchers find that “the wants of employees divide into two groups. One group revolves around the need to develop in one’s occupation as a source of personal growth. The second group operates as an essential base to the first and is associated

with fair treatment in compensation, supervision, working conditions, and administrative practices. *The fulfillment of the needs of the second group does not motivate the individual to high levels of job satisfaction and . . . to extra performance on the job.* All we can expect from satisfying [this second group of needs] is the prevention of dissatisfaction and poor job performance.” Frederick Herzberg, Bernard Mausner, and Barbara Bloch Snyderman, *The Motivation to Work*. New York: John Wiley & Sons, Inc., 1959, pp. 114–115. (Italics mine.)

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The Science of “Muddling Through”

Charles E. Lindblom

Suppose an administrator is given responsibility for formulating policy with respect to inflation. He might start by trying to list all related values in order of importance, e.g., full employment, reasonable business profit, protection of small savings, prevention of a stock market crash. Then all possible policy outcomes could be rated as more or less efficient in attaining a maximum of these values. This would of course require a prodigious inquiry into values held by members of society and an equally prodigious set of calculations on how much of each value is equal to how much of each other value. He could then proceed to outline all possible policy alternatives. In a third step, he would undertake systematic comparison of his multitude of alternatives to determine which attains the greatest amount of values.

In comparing policies, he would take advantage of any theory available that generalized about classes of policies. In considering inflation, for example, he would compare all policies in the light of the theory of prices. Since no alternatives are beyond his investigation, he would consider strict central control and the abolition of all prices and markets on the one hand and elimination of all public controls with reliance completely on the free market on the other, both in the light of whatever theoretical generalizations he could find on such hypothetical economies.

Finally, he would try to make the choice that would in fact maximize his values.

An alternative line of attack would be to set as his principal objective, either explicitly or without conscious thought, the relatively simple goal of keeping prices level. This objective might be compromised or complicated by only a few other goals, such as full employment. He would in fact disregard most other social values as beyond his present interest, and he would for the moment not even attempt to rank the few values that he regarded as immediately relevant. Were he pressed, he would quickly admit that he was ignoring many related values and many possible important consequences of his policies.

As a second step, he would outline those relatively few policy alternatives that occurred to him. He would then compare them. In comparing his limited number of alternatives, most of them familiar from past controversies, he would not ordinarily find a body of theory precise enough to carry him through a comparison of their respective consequences. Instead he would rely heavily on the record of past experience with small policy steps to predict the consequences of similar steps extended into the future.

Moreover, he would find that the policy alternatives combined objectives or values in different ways. For example, one policy might offer price level stability at the cost of some risk of unemployment; another might offer less price stability but also less risk of un-employment. Hence, the next step in his approach—the final selection—would combine into one the choice among values and the choice among instruments for reaching values. It would not, as in the first method of policy-making, approximate a more mechanical process of choosing the means that best satisfied goals that were previously clarified and ranked. Because practitioners of the second approach expect to achieve their goals only partially, they would expect to repeat endlessly the sequence just described, as conditions and aspirations changed and as accuracy of prediction improved.

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By Root or by Branch

For complex problems, the first of these two approaches is of course impossible. Although such an approach can be described, it cannot be practiced except for relatively simple problems and even then only in a somewhat modified form. It assumes intellectual capacities and sources of information that men simply do not possess, and it is even more absurd as an approach to policy when the time and money that can be allocated to a policy problem are limited, as is always the case. Of particular importance to public administrators is the fact that public agencies are in effect usually instructed not to practice the first method. That is the say, their prescribed functions and constraints—the politically or legally possible—restrict their attention to relatively few values and relatively few alternative policies among the countless alternatives that might be imagined. It is the second method that is practiced.

Curiously, however, the literatures of decision-making, policy formulation, planning, and public administration formalize the first approach rather than the second, leaving public administrators who handle complex decisions in the position of practicing what few preach. For emphasis I run some risk of overstatement. True enough, the literature is well aware of limits on man's capacities and of the inevitability that policies will be approached in some such style as the second. But attempts to formalize rational policy formulation—to lay out explicitly the necessary steps in the process—usually describe the first approach and not the second.¹

The common tendency to describe policy formulation even for complex problems as though it followed the first approach has been strengthened by the attention given to, and successes enjoyed by, operations research, statistical decision theory, and systems analysis. The hallmarks of these procedures, typical of the first approach, are clarity of objective, explicitness of evaluation, a high degree of comprehensiveness of overview, and, wherever possible, quantification of values for mathematical analysis. But these advanced procedures remain largely the appropriate techniques of relatively small-scale problem solving where the total number of variables to

be considered is small and value problems restricted. Charles Hitch, head of the Economics Division of RAND Corporation, one of the leading centers for application of these techniques, has written:

I would make the empirical generalization from my experience at RAND and elsewhere that operations research is the art of sub-optimizing, i.e., of solving some lower level problems, and that difficulties increase and our special competence diminishes by an order of magnitude with every level of decision making we attempt to ascend. The sort of simple explicit model which operations researchers are so proficient in using can certainly reflect most of the significant factors influencing traffic control on the George Washington Bridge, but the proportion of the relevant reality which we can represent by any such model or models in studying, say, a major foreign-policy decision, appears to be almost trivial.²

Accordingly, I propose in this paper to clarify and formalize the second method, much neglected in the literature. This might be described as the method of *successive limited comparisons*. I will contrast it with the first approach, which might be called the rational comprehensive method.³ More impressionistically and briefly—and therefore generally used in this article—they could be characterized as the branch method and root method, the former continually building out from the current situation, step-by-step and by small degrees; the latter starting from fundamentals anew each time, building on the past only as experience is embodied in a theory, and always prepared to start completely from the ground up.

Let us put the characteristics of the two methods side by side in simplest terms. (See Figure 1.)

Assuming that the root method is familiar and understandable, we proceed directly to clarification of its alternative by contrast. In explaining the second, we shall be describing how most administrators do in fact approach complex questions, for the root method, the “best” way as a blueprint or model, is in fact not workable for complex policy questions, and administrators are forced to use the method of successive limited comparisons.

FIGURE 1

RATIONAL-COMPREHENSIVE (ROOT)	SUCCESSIVE LIMITED COMPARISONS (BRANCH)
1a. Clarification of values or objectives distinct from and usually prerequisite to empirical analysis of alternative policies.	1b. Selection of value goals and empirical analysis of the needed action are not distinct from one another but are closely intertwined.
2a. Policy-formulation is therefore approached through means-end analysis: First the ends are isolated, then the means to achieve them are sought.	2b. Since means and ends are not distinct, means-end analysis is often inappropriate or limited.
3a. The test of a “good” policy is that it can be shown to be the most appropriate means to desired ends.	3b. The test of a “good” policy is typically that various analysts find themselves directly agreeing on a policy (without their agreeing that it is the most appropriate means to an agreed objective).
4a. Analysis is comprehensive; every important relevant factor is taken into account.	4b. Analysis is drastically limited: i) Important possible outcomes are neglected. ii) Important alternative potential policies are neglected. iii) Important affected values are neglected.
5a. Theory is often heavily relied upon.	5b. A succession of comparisons greatly reduces or eliminates reliance on theory.

Intertwining Evaluation and Empirical Analysis (1b)

The quickest way to understand how values are handled in the method of successive limited comparisons is to see how the root method often breaks down in *its* handling of values or objectives. The idea that values should be clarified, and in advance of the examination of alternative policies, is appealing. But what happens when we attempt it for complex social problems? The first difficulty is that on many critical values or objectives, citizens disagree, congressmen disagree, and public administrators disagree. Even where a fairly specific objective is prescribed for the administrator, there remains considerable room for disagreement on sub-objectives. Consider, for example, the conflict with respect to locating public housing, described in Meyerson and Banfield’s study of the Chicago Housing Authority⁴—disagreement which occurred despite the clear objective of providing a certain number of public housing units

in the city. Similarly conflicting are objectives in highway location, traffic control, minimum wage administration, development of tourist facilities in national parks, or insect control.

Administrators cannot escape these conflicts by ascertaining the majority’s preference, for preferences have not been registered on most issues; indeed, there often *are* no preferences in the absence of public discussion sufficient to bring an issue to the attention of the electorate. Furthermore, there is a question of whether intensity of feeling should be considered as well as the number of persons preferring each alternative. By the impossibility of doing otherwise, administrators often are reduced to deciding policy without clarifying objectives first.

Even when an administrator resolves to follow his own values as a criterion for decisions, he often will not know how to rank them when they conflict with one another, as they usually do. Suppose, for example, that an administrator must relocate tenants living in tenements scheduled for destruction. One objective is to

empty the buildings fairly promptly, another is to find suitable accommodation for persons displaced, another is to avoid friction with residents in other areas in which a large influx would be unwelcome, another is to deal with all concerned through persuasion if possible, and so on.

How does one state even to himself the relative importance of these partially conflicting values? A simple ranking of them is not enough; one needs ideally to know how much of one value is worth sacrificing for some of another value. The answer is that typically the administrator chooses—and must choose—directly among policies in which these values are combined in different ways. He cannot first clarify his values and then choose among policies.

A more subtle third point underlies both the first two. Social objectives do not always have the same relative values. One objective may be highly prized in one circumstance, another in another circumstance. If, for example, an administrator values highly both the dispatch with which his agency can carry through its projects *and* good public relations, it matters little which of the two possibly conflicting values he favors in some abstract or general sense. Policy questions arise in forms which put to administrators such a question as: Given the degree to which we are or are not already achieving the values of dispatch and the values of good public relations, is it worth sacrificing a little speed for a happier clientele, or is it better to risk offending the clientele so that we can get on with our work? The answer to such a question varies with circumstances.

The value problem is, as the example shows, always a problem of adjustments at a margin. But there is no practicable way to state marginal objectives or values except in terms of particular policies. That one value is preferred to another in one decision situation does not mean that it will be preferred in another decision situation in which it can be had only at great sacrifice of another value. Attempts to rank or order values in general and abstract terms so that they do not shift from decision to decision end up by ignoring the relevant marginal preferences. The significance of this third point thus goes very far. Even if all administrators had at hand an agreed set of values, objectives, and constraints, and an agreed

ranking of these values, objectives, and constraints, their marginal values in actual choice situations would be impossible to formulate.

Unable consequently to formulate the relevant values first and then choose among policies to achieve them, administrators must choose directly among alternative policies that offer different marginal combinations of values. Somewhat paradoxically, the only practicable way to disclose one's relevant marginal values even to oneself is to describe the policy one chooses to achieve them. Except roughly and vaguely, I know of no way to describe—or even to understand—what my relative evaluations are for, say, freedom and security, speed and accuracy in governmental decisions, or low taxes and better schools than to describe my preferences among specific policy choices that might be made between the alternatives in each of the pairs.

In summary, two aspects of the process by which values are actually handled can be distinguished. The first is clear: evaluation and empirical analysis are intertwined; that is, one chooses among values and among policies at one and the same time. Put a little more elaborately, one simultaneously chooses a policy to attain certain objectives and chooses the objectives themselves. The second aspect is related but distinct: the administrator focuses his attention on marginal or incremental values. Whether he is aware of it or not, he does not find general formulations of objectives very helpful and in fact makes specific marginal or incremental comparisons. Two policies, X and Y, confront him. Both promise the same degree of attainment of objectives *a*, *b*, *c*, *d*, and *e*. But X promises him somewhat more of *f* than does Y, while Y promises him somewhat more of *g* than does X. In choosing between them, he is in fact offered the alternative of a marginal or incremental amount of *f* at the expense of a marginal or incremental amount of *g*. The only values that are relevant to his choice are these increments by which the two policies differ; and, when he finally chooses between the two marginal values, he does so by making a choice between policies.⁵

As to whether the attempt to clarify objectives in advance of policy selection is more or less rational than the close intertwining of

marginal evaluation and empirical analysis, the principal difference established is that for complex problems the first is impossible and irrelevant, and the second is both possible and relevant. The second is possible because the administrator need not try to analyze any values except the values by which alternative policies differ and need not be concerned with them except as they differ marginally. His need for information on values or objectives is drastically reduced as compared with the root method; and his capacity for grasping, comprehending, and relating values to one another is not strained beyond the breaking point.

Relations between Means and Ends (2b)

Decision-making is ordinarily formalized as a means-ends relationship: means are conceived to be evaluated and chosen in the light of ends finally selected independently of and prior to the choice of means. This is the means-ends relationship of the root method. But it follows from all that has just been said that such a means-ends relationship is possible only to the extent that values are agreed upon, are reconcilable, and are stable at the margin. Typically, therefore, such a means-ends relationship is absent from the branch method, where means and ends are simultaneously chosen.

Yet any departure from the means-ends relationship of the root method will strike some readers as inconceivable. For it will appear to them that only in such a relationship is it possible to determine whether one policy choice is better or worse than another. How can an administrator know whether he has made a wise or foolish decision if he is without prior values or objectives by which to judge his decisions? The answer to this question calls up the third distinctive difference between root and branch methods: how to decide the best policy.

The Test of “Good” Policy (3b)

In the root method, a decision is “correct,” “good,” or “rational” if it can be shown to attain some specified objective, where the objective

can be specified without simply describing the decision itself. Where objectives are defined only through the marginal or incremental approach to values described above, it is still sometimes possible to test whether a policy does in fact attain the desired objectives; but a precise statement of the objectives takes the form of a description of the policy chosen or some alternative to it. To show that a policy is mistaken one cannot offer an abstract argument that important objectives are not achieved; one must instead argue that another policy is more to be preferred.

So far, the departure from customary ways of looking at problem-solving is not troublesome, for many administrators will be quick to agree that the most effective discussion of the correctness of policy does take the form of comparison with other policies that might have been chosen. But what of the situation in which administrators cannot agree on values or objectives, either abstractly or in marginal terms? What then is the test of “good” policy? For the root method, there is no test. Agreement on objectives failing, there is no standard of “correctness.” For the method of successive limited comparisons, the test is agreement on policy itself, which remains possible even when agreement on values is not.

It has been suggested that continuing agreement in Congress on the desirability of extending old age insurance stems from liberal desires to strengthen the welfare programs of the federal government and from conservative desires to reduce union demands for private pension plans. If so, this is an excellent demonstration of the ease with which individuals of different ideologies often can agree on concrete policy. Labor mediators report a similar phenomenon: the contestants cannot agree on criteria for settling their disputes but can agree on specific proposals. Similarly, when one administrator’s objective turns out to be another’s means, they often can agree on policy.

Agreement on policy thus becomes the only practicable test of the policy’s correctness. And for one administrator to seek to win the other over to agreement on ends as well would accomplish nothing and create quite unnecessary controversy.

If agreement directly on policy as a test for “best” policy seems a poor substitute for testing the policy against its objectives, it ought to be remembered that objectives themselves have no ultimate validity other than they are agreed upon. Hence agreement is the test of “best” policy in both methods. But where the root method requires agreement on what elements in the decision constitute objectives and on which of these objectives should be sought, the branch method falls back on agreement wherever it can be found.

In an important sense, therefore, it is not irrational for an administrator to defend a policy as good without being able to specify what it is good for.

Noncomprehensive Analysis (4b)

Ideally, rational-comprehensive analysis leaves out nothing important. But it is impossible to take everything important into consideration unless “important” is so narrowly defined that analysis is in fact quite limited. Limits on human intellectual capacities and on available information set definite limits to man’s capacity to be comprehensive. In actual fact, therefore, no one can practice the rational comprehensive method for really complex problems, and every administrator faced with a sufficiently complex problem must find ways drastically to simplify.

An administrator assisting in the formulation of agricultural economic policy cannot in the first place be competent on all possible policies. He cannot even comprehend one policy entirely. In planning a soil bank program, he cannot successfully anticipate the impact of higher or lower farm income on, say, urbanization—the possible consequent loosening of family ties, possible consequent eventual need for revisions in social security and further implications for tax problems arising out of new federal responsibilities for social security and municipal responsibilities for urban services. Nor, to follow another line of repercussions, can he work through the soil bank program’s effects on prices for agricultural products in foreign markets and consequent implications for foreign relations, including those arising out of

economic rivalry between the United States and the U.S.S.R.

In the method of successive, limited comparisons, simplification is systematically achieved in two principal ways. First, it is achieved through limitation of policy comparisons to those policies that differ in relatively small degree from policies presently in effect. Such a limitation immediately reduces the number of alternatives to be investigated and also drastically simplifies the character of the investigation of each. For it is not necessary to undertake fundamental inquiry into an alternative and its consequences; it is necessary only to study those respects in which the proposed alternative and its consequences differ from the status quo. The empirical comparison of marginal differences among alternative policies that differ only marginally is, of course, a counterpart to the incremental or marginal comparison of values discussed above.⁶

Relevance as Well as Realism It is a matter of common observation that in Western democracies public administrators and policy analysts in general do largely limit their analyses to incremental or marginal differences in policies that are chosen to differ only incrementally. They do not do so, however, solely because they desperately need some way to simplify their problems; they also do so in order to be relevant. Democracies change their policies almost entirely through incremental adjustments. Policy does not move in leaps and bounds.

The incremental character of political change in the United States has often been remarked. The two major political parties agree on fundamentals; they offer alternative policies to the voters only on relatively small points of difference. Both parties favor full employment, but they define it somewhat differently; both favor the development of water power resources, but in slightly different ways; and both favor unemployment compensation, but not the same level of benefits. Similarly, shifts of policy within a party take place largely through a series of relatively small changes, as can be seen in their only gradual acceptance of the idea of governmental responsibility for support of the unemployed, a change in party positions beginning in the early 1930s and culminating in a sense in the Employment Act of 1946.

Party behavior is in turn rooted in public attitudes, and political theorists cannot conceive of democracy's surviving in the United States in the absence of fundamental agreement on potentially disruptive issues, with consequent limitation of policy debates to relatively small differences in policy.

Since the policies ignored by the administrator are politically impossible and so irrelevant, the simplification of analysis achieved by concentrating on policies that differ only incrementally is not a capricious kind of simplification. In addition, it can be argued that, given the limits on knowledge within which policymakers are confined, simplifying by limiting the focus to small variations from present policy makes the most of available knowledge. Because policies being considered are like present and past policies, the administrator can obtain information and claim some insight. Nonincremental policy proposals are therefore typically not only politically irrelevant but also unpredictable in their consequences.

The second method of simplification of analysis is the practice of ignoring important possible consequences of possible policies, as well as the values attached to the neglected consequences. If this appears to disclose a shocking shortcoming of successive limited comparisons, it can be replied that, even if the exclusions are random, policies may nevertheless be more intelligently formulated than through futile attempts to achieve a comprehensiveness beyond human capacity. Actually, however, the exclusions, seeming arbitrary or random from one point of view, need be neither.

Achieving a Degree of Comprehensiveness Suppose that each value neglected by one policy-making agency were a major concern of at least one other agency. In that case, a helpful division of labor would be achieved, and no agency need find its task beyond its capacities. The shortcomings of such a system would be that one agency might destroy a value either before another agency could be activated to safeguard it or in spite of another agency's efforts. But the possibility that important values may be lost is present in any form of organization, even where agencies attempt to comprehend in planning more than is humanly possible.

The virtue of such a hypothetical division of labor is that every important interest or value has its watchdog. And these watchdogs can protect the interests in their jurisdiction in two quite different ways: first, by redressing damages done by other agencies; and, second, by anticipating and heading off injury before it occurs.

In a society like that of the United States in which individuals are free to combine to pursue almost any possible common interest they might have and in which government agencies are sensitive to the pressures of these groups, the system described is approximated. Almost every interest has its watchdog. Without claiming that every interest has a sufficiently powerful watchdog, it can be argued that our system often can assure a more comprehensive regard for the values of the whole society than any attempt at intellectual comprehensiveness.

In the United States, for example, no part of government attempts a comprehensive overview of policy on income distribution. A policy nevertheless evolves, and one responding to a wide variety of interests. A process of mutual adjustment among farm groups, labor unions, municipalities and school boards, tax authorities, and government agencies with responsibilities in the fields of housing, health, highways, national parks, fire, and police accomplishes a distribution of income in which particular income problems neglected at one point in the decision processes become central at another point.

Mutual adjustment is more pervasive than the explicit forms it takes in negotiation between groups; it persists through the mutual impacts of groups upon each other even where they are not in communication. For all the imperfections and latent dangers in this ubiquitous process of mutual adjustment, it will often accomplish an adaptation of policies to a wider range of interests than could be done by one group centrally.

Note, too, how the incremental pattern of policy-making fits with the multiple pressure pattern. For when decisions are only incremental—closely related to known policies, it is easier for one group to anticipate the kind of moves another might make and easier too for it to make correction for injury already accomplished.⁷

Even partisanship and narrowness, to use pejorative terms, will sometimes be assets to rational decision-making, for they can doubly insure that what one agency neglects, another will not; they specialize personnel to distinct points of view. The claim is valid that effective rational coordination of the federal administration, if possible to achieve at all, would require an agreed set of values⁸—if “rational” is defined as the practice of the root method of decision-making. But a high degree of administrative coordination occurs as each agency adjusts its policies to the concerns of the other agencies in the process of fragmented decision-making I have just described.

For all the apparent shortcomings of the incremental approach to policy alternatives with its arbitrary exclusion coupled with fragmentation, when compared to the root method, the branch method often looks far superior. In the root method, the inevitable exclusion of factors is accidental, unsystematic, and not defensible by any argument so far developed, while in the branch method the exclusions are deliberate, systematic, and defensible. Ideally, of course, the root method does not exclude; in practice it must.

Nor does the branch method necessarily neglect long-run considerations and objectives. It is clear that important values must be omitted in considering policy, and sometimes the only way long-run objectives can be given adequate attention is through the neglect of short-run considerations. But the values omitted can be either long-run or short-run.

Succession of Comparison (5b)

The final distinctive element in the branch method is that the comparisons, together with the policy choice, proceed in a chronological series. Policy is not made once and for all; it is made and remade endlessly. Policy-making is a process of successive approximation to some desired objectives in which what is desired itself continues to change under reconsideration.

Making policy is at best a very rough process. Neither social scientists, nor politicians, nor public administrators yet know enough about the social world to avoid repeated error in

predicting the consequences of policy moves. A wise policy-maker consequently expects that his policies will achieve only part of what he hopes and at the same time will produce unanticipated consequences he would have preferred to avoid. If he proceeds through a *succession* of incremental changes, he avoids serious lasting mistakes in several ways.

In the first place, past sequences of policy steps have given him knowledge about the probable consequences of further similar steps. Second, he need not attempt big jumps toward his goals that would require predictions beyond his or anyone else’s knowledge, because he never expects his policy to be a final resolution of a problem. His decision is only one step, one that if successful can quickly be followed by another. Third, he is in effect able to test his previous predictions as he moves on to each further step. Lastly, he often can remedy a past error fairly quickly—more quickly than if policy proceeded through more distinct steps widely spaced in time.

Compare this comparative analysis of incremental changes with the aspiration to employ theory in the root method. Man cannot think without classifying, without subsuming one experience under a more general category of experiences. The attempt to push categorization as far as possible and to find general propositions which can be applied to specific situations is what I refer to with the word “theory.” Where root analysis often leans heavily on theory in this sense, the branch method does not.

The assumption of root analysts is that theory is the most systematic and economical way to bring relevant knowledge to bear on a specific problem. Granting the assumption, an unhappy fact is that we do not have adequate theory to apply to problems in any policy area, although theory is more adequate in some areas—monetary policy for example—than in others. Comparative analysis, as in the branch method, is sometimes a systematic alternative to theory.

Suppose an administrator must choose among a small group of policies that differ only incrementally from each other and from present policy. He might aspire to “understand” each of the alternatives—for example, to know all the consequences of each aspect of each policy. If so,

he would indeed require theory. In fact, however, he would usually decide that, *for policy-making purposes*, he need know, as explained above, only the consequences of each of those aspects of the policies in which they differed from one another. For this much more modest aspiration, he requires no theory (although it might be helpful, if available), for he can proceed to isolate probable differences by examining the differences in consequences associated with past differences in policies, a feasible program because he can take his observations from a long sequence of incremental changes.

For example, without a more comprehensive social theory about juvenile delinquency than scholars have yet produced, one cannot possibly understand the ways in which a variety of public policies—say on education, housing, recreation, employment, race relations, and policing—might encourage or discourage delinquency. And one needs such an understanding if he undertakes the comprehensive overview of the problem prescribed in the models of the root method. If, however, one merely wants to mobilize knowledge sufficient to assist in a choice among a small group of similar policies—alternative policies on juvenile court procedures, for example—he can do so by comparative analysis of the results of similar past policy moves.

Theorists and Practitioners

This difference explains—in some cases at least—why the administrator often feels that the outside expert or academic problem-solver is sometimes not helpful and why they in turn often urge more theory on him. And it explains why an administrator often feels more confident when “flying by the seat of his pants” than when following the advice of theorists. Theorists often ask the administrator to go the long way round to the solution of his problems, in effect ask him to follow the best canons of the scientific method, when the administrator knows that the best available theory will work less well than the more modest incremental comparisons. Theorists do not realize that the administrator is often in fact practicing a systematic method. It would be foolish to push this explanation too far, for sometimes practical decision-makers

are pursuing neither a theoretical approach nor successive comparisons, nor any other systematic method.

It may be worth emphasizing that theory is sometimes of extremely limited helpfulness in policy-making for at least two rather different reasons. It is greedy for facts; it can be constructed only through a great collection of observations. And it is typically insufficiently precise for application to a policy process that moves through small changes. In contrast, the comparative method both economizes on the need for facts and directs the analyst’s attention to just those facts that are relevant to the fine choices faced by the decision-maker.

With respect to precision of theory, economic theory serves as an example. It predicts that an economy without money or prices would in certain specified ways misallocate resources, but this finding pertains to an alternative far removed from the kind of policies on which administrators need help. On the other hand, it is not precise enough to predict the consequences of policies restricting business mergers, and this is the kind of issue on which the administrators need help. Only in relatively restricted areas does economic theory achieve sufficient precision to go far in resolving policy questions; its helpfulness in policy-making is always so limited that it requires supplementation through comparative analysis.

Successive Comparison as a System

Successive limited comparisons is, then, indeed a method or system; it is not a failure of method for which administrators ought to apologize. Nonetheless, its imperfections, which have not been explored in this paper, are many. For example, the method is without a built-in safeguard for all relevant values, and it also may lead the decision maker to overlook excellent policies for no other reason than that they are not suggested by the chain of successive policy steps leading up to the present. Hence, it ought to be said that under this method, as well as under some of the most sophisticated variants of the root method—operations research, for example—policies will continue to be as foolish as they are wise.

Why then bother to describe the method in all the above detail? Because it is in fact a common method of policy formulation, and is, for complex problems, the principal reliance of administrators as well as of other policy analysts.⁹ And because it will be superior to any other decision-making method available for complex problems in many circumstances, certainly superior to a futile attempt at superhuman comprehensiveness. The reaction of the public administrator to the exposition of method doubtless will be less a discovery of a new method than a better acquaintance with an old. But by becoming more conscious of their practice of this method, administrators might practice it with more skill and know when to extend or constrict its use. (That they sometimes practice it effectively and sometimes not may explain the extremes of opinion on “muddling through,” which is both praised as a highly sophisticated form of problem-solving and denounced as no method at all. For I suspect that in so far as there is a system in what is known as “muddling through,” this method is it.)

One of the noteworthy incidental consequences of clarification of the method is the light it throws on the suspicion an administrator sometimes entertains that a consultant or adviser is not speaking relevantly and responsibly when in fact by all ordinary objective evidence he is. The trouble lies in the fact that most of us approach policy problems within a framework given by our view of a chain of successive policy choices made up to the present. One’s thinking about appropriate policies with respect, say, to urban traffic control is greatly influenced by one’s knowledge of the incremental steps taken up to the present. An administrator enjoys an intimate knowledge of his past sequences that “outsiders” do not share, and his thinking and that of the “outsider” will consequently be different in ways that may puzzle both. Both may appear to be talking intelligently, yet each may find the other unsatisfactory. The relevance of the policy chain of succession is even more clear when an American tries to discuss, say, antitrust policy with a Swiss, for the chains of policy in the two countries are strikingly different and the two individuals consequently have organized their knowledge in quite different ways.

If this phenomenon is a barrier to communication, an understanding of it promises an enrichment of intellectual interaction in policy formulation. Once the source of difference is understood, it will sometimes be stimulating for an administrator to seek out a policy analyst whose recent experience is with a policy chain different from his own.

This raises again a question only briefly discussed above on the merits of likemindedness among government administrators. While much of organization theory argues the virtues of common values and agreed organizational objectives, for complex problems in which the root method is inapplicable, agencies will want among their own personnel two types of diversification: administrators whose thinking is organized by reference to policy chains other than those familiar to most members of the organization and, even more commonly, administrators whose professional or personal values or interests create diversity of view (perhaps coming from different specialties, social classes, geographical areas) so that, even within a single agency, decision-making can be fragmented and parts of the agency can serve as watchdogs for other parts.

NOTES

1. James G. March and Herbert A. Simon similarly characterize the literature they also take some important steps, as have Simon’s recent articles, to describe a less heroic model of policy-making. See *Organizations* (John Wiley & Sons, Inc., 1958), p. 137.
2. Charles Hitch, “Operations Research and National Planning—A Dissent,” *Operations Research* 5 (October 1957): 718. Hitch’s dissent is from particular points made in the article to which his paper is a reply: his claim that operations research is for low-level problems is widely accepted.

For examples of the kind of problems to which operations research is applied, see C. W. Churchman, R. L. Ackoff, and E. L. Arnoff, *Introduction to Operations Research* (John Wiley & Sons, Inc., 1957); and J. F. McCloskey and J. M. Copping, eds., *Operations Research for Management*, vol. 2 (Johns Hopkins Press, 1956).

3. I am assuming that administrators often make policy and advise in the making of policy and am treating decision-making and policy-making as synonymous for purposes of this paper.
4. Martin Meyerson and Edward C. Banfield, *Politics, Planning, and the Public Interest* (Free Press, 1955).
5. The line of argument is, of course, an extension of the theory of market choice, especially the theory of consumer choice, to public policy choices.
6. A more precise definition of incremental policies and a discussion of whether a change that appears “small” to one observer might be seen differently by another is to be found in my “Policy Analysis,” *American Economic Review* 48 (June 1958): 298.
7. The link between the practice of the method of successive limited comparisons and mutual adjustment of interests in a highly fragmented decision-making process add a new facet to pluralist theories of government and administration.
8. Herbert Simon, Donald W. Smithburg, and Victor A. Thompson, *Public Administration* (Alfred A. Knopf, 1950), p. 434.
9. Elsewhere I have explored this same method of policy formulation as practiced by academic analysts of policy (“Policy Analysis,” *American Economic Review* 48 [June 1958]: 298). Although it has been here presented as a method for public administrators, it is no less necessary to analysts more removed from immediate policy questions, despite their tendencies to describe their own analytical efforts as though they were the rational-comprehensive method with an especially heavy use of theory. Similarly, this same method is inevitably resorted to in personal problem-solving, where means and ends are sometimes impossible to separate, where aspirations or objectives undergo constant development, and where drastic simplification of the complexity of the real world is urgent if problems are to be solved in the time that can be given to them. To an economist accustomed to dealing with the marginal or incremental concept in market processes, the central idea in the method is that both evaluation and empirical analysis are incremental. Accordingly I have referred to the method elsewhere as “the incremental method.”

Part Three

FROM JFK TO CIVIL SERVICE REFORM

THE 1960s AND 1970s



The 1960s and 1970s bore witness to dynamic change in the United States—politically, economically, and socially. This 20-year period began with a true sense of national optimism that the United States was ready to move forward as a dominant political and economic world leader. Behind this national optimism was great confidence in government institutions led by technological innovation and administrative capabilities. Indeed, some international observers would comment that there was a sense that the United States felt it owned the future. While much would remain unfulfilled at the end, these two decades showcased both the potential and the pitfalls of public administration in the modern era.

It began with John F. Kennedy's inauguration and fittingly his inaugural address when he told the nation "... ask not what your country can do for you but what you can do for your country." Perhaps no other single decade promised more for public administration in the United States than the 1960s. Dominated by the systems approach, modern public administration was confident, both of its mandate for change and of its capacity and expertise to foster change. Dwight Waldo, writing in retrospect about this decade, recognized it as the apex of the "scientific-technical era."¹ In 1961, Kennedy set a national objective to land U.S. astronauts on the moon by the end of the decade. The National Aeronautics and Space Administration (NASA) would achieve this feat of engineering and public administration in 1969.

An even more significant set of goals was embodied in the Great Society programs of the Johnson administration, which were to bring an unprecedented degree of social intervention led by government. The range of social programs initiated was rivaled only by the New Deal with the capstone of establishing Medicare through social security that provided national health care insurance coverage for seniors. An historic Civil Rights Act was passed in 1964 that promised the nation would remedy decades old discriminatory practices in employment and put the country on a true path to equal opportunity.

Similar confidence was exuded in the economic arena where a major tax cut revived a faltering and slow economy and heralded the triumph of Keynesian economics whereby government could "manage" the nation's economy through the use of various fiscal and monetary techniques.² Intergovernmental revenue transfer programs that would subsequently alter the scale of governmental budgeting at federal, state, and local levels were considered.³ There were seemingly few obstacles that could not be overcome by the modern administrative state. It required only good policy analysis and planning, appropriately developed management systems, and the new professional-technical expertise of the art, science, and practice of public administration. It could also be said that this amounted to hubris as public administration would be confronted and somewhat humbled by other social and political events—from civil rights protests and the Watts riots to a failed war in Vietnam and Watergate, among others.

NEW PERSPECTIVES ON ORGANIZATIONS AND BUREAUCRACY

By the 1960s, the social sciences were strongly influenced by the systems approach to analyzing social phenomena. Chester I. Barnard's theories about organizations being cooperative systems had been consistently validated. A benchmark book by Daniel Katz and Robert L. Kahn in 1966, *The Social Psychology of Organizations*,⁴ explained how existing knowledge on social systems should be seen as a framework for understanding how organizations operate. Katz and Kahn provided succinct definitions of the characteristics of open systems of organizations that reflected, in their view, the general state of modern organizational environments.

Closed systems, or traditional fixed bureaucratic structures, were fine if the environment was stable and controllable. They saw accurately that organizational environments were increasingly dynamic and unstable and that environments could differ dramatically for various organizations. Katz and Kahn concluded that the traditional closed-system view of organizations led to a failure to fully appreciate the interdependence and interactions between organizations and their environments. Their work applying systems theory to organizational theory would mark the beginning of the realization that the old debate between human relations and scientific management—the debate between open and closed models of organizations—was over. Future efforts would be directed primarily toward understanding the interactions of the organizations and their environments as open dynamic systems.

Anthony Downs's (b. 1930)⁵ Rand Corporation study, *Inside Bureaucracy*, was published in 1967. His work was an exhaustive analysis of U.S. bureaucracy, which, while derivative of the systems approach, sought to develop concepts and propositions that would aid in predicting the behavior of bureaus and bureaucrats. It was here that Downs sought to expand on Weber's "ideal type" by suggesting that two new elements be added to Weber's definition. First, the organization must be large; "any organization in which the highest ranking members know less than half of the other members can be considered large." Second, most of the organization's output cannot be "directly or indirectly evaluated in any markets external to the organization by means of voluntary quid pro quo transactions."

Downs's chapter, "Life Cycles of Bureaus," reprinted here, recognized stages of bureaucratic growth and stagnation as well as associated repercussions on administrative performance. Downs was bold, considering the times, in articulating his case of organizational behavior in pursuit of survival. After all, bureaucracies had been accused of being autocratic, inhumane, and insensitive to both their constituents and their own organizational members. Now Downs was examining them for behavior designed to ensure their own preservation. His last section examined the concept of death in bureaucracy and suggested that greater attention be given to understanding the policy and administrative implications for this stage of bureaucratic development.⁶ Still, it is his concept of life cycle that has had a significant influence on subsequent organization theorists. Not only would organizational environments differ but organizational responses would be predicated upon their own stages of development at different times in their life cycles.

Ironically, just when society seemed to be coming to terms with bureaucratic institutions, Warren Bennis (b. 1925–2014) was sounding their death knell. Bennis indicted present organizational formats as inadequate for a future that would demand rapid organizational and technological changes, participatory management, and the growth of a more professionalized workforce. He predicted in his 1967 *Personnel Administration* article, "Organization of the Future," reprinted here, that organization would have to be, of necessity, more responsive and flexible to these needs and, in consequence, decidedly less bureaucratic, less structured, and less rigid.⁷

Bennis was one of the first to put together the concept that organizations in the future would rely on totally different ideas of the nature of human behavior and worth, power, and organizational form.⁸ His article provided a summary of the lessons of behavioral science and open-systems theory and then constructed a number of predictions about the effects of these new organizational templates on

society. His case was largely an external one; that is, the first consideration must be the interactions and impacts of organizations on society. Inherent in his work was a concern for “democratic organizational leadership,” a theme to which he returned in the 1980s with his development of the idea of “transformational leadership.”⁹

BUDGETING AND SYSTEMS THEORIES FOR GOVERNMENT GROWTH AND DECLINE

Budgeting during the 1960s would be dominated by the systems approach, in the form of PPBS (planning programming budgeting systems). First installed in the Department of Defense during the Kennedy administration, it seemed to represent the height of rationality for the budget process. Allen Schick (b. 1934), in his 1966 *Public Administration Review* article, “The Road to PPB: The Stages of Budget Reform,” reprinted here, chronicled the development of budgetary theory from the concerns for accountability and control, which were the hallmark of the line-item budget, to performance budgeting with its emphasis on managerial efficiency, to PPBS, which stressed objectives, planning, and program effectiveness.

In 1965, Lyndon Johnson mandated the use of PPBS for all federal agencies. The application of PPBS—which required among other things that agencies detail program objectives and indicators for evaluation, make five-year expenditure forecasts, and generate numerous special cost-benefit analyses and zero-based reviews of program activities—marked perhaps the zenith of the management systems approach to public administration. PPBS, initially developed by David Novick¹⁰ and others at the Rand Corporation, had achieved remarkable success in the Department of Defense. (Indeed, it remains, albeit in modified form, in use there today.)

But PPBS’s effectiveness was considerably lower in the domestic agencies. Numerous state governments also adopted the PPBS approach to budgeting as the systems approach to budgeting swept over public administration’s most critical subfield. Allen Schick’s article, exploring both the concepts and rationale embodied in PPBS and how budgetary reform had developed historically, remains one of the landmark essays in public budgeting. Schick, for many years with the Congressional Research Service staff and later at the University of Maryland and the Brookings Institution, would continue to write significant works on budgeting and become the generally recognized informal leader of the management systems approach to public budgeting.¹¹

PPBS and budgeting systems theory was never without its critics. In 1964, Aaron Wildavsky (1930–1993) published *The Politics of the Budgetary Process*,¹² the immensely well-received critique of how budgeting was, in reality, an incremental process sharply influenced by political considerations. In 1969, he wrote a devastating critique of PPBS in his *Public Administration Review* article, “Rescuing Policy Analysis from PPBS,” reprinted here. Aside from stating flatly that he thought PPBS was unworkable, Wildavsky demonstrated how the planning and analytical functions of PPBS were contradictory to the essential nature of budgeting. What was once mandatory for all federal agencies and widely adopted by state and local jurisdictions was, by the end of the decade, officially unadopted by the federal government and widely considered to be unusable in its original format. Nevertheless, the influence of PPBS as a major budgeting process remains. Indeed, many budget theorists would argue that the passage of the Government Performance Results Act in 1993 and the concurrent adoption by a majority of state governments of similarly focused performance-results budgeting approaches is PPBS “*déjà vu*.”¹³

Wildavsky, who would later help establish and then become the first dean of the University of California at Berkeley’s Graduate School of Public Policy,¹⁴ was greatly influenced by Charles Lindblom, under whom he studied while a doctoral student at Yale. Incremental approaches to budgeting, or what would later be called “traditional budgeting,” was the counter school of thought to the management systems emphasis. The principle contention was that budgets were inherently political and that studying budgeting and budgets was useful because it explained how and what

choices (political compromises) had been made. Wildavsky even rebutted V. O. Key, Jr.'s classic question: "On what basis shall it be decided to allocate X dollars to activity A instead of activity B?" as unanswerable and irrelevant. What mattered was that the process of budgeting should facilitate decision making and assist in obtaining consensus about policy goals and program objectives.¹⁵

The debate over the politics of PPBS produced another interesting debate—what should be the goal of public organizations? Budget reform from the beginning has emphasized the pursuit of economy and efficiency, which often translated into eliminating waste and redundancy. Martin Landau wrote a provocative article in *Public Administration Review* in 1969 arguing of all things that public organizations might find that redundancy is something to be valued, not avoided. Using examples from the domains of information management, organizational theory, and risk management, he made a very persuasive case that redundancy was a key element in public administration's need for reliability and adaptability.

In the 1960s, this argument went unheeded, in part because budgets were expanding and public agencies seemingly had the resources to build in "parallel" circuits to have the best of both worlds. In the next period, Public Administration would debate the merits of the Grace Commission's War on Waste and the National Performance Review's Reinvention Campaign. Both reform efforts advocated changing government to make it work better but cost less by eliminating or at least reducing redundancy. In today's management debate over whether efficiency or reliability is the true goal of public sector organizations, Landau's article is truly a classic worth rediscovering.

While government spending continued to rise, budgeting systems were hard pressed to cope with the twin pressures of high inflation and unemployment. President Nixon terminated PPBS in the federal domestic agencies and began to challenge what he called unrestrained congressional spending. He impounded congressionally approved funding for domestic programs that were over what was recommended in the executive budget. Domestic program recipients took the Nixon administration to court. However by the time cases were resolved (in favor of the program recipients), the funding had lapsed and Nixon was gone from office. President Ford replaced the disgraced Nixon and worked a temporary compromise with Congress to cover funding levels up to a point. But the controversy between Congress and the presidency over who would control the federal budget would escalate into open warfare in the 1980s.

The debate over who should set budget levels led in part to the next stage of budget reform, which was embodied in the form of zero-based budgeting (ZBB).¹⁶ Peter A. Pyhrr first developed it for Texas Instruments and then for the state of Georgia while Jimmy Carter was governor. In 1976, presidential candidate Carter made the installation of zero-based budgeting a campaign promise, and in 1977, as president, he ordered its adoption by the federal government. The initial reaction to ZBB paralleled the reaction to PPBS in the 1960s, but the downfall of ZBB was even more rapid.

In large part, ZBB failed because the conditions that prevailed for most of the previous budgeting-system reforms had changed. In an era of acute resource scarcity, ZBB had little utility because there was little real chance that funding could be provided for any levels of program growth. Even Wildavsky and Schick agreed on the failure of this budgeting system—Schick even proclaimed it "decremental budgeting."¹⁷ Other critics were even less kind—either assaulting it as a "fraud" or decrying it as a nonsystem of budgeting. ZBB's fate in the federal government was tied to the Carter presidency. After the inauguration of President Reagan in 1981, it was quietly rescinded. Initially, numerous state and local governments used ZBB techniques or some adaptation of ZBB, but over time it passed from an important stage of public budgeting development to what many might now unkindly call a management fad.

What was happening at the federal level was mirrored at the state and local level. Only here, the political pressure was more direct. As the late 1960s and early 1970s proceeded, high rates of inflation pushed individuals into higher and higher tax brackets even though their real income levels did not change. Property values escalated even more. With higher values came increased assessments and higher property taxes. U.S. politics changed in response. There began a withering of public support for continued government growth and public programs. California, with passage of Proposition 13, provided the first major example of how vulnerable public budgets could be to voter-compelled expenditure and revenue-limitation initiatives.¹⁸ Reflecting on this new political-economic environment, Charles B. Levine (1939–1988) described how organizations had to adapt and alter budget

strategies. In a 1978 *Public Administration Review* article, “Organizational Decline and Cutback Management,” Levine acknowledged what officials in most state and local governments had been first-hand witness to—that over a half century of “positive budgeting” was over: a new period of “negative budgeting” was now reality.¹⁹

Levine laid out new management “rules” for cutback management. Briefly, public-sector managers would respond to revenue shortfalls based on the degree of political uncertainty (that is, the probability of the cuts being restored) and the magnitude of the budget shortfall. Responses could range from simply “stretching the budget to get through the fiscal year,” “rationing demands” by limiting services or charging fees, and “selective withdrawal” by redrawing geographic divisions of the organization or terminating specific programs, to “retrenchment” by permanently altering the structure, programs, and staffing of the organization.

Charles Levine

“On the Dilemma of Cutback Management:”

Cutback management is a two-crucible problem: besides selecting tactics for either resisting or smoothing decline, if necessary, management must also select who will be let go and what programs will be curtailed or terminated. Deciding where to make cuts is a test of managerial intelligence and courage because each choice involves tradeoffs and opportunity costs that cannot be erased through the generation of new resources accrued through growth. As with most issues of public management involving the distribution of costs, the choice of decision rules to allocate cuts usually involves the tradeoff between equity and efficiency. . . .

“Equity” is meant to mean the distribution of cuts across the organization with an equal probability of hurting all units and employees irrespective of impacts on the long term capacity of the organization.

“Efficiency” is meant to mean the sorting, sifting, and assignment of cuts to those people and units in the organization so that for a given budget decrement, cuts are allocated to minimize the long term loss in total benefits to the organization as a whole, irrespective of their distribution.

Making cuts on the basis of equity is easier for managers because it is socially acceptable, easier to justify, and involves few decision-making costs. “Sharing the pain” is politically expedient because it appeals to common sense ideals of justice. Further, simple equity decision making avoids costs from sorting, selecting, and negotiating cuts. In contrast, efficiency cuts involve costly triage analysis because the distribution of pain and inconvenience requires that the value of people and sub-units to the organization have to be weighed in terms of their expected future contributions. In the public sector, of course, things are never quite this clear cut because a host of constraints like career status, veteran’s preference, bumping rights, entitlements, and mandated programs limit managers from selecting optimal rules for making cuts. Nevertheless, the values of equity and efficiency are central to allocative decision making and provide useful criteria for judging the appropriateness of cutback rules. By applying these criteria to five of the most commonly used or proposed cutback methods—seniority, hiring freezes, even-percentage cuts-across-the-board, productivity criteria, and zero-base budgeting—we are able to make assessments of their efficacy as managerial tools.

Charles Levine: “Organizational Decline and Cut Back Management”
Public Administration Review, 1978; p. 320

Cutback management was not intended to be a budget system; it was a process. Its objective was to fuse political-economic realities with management strategies that would reestablish in the public’s mind the value of public sector programs and services. In its most basic sense, this was a return to

V. O. Key, Jr.'s questions and the debate between Wildavsky and Schick about the basis of value in resource allocation decisions. In positive budgeting and strong growth environments, the public needed little reassurance of the value of public spending. In negative budgeting and weak or slow growth environments, the nexus between tax payments for public revenues and budget benefits for public expenditures had to be reestablished.

REDISCOVERING FEDERALISM—UNCOVERING INTERGOVERNMENTAL RELATIONS

While the mandates and indeed much of the energy for social change in the 1960s certainly emanated from the federal government, implementation of actual program results usually had to come about at the state and local government levels. Public administration, as it wrestled with social intervention, rediscovered, so to speak, its other half in a renewed interest in the U.S. “federal” system of government. The rise in federal spending sparked in the 1950s would soon spread to state and local governments, in the form of intergovernmental grants. In 1954, there were 38 federal aid programs to state and local governments; by the end of the 1970s, there were almost 500. By 1978, the Urban Institute reported that federal aid accounted for over 25 percent of state and local expenditures.²⁰

Intergovernmental relations (IGR) is federalism in action. It is the complex network of day-to-day interrelationships among the governments within a federal system. It is the political, fiscal, programmatic, and administrative processes by which higher units of government share revenues and other resources with lower units of government, generally accompanied by special conditions that the lower units must satisfy as prerequisites to receiving the assistance. In essence, intergovernmental relations are the sets of policies and mechanisms by which the interplay between different levels of government serving a common geographical area is managed. Such relations reflect the basic constitutional framework that links the levels of government, as well as dynamic contemporary factors including relative power, financial strengths, ethnic divisions, geographical factors, and so on.

But there was more to intergovernmental relations than simply handing out money. The Johnson administration's approach to intergovernmental relations was called “creative federalism,” which implied that there would be joint planning and decision making among all levels of government (as well as the private sector) in the management of intergovernmental programs. Many new programs of this period had an urban-metropolitan focus, and much attention was given to antipoverty issues. Creative federalism sought to foster the development of a singular Great Society by integrating the poor into mainstream America. Its expansive efforts were marked by the rapid development of categorical grant programs to state and local governments and direct federal grants to cities, frequently bypassing state governments entirely. Great Society programs such as Head Start and the War on Poverty were all based on the concept of federal grants shaping activities and directions at the state and local levels. However, the idea that all wisdom rested in Washington was not always well received in state capitals or city halls.

Morton Grodzins pointed out the complicated nature of intergovernmental relations in his 1966 book *The American System: A New View of Government in the United States*,²¹ Federalism was not simply a question of dividing the work between the levels: of assigning local issues to local government and national issues to federal government. The majority of issues have national, regional, and local implications. Grodzins used this concept of “marble-cake” federalism to describe the cooperative relationships among the varying levels of government that resulted in an intermingling of activities. This was in contrast to the more traditional view of “layer-cake” federalism that held that the three levels of government were totally separate. There was little correspondence between areas of governance and problems of government. “Government by chaos and cooperation,” as he termed it, required a special understanding to perform adequate policy and program analysis. Remarkably, his overall assessment was quite positive: Shared functions could and did work, and intergovernmental grant and transfer programs could be designed and implemented effectively.

But many in public administration felt that a larger framework was needed to assess developments involving intergovernmental relations.²² Some felt the emphasis needed to be on the relationships among units of government, not just the governments. This called for seeing intergovernmental relations as more than a complex system of fiscal and administrative processes by which higher units of government share revenues and other resources with lower units, generally accompanied by special conditions that the lower units must satisfy as prerequisites to receiving the assistance.

While acknowledging the pioneering work of others, Deil S. Wright (1930–2009) was one of the most significant voices in the analysis of intergovernmental trends. His highly influential text, *Understanding Intergovernmental Relations*, was essentially the standard work in the field for three decades.²³ Not only did he evaluate the effectiveness of the intergovernmental system from a political and economic perspective but he also examined the potential of “devolution,” which was at the center of much of political debate of the period (and still today). Devolution here means transferring down to the states responsibility to carry out many initially federally financed and mandated social and regulatory programs in exchange for specific block grants of federal aid.

In Wright’s historical analysis, first developed in a 1974 issue of *The Annals* (reprinted here) and included in his textbook, he saw five phases of development culminating in a “competitive phase” starting around 1965. Later he would amend this in his textbook as culminating in a “calculative” period in intergovernmental relations for the 1980s.²⁴ Calculative refers to the phase of intergovernmental relations concerned with strategies designed to cope with severe fiscal constraints, loss of public confidence, and declining federal support.

Wright was a major chronicler of the policy and management issues and challenges confronting the federal and state and local systems in the United States. Intergovernmental relations had to be taken more seriously if the nation was to avoid creating distrust and tension among the governments. As policies, programs, and budgeting became more intertwined, IGR had to evolve a true management capability—one that Wright concluded was capable of mastering “the successful management of complexity.” This would, he argued, provide true context for public managers and elected politicians to see their roles and responsibilities in achieving joint success and not just blaming others for failures.

THE ADVANCE OF POLICY ANALYSIS AND PROGRAM EVALUATION

If journalism represents the first rough draft of history, it is also the first policy analysis that most people will hear or read on a new issue. The powers that be make policy, but it is then reported and explained to the public by the journalistic media. All the major news organizations, both print and TV, have reporters that specialize in various policy areas. Thus there are White House, congressional, Supreme Court, education, medical, consumer, and financial correspondents, among others. These analysts are almost always the first to tackle new policy issues. Scholarly analysis is usually years behind—unless, of course, it is done by the relatively small group of academics who also write for journalistic sources. The op-ed pages are full of college professors and think-tank denizens telling the public what the implications are of any new policy. All this—from the current buzz at work to the weekly news magazines—is informal policy analysis. These “quick and dirty” critiques of current issues are both ubiquitous and essential to a flourishing democracy. While they may be made with style, wit, and true depth of feeling, they tend to lack the methodological rigor of a formal policy analysis.

Formal policy analysis uses a set of techniques that seeks to answer the question of what the probable effects of a policy will be before they actually occur. A policy analysis undertaken on a program that is already in effect is more properly called a program evaluation. Nevertheless, policy analysis is used by many to refer to both before- and after-the-fact analyses of public policies. All policy analysis involves the application of systematic research techniques (drawn largely from the social sciences and based on measurements of program effectiveness, quality, cost, and impact) to the formulation, execution, and evaluation of public policy to create a more rational or optimal administrative system. To the

extent that we make judgments on governmental policies from affirmative action to zoning variances, we all do policy analysis. Any judgment on a policy issue also requires an analysis, however superficial. Policy analysis can be viewed as a continuum from crude judgments made in a snap to the most sophisticated analysis using complicated methodologies.

Accompanying the systems approach that dominated so much of public administration in the 1960s was the advance of policy analysis. A direct and practical consideration of policy analysis in public administration was provided by Yehezkel Dror (b. 1928) in his 1967 *Public Administration Review* article, "Policy Analysts: A New Professional Role in Government Service." Dror's article, which is reprinted here, was one of the first to identify and define this old function but new occupational specialty. Policy analysis would encompass both the policy formulation process (that is, understanding the politics and participation aspects) and policy content (that is, consideration of alternative policy outcomes by analyzing costs, benefits, distribution of benefits, and so on). Economic analysis played a pivotal role in the policy analyst's trade, but Dror recognized the limitations of what he termed a "one-sided invasion of public decision making by economics." Dror, a major critic of the incremental approach to policy-making, was one of the first to call for constructing a policy sciences approach that would balance economic and political roles in policy analysis.²⁵

By the beginning of the 1970s, it was generally conceded that many of the Great Society programs initiated during the Johnson administration were not working nearly as well as it was originally hoped. As these and other social programs came under increasing criticism, the field of program evaluation gained increasing prominence. The first stirrings were in 1967 when Edward Suchman of Columbia University published the first major work on evaluation theory, *Evaluation Research*.²⁶ Suchman's work argued that evaluation was essentially a field of study. Evaluative research and practice can and should be studied in a general context outside of evaluation applications in the various fields of specialization; in other words, evaluation was generic. The early 1970s produced several significant works on the various facets of evaluation. Carol H. Weiss's *Evaluation Research: Methods for Assessing Program Effectiveness*²⁷ was perhaps the best introduction to program evaluation theory, while Joseph Wholey and other scholars at the Urban Institute²⁸ were writing pioneering studies in applying program evaluation methods and applications.

But perhaps the most interesting and representative work written about evaluation during this period was that of Alice Rivlin (b. 1931). Of course, students of government will recognize this early evaluation theorist and economist who would in 1974 become the first director of the Congressional Budget Office and in the 1990s become the Clinton administration's director of the Office of Management and Budget. Rivlin delivered a series of lectures about evaluation and its potential impact on public decision making that were published by the Brookings Institution under the title of *Systematic Thinking for Social Action*²⁹ in 1971. The last chapter is reprinted here. Rivlin sets out to conclude her work by examining issues of "accountability," but she switches gears to assess three different models for improving government effectiveness: decentralization, community control (what one would today call devolution), and the market model (vouchers and customer choice). These three "models" would of course form the crux of the economic and political debate about what government should do, how it should do it, and, as Rivlin concluded in 1971, ensuring that "to do better, we must have a way of distinguishing better from worse."

The General Accounting Office (GAO, later renamed the Government Accountability Office), under the leadership of Elmer Staats, also helped elevate the general quality and value of program evaluation by setting evaluation standards and working actively to professionalize program evaluation as part of the expanded scope of audit.³⁰ Many state governments would initiate legislative evaluation commissions based on the GAO idea. Some would go even further. In 1976, Colorado would be the first state to enact a sunset law in which certain agencies and programs are given fixed termination dates and a comprehensive evaluation is conducted before program or agency reenactment. By the mid-1970s, evaluation was a vital and integral part of public administration.

Policy analysis also responded to the problems of failure in the 1960s. Jeffrey Pressman (1943–1977) and Aaron Wildavsky wrote their highly regarded case study of federal programs in the city

of Oakland in which they made popular the term implementation as a new focus for public administration. The title of their work tells part of the story in itself: *Implementation: How Great Expectations in Washington Are Dashed in Oakland, or, Why It's Amazing That Federal Programs Work at All, This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes*. Besides having what is generally regarded as the longest title in public administration literature, they related in their landmark book what seems almost simplistic—that policy planning and analysis were not taking into account the difficulties of execution or “implementation.” Their purpose in this work was to consider how a closer nexus between policy and implementation could be achieved.

Pressman and Wildavsky defined implementation as “a process of interaction between the setting of goals and actions geared to achieving them” as well as “an ability to forge subsequent links in the causal chain so as to obtain the desired results.” This definition usefully calls attention to the interaction between setting goals and carrying them out. This helps clarify that implementation is political in a very fundamental sense in that the activities that go on under its banner shape who gets what, when, and how from government. Like lawmakers, administrators and those with whom they interact during the implementation process exert power over program objectives and influence program inputs and outcomes. Implementation involves administrators, interest groups, and other actors with diverse values, mobilizing power resources, forming coalitions, consciously plotting strategies, and generally engaging in strategic behavior designed to ensure that their point of view prevails. The terrain may be different from that found in Congress or other legislatures, but the basic staples of the political process are very much present.

A far more extensive exploration of implementation was provided by Eugene Bardach in a 1977 work—*The Implementation Game*. Reprinted here is the second chapter of this book in which Bardach explains—as the subtitle of the book, “What happens when a bill becomes a law,” suggests—the larger external environment that surrounds policy-making. Bardach’s aim was twofold: first, to move beyond studying the actions and objectives of participants in policy setting—i.e., what he calls the public actors (agencies, elected officials, legislative bodies, courts—the four branches of government)—and analyze the obstacles that impeded progress. Secondly, Bardach proposed a framework that could be used to examine implementation with the same acuity of vision accorded by policy analysis about how policies became laws to begin with.

The Implementation Game builds off several new realities or what Bardach calls “post liberal heresies,” namely that making public policies work is very difficult. He notes, “It is excruciatingly hard to implement them in a way that pleases anyone at all, including the supposed beneficiaries or clients.”³¹ To that end, in the “Conceptual Analysis” chapter reprinted here, Bardach explores the gamut of “political and bureaucratic games” (hence the title of the book) involved in implementation, building carefully on the foundation provided by Wildavsky and Pressman.

Yet another major perspective on public policy during this period of advancement and expansion was provided by a rather unlikely source. A prominent design theorist and an urban planner wrote a seminal piece arguing that not all public policy problems and proposed solutions are the same. Some indeed may be so difficult, complex, given to such variance in competing priorities as to make them almost unsolvable.

H. W. J. Rittel and M. M. Webber called these “wicked problems” in their 1973 article “Dilemmas in a General Theory of Planning” (reprinted here). They sought to specify ten characteristics of “wicked problems” that confronted social and urban planners. They began with a perplexing first rule—that there is “no definite formulation” of wicked problems. One approach to dealing with this effort at definition would be to ask what is the opposite of a wicked problem. The usual response is not normal or non-complex problems but “tame problems.” Such problems aren’t easy, but at least these problems are definable. Their main causes are evident. Their solutions are mapable and verifiable. In contrast, wicked problems are at the other end of a continuum – hard to define with solutions even harder to articulate.

PUBLIC ADMINISTRATION IN A QUANDARY

What began in the 1960s as a period of great expansion and great change at all levels of government for public administration in government as well as in the academic world would not last. The decade ended on a questionable note because of a number of factors: the Vietnam War, the newfound militancy of public employees and students, the emergence of more sophisticated client groups, and the yet-to-be implemented commitment to equal employment opportunity and the concept of a representative bureaucracy. Perhaps the best analysis of the effects of these issues on public administration was provided by Dwight Waldo when he examined the implications of these trends in the 1968 *Public Administration Review* article, “Public Administration in a Time of Revolution.”³²

But the end of the 1960s was characterized by more than social unrest and public discontent over Vietnam. One of the major rallying cries of the political activists of the 1960s was “power to the people,” which in administrative terms is a call for decentralization of public services, the ultimate decentralization being, of course, anarchy. Herbert Kaufman (b. 1922)³³ assessed its intertwined implications in his 1969 *Public Administration Review* article, “Administration Decentralization and Political Power,” reprinted here. Central to his concerns about decentralization were the issues of leadership, bureaucratic representativeness, and the idea of neutral competence.³⁴

Kaufman correctly saw that a modern, highly complex society needed new modes of representation to involve the public and ensure responsive administration. Kaufman accepted the notion that administrative decentralization could provide for greater local influence in public policy making. But it could also generate a number of other problems and conflicts, including possible interference with the pursuit of national mandates for economic and social equity, competition between local governments and programs, and decreased economies of scale leading to inefficiencies in government operations.

Another critical voice excerpted from the tremendous period of change that was the 1960s is that of Theodore J. Lowi (b. 1931).³⁵ His book *The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority*³⁶ provided an expansive critique of the modern democratic government and a condemnation of the paralyzing effects of interest group pluralism. Lowi asserted that public authority was parceled out to private interest groups and resulted in a weak, decentralized government incapable of long-range planning. These powerful interest groups operated to promote private goals; they did not compete to promote the public interest. Government then became not an institution capable of making hard choices among conflicting values, but a holding company for interests. The various interests were promoted by alliances of interest groups, relevant government agencies, and the appropriate legislative committees. Lowi denied the very virtues that E. Pendleton Herring and other group theorists saw in their promotion of interest-group pluralism. Overall, Lowi presented a scathing indictment of the administrative process in which agencies charged with regulation were seen as basically protectors of those being regulated.

Lowi’s critical analysis, a chapter of which is reprinted here, was widely received as accurate and penetrating, but his remedy, a return to legal or constitutional democracy, what he called “juridical democracy,” was seen as unworkable. Despite its apparent flaws, there seemed to be no immediately available alternative to interest group pluralism and its often paralyzing effects on modern government. Still, Lowi’s work is a very fitting epitaph for the post–World War II era up to the 1960s.

In this near quarter century of expansion, promise, and great change, public administration encountered a whole new set of obstacles and limitations, both external and internal. Some of public administration’s most cherished ideas would be shaken badly in the aftermath of the perceived failure of many of the Great Society programs, the debacle of Watergate and the first resignation of a president, the fall of Vietnam, and the mounting fiscal crises that ravaged many state and local governments. Now an agenda for self-examination and reform was being formed, one that would shape public administration in the decade that would follow.

By the early 1970s, serious questions were being raised concerning the state of the discipline and profession of public administration. Dwight Waldo, having noted that public administration was “in a time of revolution,” called a conference of younger academics in public administration through the

auspices of his position as editor-in-chief of *Public Administration Review* and with some funds from the Maxwell School of Syracuse University. Held in 1968 at Syracuse University's Minnowbrook conference site, the papers that came out of it were edited by Frank Marini, then managing editor of *Public Administration Review*, and published in 1971 under the title *Toward a New Public Administration: The Minnowbrook Perspective*.³⁷

The goal of the meeting was to identify what was relevant about public administration and how the discipline had to change to meet the challenges of the 1970s. H. George Frederickson's (b. 1934) paper, "Toward a New Public Administration," which is reprinted here, called for social equity in the performance and delivery of public services.³⁸ In many ways, Frederickson's paper epitomized the "new public administration" movement that called for what Frederickson termed second generation behavioralism in which administration would be more responsive to the public, more prescriptive, more client-oriented, and more normative—yet still be more scientific. Overall, the new public administration called for a proactive administrator with a burning desire for social equity to replace the traditional impersonal, neutral, gun-for-hire bureaucrat. Such a call was heeded by few, but discussed by many.

THE AFTERMATH OF WATERGATE AND THE REDISCOVERY OF PUBLIC SERVICE ETHICS

In terms of political events in the 1970s, few things stand out more than Watergate. Watergate is the name of a hotel-office-apartment complex in Washington, D.C. When individuals associated with President Nixon's reelection campaign were caught breaking into the Democratic National Committee Headquarters (then located in the Watergate complex) in 1972, the resulting cover-up and national trauma were condensed into one word: Watergate.

The aftermath of Watergate brought a major review of what was called the "administrative presidency."³⁹ Much of the focus of public administration's development since the 1930s had been to concentrate power and control in the executive branch. Now that it had been accomplished, Watergate provided a dramatic lesson in what could happen if such centralized power was abused. In response to a request from the Senate Select Committee on Presidential Campaign Activities, a special panel of the National Academy of Public Administration chaired by Frederick C. Mosher examined the situation and produced a report *Watergate: Implications for Responsible Government*,⁴⁰ which provided a detailed indictment of the Nixon administration's abuses of executive and administrative authority and power.

The report's "Overview" and its epilogue on "Ethics and Public Office" are reprinted here. Educational institutions were urged to "focus more attention on public sector ethics." Although codes of ethics had been around for years, the panel concluded that more sophisticated and effective codes of conduct and standards were needed. In a sense, the real significance of the report was the infusion back into public administration of a concern for ethics and the encouragement of a new generation of literature on the subject. This literature was relaunched in large part with John Rohr's 1978 textbook *Ethics for Bureaucrats*, which was aptly subtitled, "An Essay on Law and Values." Rohr pointed out that a textbook on public sector ethics was not truly possible until the "field of inquiry is sufficiently developed to have an established literature capable of being ordered, summarized, and presented in a way that is meaningful to the initiated."⁴¹

Rohr's "essay" covered a number of fronts, examining especially how modern bureaucrats should reconcile their discretionary authority with the governing process of a democratic "regime." Administrators with integrity must understand that they have a special moral obligation to the people they serve. They take seriously what Rohr called the "regime values" of their jurisdiction. In constitutional systems these values are established by the constitution, whether written, as in the United States, or unwritten, as in the United Kingdom. To a person of honor, an oath to "defend the Constitution of the United States against all enemies, foreign and domestic" is a serious matter. An excerpt from Rohr's

essay follows that explains why this is so significant (or should be as he explains further in a lengthy footnote, also included) for bureaucrats.

In Rohr's view, those senior administrators who gain reputations for being ethical and honorable abide by a new-fashioned *noblesse oblige*. Originally, the "nobility obliged" by leading in war and demonstrating their honor and valor by taking physical risks to prove their courage—to demonstrate on the field of honor (a battlefield) just how honorable they were. Lacking traditional nobility, republican governments give leadership roles to senior bureaucrats and elected officials. Once in office, their fellow citizens rightly expect them to take moral and career risks, parallel to the traditional risks of combat, to protect their fellow citizens, to protect the regime, and to protect the Constitution. And they must be heroic enough to risk not only their lives but their livelihoods as well.

Louis Brandeis, later to be an Associate Justice of the U.S. Supreme Court, argued in the 1910 Glavis-Ballinger case that public administrators "cannot be worthy of the respect and admiration of the people unless they add to the virtue of obedience some other virtues—virtues of manliness, of truth, of courage, of willingness to risk position, of the willingness to risk criticism, of the willingness to risk the misunderstanding that so often comes when people do the heroic thing." It is often said that managers are paid more than workers because they are paid to take risks, to make decisions that can cost them their jobs. Public managers live in an even riskier environment. Not only must they take normal management risks but also they must risk their careers, their reputation, sometimes even their lives, to protect the values of the regime. An excerpt follows from the first edition of Rohr's book on the meaning and implication of regime values.

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John Rohr

"On Regime Values & Bureaucratic Ethics"

Because students of public administration either already hold or aspire to positions of leadership within the bureaucracy of a particular regime, the values of that regime are the most likely starting point for their ethical reflections. This is especially true in countries like our own where bureaucrats are expected to take an oath to uphold the Constitution. An oath is an important moral event in the personal history of an individual. This is especially true in a pluralistic society like the United States where there are myriad philosophical and religious starting points from which people derive their ethical norms. Pluralism of this nature makes it almost impossible to hope for an operational understanding of the public interest derived from some common metaphysical premise. Despite our pluralism, however, I think it is safe to assume that most of us would agree that one should adhere steadfastly to the oaths one has taken. Because the Constitution of the United States is the preeminent symbol of our political values, an oath to uphold the Constitution is a commitment to uphold the values of the regime created by that instrument. Thus the oath of office provides for bureaucrats the basis of a moral community that our pluralism would otherwise prevent. It is the moral foundation of ethics for bureaucrats.*

John Rohr: *Ethics for Bureaucrats*
New York: Taylor & Francis, 1978, p. 60

*It is unfortunate that the oath of office is administered in such a perfunctory way in most agencies. While not everyone can be sworn into office by the chief justice of the United States on the steps of the Capitol, it does seem a bit more imagination could be shown in accommodating the profound human need to surround moral commitments with appropriate symbol and ritual. The failure of government to provide an appropriate ceremonial milieu may help to explain why the oath is seldom regarded as a moral commitment. Although ceremony and ritual can neither confer nor substitute for moral vigor, they can at least remind us of what it is we are becoming by our pledged word. Despite the sterility of the atmosphere in which the oath is administered, it can become meaningful after the fact when one is reminded of the pledge one has given. This is true of any ceremony that surrounds a moral commitment. Marriage vows are often given in a shallow and sentimental way, but after many years of loving dedication they become in retrospect the symbol of something that is now abiding and profound.

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THE RECOGNITION OF REPRESENTATIVE BUREAUCRACY AND CIVIL SERVICE REFORM

In 1944, J. Donald Kingsley, coauthor of the first full-scale text on public personnel administration, *Public Personnel Administration*,⁴² published his historical analysis, *Representative Bureaucracy: An Interpretation of the British Civil Service*.⁴³ In 1967, Samuel Krislov (b. 1929), a constitutional law scholar,⁴⁴ expanded on Kingsley's concept of a governing bureaucracy made up from representative elements of the population being ruled.⁴⁵ Krislov, in *The Negro in Federal Employment*, examined the advantages of "representation in the sense of personification" and thereby gave a name to the goal for the movement for the fullest expression of civil rights in government employment: representative bureaucracy.

In a subsequent work in 1974, also entitled *Representative Bureaucracy*⁴⁶ (and reprinted here in part), Krislov explored the issues of merit systems, personnel selection, and social equity. Krislov asked more directly: How could any bureaucracy have legitimacy and public credibility if it failed to represent all sectors of its society? So, thanks in large part to Krislov, the phrase "representative bureaucracy" grew to mean that all social groups have a right to participation in their governing institutions. Over time, the phrase has even developed a normative overlay that all social groups should occupy bureaucratic positions in direct proportion to their number in the general population. And in 1978, with the passage of the Civil Service Reform Act, this became an official policy of the federal government. The 1978 law "directed agencies to take steps to eliminate the under representation of women and people of color in all federal occupations and at all grade levels."⁴⁷ Representation was further embedded in the nine merit system principles of the law.

The passage of civil service reform legislation at the federal level was perhaps the public administration highlight of the Carter presidency. The Carter reforms were not all positive. Much was made of some dysfunctional processes of current civil service practices: inflated performance appraisals, overgraded classifications, and very low dismissal rates of poor performers. But public administration was able to rise above this and focus not just on modernization, but professionalism and the larger questions of how the public service should be managed and its role and responsibilities. The concerns of public personnel administration, having been relegated to an intellectual backwater since the initial success of the reform movement, began to experience a renewal in the 1960s. In 1968, Frederick C. Mosher (1913–1990) of the University of Virginia published his now classic *Democracy and the Public Service*,⁴⁸ an examination of the history and evolution of the American civil service and the major impact of ever-increasing professionalism on it. Mosher confirmed the variety of factors that contributed to the renewal: the explosive growth of public employee unions, the demand for equal employment opportunity, and the needs of managing and motivating a more sophisticated and professionally led workforce.

Drastic change would and did occur. By the end of the decade, the Civil Service Reform Act of 1978 would restructure the U.S. Civil Service Commission into three new entities: the Office of Personnel Management, the Merit Systems Protection Board, and the Federal Labor Relations Authority. At all levels of government, the ideal of a Civil Service Commission as both protector of the merit system and of the rights of individual employees would give way to personnel directors responsible only to the jurisdiction's chief executive. The interests of employees would henceforth be looked after by quasi-judicial merit-systems review boards or the unions themselves. Change was experienced by the public sector unions too. As increasing numbers of state and local governments adopted collective bargaining, employee relations took on a whole new perspective. Public-sector strikes, even when illegal, would occur, dramatically challenging the traditional ideals embodied in the concept of public service.

LOOKING TO A NEW ERA

To sum up, the dynamic changes of the 1960s and reaction of the 1970s masked other patterns in the development of U.S. public administration. On the surface, the increase in federal budgetary expenditures was extraordinary, increasing from \$97 billion in 1960 to \$590 billion in 1979 at the federal

level. But when the expenditure figures are calculated as a percentage of the gross domestic product, the ratio is about the same (17 to 20 percent of GDP). Federal civilian employment increased from 2.4 million to 2.9 million over this twenty-year period, but in relation to the population, federal employment in 1979 was basically at the 1950 level. See Table that follows for totals. On the other hand, state and local government employment over this same twenty-year period increased from 6 to over 13 million. What was changing was federal entitlement and grant programs, led by new provisions for Medicare where federal payments would now approximate half of the budget. Indeed by 1993, Social Security would surpass defense spending as the largest federal program.

According to Frederick C. Mosher, these seemingly contradictory trends were “a consequence of fundamental shifts in the purposes, phases, and methods of federal operations.”⁴⁹ Essentially, Mosher argued, the federal government changed its pattern of involvement over the past two decades, from overt to covert. While the federal government decreased the number and level of activities it performed directly, it had, through income supports, contracts and grants, regulations, and loans and loan guarantees, stimulated massive efforts by state and local governments, non-profit organizations, and even private business. The result was a federal administrative posture that increasingly relied on indirect administrative coordination and funds transfer. Mosher complained that this massive change was not reflected “in our research, our literature, our teaching.” While the focus of public

| TABLE |

U.S. GOVERNMENT FINANCES AND WORKFORCES: 1960–1980
(Budgets in Billions, Population In Millions)

	1960	1980		
US GDP	\$563	\$2,862		
US Population	181.6	226.5		
GOVERNMENT BUDGET	TOTALS	PCT OF GDP	TOTALS	PCT OF GDP
Federal	\$97	17.2%	\$590	20.6%
States	\$31.5	5.6%	\$258	9.0%
Local Governments	\$39.1	6.9%	\$262	9.2%
FEDERAL PAYMENTS	TOTALS	PCT. OF FEDERAL OUTLAYS	TOTALS	PCT. OF FEDERAL OUTLAYS
To Individuals	\$24.8	25.6%	\$247.3*	41.9%
Government Grants	\$2.8	2.9%	\$33.1	5.6%
Total Payments	\$27.6	28.5%	\$280.4	47.5%
FULL TIME EMPLOYEES (FTE)	MILLION FTEs	EMPLOYEES PER CAPITA	MILLION FTEs	EMPLOYEES PER CAPITA
Federal Government	2,270	12.5	2,866	12.7
State Governments	1,536	8.5	3,590	15.8
Local Governments	4,547	25.0	9,793	43.2

*INCLUDES MEDICARE WHICH ACCOUNTS FOR OVER 58\$ Billion which began in 1965.

Sources: US Statistical Abstract 1961, 1981

administration remained on the federal government, the action was inexorably shifting to other levels. This trend would only continue to increase under the Reagan presidency and usher in a new era of public administration in the 1980s and 1990s.

NOTES

1. Dwight Waldo, *The Administrative State: A Study of the Political Theory of American Public Administration*, 2d ed. (New York: Holmes and Meier, 1984), p. xiii.
2. John Maynard Keynes (1883–1946) was the English economist who wrote the twentieth century's most influential book on economics, *The General Theory of Employment, Interest, and Money* (London: Macmillan, 1936), which called for using a government's fiscal and monetary policies to positively affect a capitalistic economy.
3. Revenue sharing was first seriously recommended by Walter Heller when he served as chairman of President Kennedy's Council of Economic Advisors. It did not become a reality until the State and Local Fiscal Assistance Act of 1972.
4. D Katz and R. L. Kahn, *The Social Psychology of Organizations* 1966 (New York: John Wiley, 1966).
5. Downs is the economist generally credited with establishing the intellectual framework for "public choice" economics in his *An Economic Theory of Democracy* (New York: Harper and Row, 1957).
6. In this period, a significant body of literature emerged on policy termination. See, for example, Robert P. Biller, "On Tolerating Policy and Organizational Termination: Some Design Considerations," *Policy Sciences* 16 (June 1976); Carol L. Ellis, "Program Termination: A Word to the Wise," *Public Administration Review* 43 (July–August 1983).
7. For expansions of these themes, see his *Changing Organizations* (New York: McGraw-Hill, 1966) and, with Philip E. Slater, *The Temporary Society* (New York: Harper and Row, 1968).
8. See his and Philip E. Slater's "Democracy Is Inevitable," *Harvard Business Review* (March–April 1964).
9. Warren Bennis, "Transformative Power and Leadership," in *Leadership and Organizational Culture*, ed. Thomas J. Sergiovanni and John E. Corbally (Urbana, Ill.: University of Illinois Press, 1984).
10. David Novick, "The Origins and History of Program Budgeting," *California Management Review* 11, no. 1 (1968).
11. See for example Schick's *The Federal Budget*, revised edition (Washington, D.C.: The Brookings Institution, 2000). For a more critical perspective on the current shortfall of performance-based budgeting systems and performance measurement under the Government Performance Results Act, the article "Getting Performance Measures to Measure Up" in *Quicker, Better, Cheaper* edited by Dall W. Forsythe (Albany, New York: Rockefeller Institute Press, 2001) is instructive.
12. Aaron Wildavsky, *The Politics of the Budgetary Process*, 4th ed. (Boston: Little, Brown, 1964, 1984). This book would be completely redone in the late 1980s, given a new title, *The New Politics of the Budgetary Process*, and published in two editions before Wildavsky's death in 1993. The book is now in its fifth edition (with Naomi Caiden) published by Longman in 2003.
13. There are any number of excellent works introducing performance-based budgeting. Philip Joyce's "Using Performance Measures for Federal Budgeting: Proposals and Prospects," *Public Budgeting & Finance* (Winter 1993) is a good introductory article written when the Government Performance Results Act was passed. Katherine G. Willoughby and Julia Meyers are the leading experts on performance-based budgeting trends among the states (*Public Budgeting & Finance*, Spring 2000). Harry Hatry of the Urban Institute, along with Joseph Wholey, is probably the leading expert in this arena. See *Performance Measurement* (Washington, D.C.: The Urban Institute, 1999) and *Comparative Performance Measurement* (Washington, D.C.: The Urban Institute, 2001).

14. For Wildavsky's advice on how to create and manage a graduate school of public policy, see the appendix, "Principles for a Graduate School of Public Policy," to his *Speaking Truth to Power: The Art and Craft of Policy Analysis* (Boston: Little, Brown, 1979).
15. Wildavsky first addressed Key, Jr.'s question in a 1961 *Public Administration* article, "Political Implications of Budget Reform." Thirty years later, *Public Administration Review* asked him to write his own retrospective on this seminal article. See November–December 1992, pp. 594–599 for his reflections.
16. The best introduction to zero-based budgeting is still Graeme Taylor's article from *The Bureaucrat*: "Introduction to Zero-Base Budgeting" (Spring 1977).
17. For Schick's "obituary" of ZBB, see his article "The Road from ZBB," *Public Administration Review* 38 (March–April 1978).
18. See Jerry McCaffery and John H. Bowman, "Participatory Democracy and Budgeting: The Effects of Proposition 13," *Public Administration Review* 38 (November–December 1978): 530–538. Proposition 13 was a revolt by the middle class over rising taxes, especially on real estate, which were increasing dramatically in a period of double-digit inflation. By 1980, the tax revolt movement forced 38 states to reduce or at least stabilize tax rates.
19. See also Levine's edited work, *Managing Fiscal Stress* (Chatham, N.J.: Chatham House, 1980).
20. A good period assessment of the intergovernmental budget issues at this time is John Shannon's and James Kee's "The Rise of Competitive Federalism," *Public Budgeting and Finance*, Winter 1989, pp. 5–20.
21. Morton Grodzin's *The American System: A New View of Government in the United States* (Chicago: Rand McNally, 1966). This book was essentially completed before the author's death and then edited and prepared for publication by Darnel J. Elazar of Temple University, a former student of Grodzin and now a major voice on federalism in his own right.
22. William Anderson (1988–1975) is also recognized as one of the "intellectual parents" of the IGR field; see his 1960 study *Intergovernmental Relations in Review* or his 1955 study *The Nation or the States: Rivals or Partners* (both University of Minnesota Press) and earlier work dating back to 1934 with Public Administration Service: *The Units of Government in the United States*.
23. Deil S. Wright, *Understanding Intergovernmental Relations*, 3d ed. (Pacific Grove, Calif.: Brooks/Cole, 1988). The first edition was published in 1978.
24. In the 1980s, Wright would add a new "contractive" phase, pushed by decreases in federal support levels but increases in federal mandates. New stresses caused by court actions have placed state and local government policy and program actions under intense scrutiny and financial pressure. Later in the 1990s, mostly as a result of the Republican congressional victories in 1994, Wright saw a new phase that he titled "coercive-collage." Wright essentially predicted the possibility of an entirely new relationship between federal and state and local governments, one marked by sharp contrasts with little coherence.
25. See his "Prolegomena to the Policy Sciences," *Policy Sciences I* (September 1970); *Design for Policy Sciences* (New York: American Elsevier, 1971); *Ventures in Policy Sciences* (New York: American Elsevier, 1971).
26. Edward Suchman, *Evaluation Research* (New York: Russell Sage Foundation, 1967).
27. Carol Weiss, *Evaluation Research* (Englewood Cliffs, N.J.: Prentice Hall, 1972).
28. Joseph S. Wholey, *Federal Evaluation Policy* (Washington D.C.: Urban Institute, 1970).
29. Alice Rivlin, *Systematic Thinking for Social Action* (Washington, D.C.: Brookings Institution, 1971).
30. For the GAO's definition of the expanded scope of audit (which includes program evaluation), see Comptroller General of the United States, *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions* (Washington, D.C.: U.S. General Accounting Office, 1981).
31. Bardach, *The Implementation Game* (MIT Press, 1977), p. 3

32. Waldo would also use it in the title of a book he later edited that dealt with these same themes: *Public Administration in a Time of Turbulence* (Scranton, Pa.: Chandler Publishing Co., 1971).
33. Kaufman, a former Yale professor and Brookings Institution scholar, is the author of many landmark works in public administration, including *The Forest Ranger: A Study in Administrative Behavior* (Baltimore: Johns Hopkins University Press, 1960); with Wallace S. Sayre, *Governing New York City* (New York: Norton, 1960); *Administrative Feedback: Monitoring Subordinates' Behavior* (Washington, D.C.: Brookings Institution, 1973); *Are Government Organizations Immortal?* (Washington, D.C.: Brookings Institution, 1976); *Red Tape: Its Origins, Uses, and Abuses* (Washington, D.C.: Brookings Institution, 1977); *The Administrative Behavior of Federal Bureau Chiefs* (Washington, D.C.: Brookings Institution, 1981).
34. The concept of “neutral competence” envisions a continuous, politically committed cadre of bureaucrats at the disposal of elected or appointed political executives. For discussions, see Herbert Kaufman, “Emerging Conflicts in the Doctrines of Public Administration,” *American Political Science Review* 50 (December 1956); Hugh Heclo, “OMB and the Presidency: The Problem of ‘Neutral Competence,’” *The Public Interest* 38 (Winter 1975).
35. Lowi, a political scientist at Cornell University, is also the author of *At the Pleasure of the Mayor: Patronage and Power in New York City, 1898–1958* (New York: Free Press, 1964) and *American Government: Power and Purpose*, 11th ed. (New York: Norton, 2009).
36. Theodore J. Lowi, *The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority*, 2nd ed. (New York: Norton, 1969, 1979).
37. Frank Marini, ed., *Toward a New Public Administration: The Minnowbrook Perspective* (Scranton, Pa.: Chandler, 1971).
38. Frederickson continued to expand his thoughts on his new public administration. See his “The Lineage of the New PA,” *Administration and Society* 8 (August 1977); *The New Public Administration* (Tuscaloosa, AL: University of Alabama Press, 1980).
39. This is Richard Nathan’s descriptive term for how Richard Nixon sought to use administrative tactics—reorganization, decentralization, and impoundment—to assert presidential authority over the federal bureaucracy. See Nathan’s *The Plot That Failed: Nixon and the Administrative Presidency* (New York: Wiley, 1975).
40. Frederick C. Mosher and others, *Watergate: Implications for Responsible Government* (New York: Basic Books, 1974). Frederick C. Mosher was the son of William E. Mosher (1877–1945), the first dean of the Maxwell School at Syracuse University, the first president of the American Society for Public Administration and coauthor, with J. Donald Kingsley, of the first major text on public personnel administration. Frederick C. Mosher has proven to be that rare person who enters the profession in which his father was a giant and becomes a person of equal, if not greater, influence in his own right. Other works by Frederick C. Mosher include *Governmental Reorganization: Cases and Commentary* (Indianapolis, IN: Bobbs-Merrill, 1967); *Programming Systems and Foreign Affairs Leadership* (New York: Oxford University Press, 1970); *American Public Administration: Past, Present, Future* (Tuscaloosa, AL: University of Alabama Press, 1975).
41. John A. Rohr, *Ethics for Bureaucrats: An Essay on Law and Values* (Marcel Dekker Press, first edition, 1979). A second edition, revised and expanded, was published in 1989. Completing the cycle, Rohr wrote *Public Service, Ethics, and Constitutional Practice* in 1998 (Lawrence, KS: University of Kansas Press, 1998) and dedicated it to public servants.
42. William E. Mosher and J. Donald Kingsley, *Public Personnel Administration* (New York: Harper and Row, 1936).
43. Donald Kingsley, *Representative Bureaucracy: An Interpretation of the British Civil Service* (Yellow Springs, OH: Antioch Press, 1944).
44. For example, see his *The Supreme Court and Political Freedom* (New York: Free Press, 1968); *The Judicial Process and Constitutional Law* (Boston: Little, Brown, 1972).

45. Kingsley's analysis dealt extensively with the British civil service in India.
46. Samuel Krislov, *Representative Bureaucracy* (Minneapolis, Minn.: University of Minnesota Press, 1967).
47. For a comprehensive modern assessment, see Katherine C. Naff, *To Look Like America* (Boulder, Co. Westview Press, 2002).
48. Frederick C. Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968; 2d ed., 1982).
49. Frederick C. Mosher, "The Changing Responsibilities and Tactics of the Federal Government," *Public Administration Review* 40 (November–December 1980), p. 541.

The Road to PPB: The Stages of Budget Reform

Allen Schick

Among the new men in the nascent PPB staffs and the fellow travelers who have joined the bandwagon, the mood is of “a revolutionary development in the history of government management.” There is excited talk about the differences between what has been and what will be; of the benefits that will accrue from an explicit and “hard” appraisal of objectives and alternatives; of the merits of multiyear budget forecasts and plans; of the great divergence between the skills and role of the analyst and the job of the examiner; of the realignments in government structure that might result from changes in the budget process.

This is not the only version, however. The closer one gets to the nerve centers of budget life—the Divisions in the Bureau of the Budget offices in the departments and agencies—the more one is likely to hear that “there’s nothing very new in PPB; it’s hardly different from what we’ve been doing until now.” Some old-timers interpret PPB as a revival of the performance budgeting venture of the early 1950’s. Others belittle the claim that—before PPB—decisions on how much to spend for personnel or supplies were made without real consideration of the purposes for which these inputs were to be invested. They point to previous changes that have been in line with PPB, albeit without PPB’s distinctive package of techniques and nomenclature. Such things as the waning role of the “green sheets” in the central budget process, the redesign of the appropriation structure and the development of activity classifications,

refinements in work measurement, productivity analysis, and other types of output measurement, and the utilization of the Spring Preview for a broad look at programs and major issues.

Between the uncertain protests of the traditional budgeteer and the uncertain expectations of the *avant garde*, there is a third version. The PPB system that is being developed portends a radical change in the central function of budgeting, but it is anchored to half a century of tradition and evolution. The budget system of the future will be a product of past and emerging developments; that is, it will embrace both the budgetary functions introduced during earlier stages of reform as well as the planning function which is highlighted by PPB. PPB is the first budget system *designed* to accommodate the multiple functions of budgeting.

The Functions of Budgeting

Budgeting always has been conceived as a process for systematically relating the expenditure of funds to the accomplishment of planned objectives. In this important sense, there is a bit of PPB in every budget system. Even in the initial stirrings of budget reform more than 50 years ago, there were cogent statements on the need for a budget system to plan the objectives and activities of government and to furnish reliable data on what was to be accomplished with public funds. In 1907, for example, the New York Bureau of Municipal Research published a sample “program memorandum” that contained some 125 pages of functional accounts and data for the New York City Health Department.¹

However, this orientation was not *explicitly* reflected in the budget systems—national, state, or local—that were introduced during the first decades of this century, nor is it *explicitly* reflected in the budget systems that exist today. The plain fact is that planning is not the only function that must be served by a budget system. The *management* of ongoing activities

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and the control of spending are two functions which, in the past, have been given priority over the planning function. (See Figure 1.) Robert Anthony identifies distinct administrative processes, strategic planning, management control, and operational control.

Strategic planning is the process of deciding on objectives of the organization, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources.

Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives.

Operational control is the process of assuring that specific tasks are carried out effectively and efficiently.²

Every budget system, even rudimentary ones, comprises planning, management, and control processes. Operationally, these processes often are indivisible, but for analytic purposes they are distinguished here. In the context of budgeting, *planning* involves the determination of objectives, the evaluation of alternative courses of action, and the authorization of select programs. Planning is linked most closely to budget preparation, but it would be a mistake to disregard the management and control elements in budget preparation or the possibilities for planning during other phases of the budget year. Clearly, one of the major aims of PPB is to convert the annual routine of preparing a budget into a conscious appraisal and formulation of future goals and policies. Management involves the programming of approved goals into specific projects and activities, the design of organizational units to carry out approved programs, and the staffing of these units and the procurement of necessary

| FIGURE 1 |

Some Basic Differences between Budget Orientations

CHARACTERISTIC	CONTROL	MANAGEMENT	PLANNING
Personnel skill	Accounting	Administration	Economics
Information focus	Objects	Activities	Purposes
Key budget stage (central)	Execution	Preparation	Prepreparation
Breadth of measurement	Discrete	Discrete/activities	Comprehensive
Role of budget agency	Fiduciary	Efficiency	Policy
Decisional-flow	Upward-aggregative	Upward-aggregative	Downward-disaggregative
Type of choice	Incremental	Incremental	Teletic
Control responsibility	Central	Operating	Operating
Management responsibility	Dispersed	Central	Supervisory
Planning responsibility	Dispersed	Dispersed	Central
Budget-appropriations classifications	Same	Same	Different
Appropriations-organizational link	Direct	Direct	Crosswalk

resources. The management process is spread over the entire budget cycle; ideally, it is the link between goals made and activities undertaken. *Control* refers to the process of binding operating officials to the policies and plans set by their superiors. Control is predominant during the executive and audit stages, although the form of budget estimates and appropriations often is determined by control considerations. The assorted controls and reporting procedures that are associated with budget execution—position controls, restrictions on transfers, requisition procedures, and travel regulations, to mention the more prominent ones—have the purpose of securing compliance with policies made by central authorities.

Very rarely are planning, management, and control given equal attention in the operation of budget systems. As a practical matter, planning, management, and control have tended to be competing processes in budgeting with no neat division of functions among the various participants. Because time is scarce, central authorities must be selective in the things they do. Although this scarcity counsels the devolution of control responsibilities to operating levels, the lack of reliable and relied-on internal control systems has loaded central authorities with control functions at the expense of the planning function. Moreover, these processes often require different skills and generate different ways of handling the budget mission, so that one type of perspective tends to predominate over the others. Thus, in the staffing of the budget offices, there has been a shift from accountants to administrators as budgeting has moved from a control to a management posture. The initial experience with PPB suggests that the next transition might be from administrators to economists as budgeting takes on more of the planning function.

Most important, perhaps, are the differential informational requirements of planning, control, and management processes. Informational needs differ in terms of time spans, levels of aggregation, linkages with organizational and operating units, and input-output foci. The apparent solution is to design a system that serves the multiple needs of budgeting. Historically, however, there has been a strong tendency to homogenize informational

structures and to rely on a single classification scheme to serve all budgetary purposes. For the most part, the informational system has been structured to meet the purposes of control. As a result, the type of multiple-purpose budget system envisioned by PPB has been avoided.

An examination of budget systems should reveal whether greater emphasis is placed *at the central levels* on planning, management, or control. A *planning orientation* focuses on the broadest range of issues: What are the long-range goals and policies of the government and how are these related to particular expenditure choices? What criteria should be used in appraising the requests of the agencies? Which programs should be initiated or terminated, and which expanded or curtailed? A *management orientation* deals with less fundamental issues: What is the best way to organize for the accomplishment of a prescribed task? Which of several staffing alternatives achieves the most effective relationship between the central and field offices? Of the various grants and projects proposed, which should be approved? A control orientation deals with a relatively narrow range of concerns: How can agencies be held to the expenditure ceilings established by the legislature and chief executive? What reporting procedures should be used to enforce propriety in expenditures? What limits should be placed on agency spending for personnel and equipment?

It should be clear that every budget system contains planning, management, and control features. A control orientation means the subordination, not the absence, of planning and management functions. In the matter of orientations, we are dealing with relative emphases, not with pure dichotomies. The germane issue is the balance among these vital functions at the central level. Viewed centrally, what weight does each have in the design and operation of the budget system?

The Stages of Budget Reform

The framework outlined above suggests a useful approach to the study of budget reform. Every reform alters the planning-management control balance, sometimes inadvertently, usually deliberately. Accordingly, it is possible to identify three successive stages of reform. In

the first stage, dating roughly from 1920 to 1935, the dominant emphasis was on developing an adequate system of expenditure control. Although planning and management considerations were not altogether absent (and indeed occupied a prominent role in the debates leading to the Budget and Accounting Act of 1921), they were pushed to the side by what was regarded as the first priority, a reliable system of expenditure accounts. The second stage came into the open during the New Deal and reached its zenith more than a decade later in the movement for performance budgeting. The management orientation, paramount during this period, made its mark in the reform of the appropriation structure, development of management improvement and work measurement programs, and the focusing of budget preparation on the work and activities of the agencies. The third stage, the full emergence of which must await the institutionalization of PPB, can be traced to earlier efforts to link planning and budgeting as well as to the analytic criteria of welfare economics, but its recent development is a product of modern informational and decisional technologies such as those pioneered in the Department of Defense.

PPB is predicated on the primary of the planning function; yet it strives for a multipurpose budget system that gives adequate and necessary attention to the control and management areas. Even in embryonic stages, PPB envisions the development of crosswalk grids for the conversion of data from a planning to a management and control framework, and back again. PPB treats the three basic functions as compatible and complementary elements of a budget system, though not as coequal aspects of central budgeting. In ideal form, PPB would centralize the planning function and delegate *primary* managerial and control responsibilities to the supervisory and operating levels respectively.

In the modern genesis of budgeting, efforts to improve planning, management, and control made common cause under the popular banner of the executive-budget concept. In the goals and lexicon of the first reformers, budgeting meant executive budgeting. The two were inseparable. There was virtually no dissent from Cleveland's dictum that "to be a budget it must be prepared and submitted by a responsible

executive . . ."³ Whether from the standpoint of planning, management, or control, the executive was deemed in the best position to prepare and execute the budget. As Cleveland argued in 1915, only the executive "could think in terms of the institution as a whole," and therefore, he "is the only one who can be made responsible for leadership."⁴

The executive budget idea also took root in the administrative integration movement, and here was allied with such reforms as functional consolidation of agencies, elimination of independent boards and commissions, the short ballot, and strengthening the chief executive's appointive and removal powers. The chief executive often was likened to the general manager of a corporation, the budget bureau serving as his general staff.

Finally, the executive budget was intended to strengthen honesty and efficiency by restricting the discretion of administrators in this role. It was associated with such innovations as centralized purchasing and competitive bidding, civil service reform, uniform accounting procedures, and expenditure audits.

The Control Orientation

In the drive for executive budgeting, the various goals converged. There was a radical parting of the ways, however, in the conversion of the budget idea into an operational reality. Hard choices had to be made in the design of expenditure accounts and in the orientation of the budget office. On both counts, the control orientation was predominant.

In varying degrees of itemization, the expenditure classifications established during the first wave of reform were based on objects-of-expenditure, with detailed tabulations of the myriad items required to operate an administrative unit—personnel, fuel, rent, office supplies, and other inputs. On these "line-itemizations" were built technical routines for the compilation and review of estimates and the disbursement of funds. The leaders in the movement for executive budgeting, however, envisioned a system of functional classifications focusing on the work to be accomplished. They regarded objects-of-expenditure as subsidiary data to be included for informational purposes.

Their preference for functional accounts derived from their conception of the budget as a planning instrument, their disdain for objects from the contemporary division between politics and administration.⁵ The Taft Commission vigorously opposed object-of-expenditure appropriations and recommended that expenditures be classified by class of work, organizational unit, character of expense, and method of financing. In its model budget, the Commission included several functional classifications.⁶

In the establishment of a budget system for New York City by the Bureau of Municipal Research, there was an historic confrontation between diverse conceptions of budgeting.

In evolving suitable techniques, the Bureau soon faced a conflict between functional and object budgeting. Unlike almost all other budget systems which began on a control footing with object classifications, the Bureau turned to control (and the itemization of objects) only after trial-and-error experimentation with program methods.

When confronted with an urgent need for effective control over administration, the Bureau was compelled to conclude that this need was more critical than the need for a planning functional emphasis. "Budget reform," Charles Beard once wrote, "bears the imprint of the age in which it originated."⁷ In an age when personnel and purchasing controls were unreliable, the first consideration was how to prevent administrative improprieties.

In the opinion of those who were in charge of the development of a budget procedure, the most important service to be rendered was the establishing of central controls so that responsibility could be located and enforced through elected executives. . . . The view was, therefore, accepted, that questions of administration and niceties of adjustment must be left in abeyance until central control has been effectively established and the basis has been laid for careful scrutiny of departmental contracts and purchases as well as departmental work.⁸

Functional accounts had been designed to facilitate rational program decisions, not to deter officials from misfeasance. "The classification by 'functions' affords no protection;

it only operates as a restriction on the use which may be made of the services."⁹ The detailed itemization of objects was regarded as desirable not only "because it provides for the utilization of all the machinery of control which has been provided, but it also admits to a much higher degree of perfection than it has at present attained."¹⁰

With the introduction of object accounts, New York City had a threefold classification of expenditures: (1) by organizational units; (2) by functions; and (3) by objects. In a sense, the Bureau of Municipal Research was striving to develop a budget system that would serve the multiple purposes of budgeting simultaneously. To the Bureau, the inclusion of more varied and detailed data in the budget was a salutary trend; all purposes would be served and the public would have a more complete picture of government spending. Thus the Bureau "urged from the beginning a classification of costs in as many different ways as there are stories to be told."¹¹ But the Bureau did not anticipate the practical difficulties which would ensue from the multiple classification scheme. In the 1913 appropriations act

there were 3992 distinct items of appropriation. . . . Each constituted a distinct appropriation, besides which there was a further itemization of positions and salaries of personnel that multiplied this number several times, each of which operated as limitations on administrative discretion.¹²

This predicament confronted the Bureau with a direct choice between the itemization of objects and a functional classification. As a solution, the Bureau recommended retention of objects accounts and the total "defunctionalization" of the budget; in other words, it gave priority to the objects and the control orientation they manifested. Once installed, objects controls rapidly gained stature as an indispensable deterrent to administrative misbehavior. Amelioration of the adverse effects of multiple classifications was to be accomplished in a different manner, one which would strengthen the planning and management processes. The Bureau postulated a fundamental distinction between the purposes of budgets and appropriations, and between the types of classification suitable for each.

. . . an act of appropriation has a single purpose—that of putting a limitation on the amount of obligations which may be incurred and the amount of vouchers which may be drawn to pay for personal services, supplies, etc. The only significant classification of appropriation items, therefore, is according to persons to whom drawing accounts are given and the classes of things to be bought.¹³

Appropriations, in sum, were to be used as statutory controls on spending. In its “Next Steps” proposals, the Bureau recommended that appropriations retain “exactly the same itemization so far as specifications of positions and compensations are concerned and therefore, the same protection.”¹⁴

Budgets, on the other hand, were regarded as instruments of planning and publicity. They should include “all the details of the work plans and specifications of cost of work.”¹⁵ In addition to the regular object and organization classifications, the budget would report the “total cost incurred, classified by *functions*—for determining questions of policy having to do with service rendered as well as to be rendered, and laying a foundation for appraisal of results.”¹⁶ The Bureau also recommended a new instrument, a *work program*, which would furnish “a detailed schedule or analysis of each function, activity, or process within each organization unit. This analysis would give the total cost and the unit cost wherever standards were established.”¹⁷

Truly a far-sighted conception of budgeting! There would be three documents for the three basic functions of budgeting. Although the Bureau did not use the analytic framework suggested above, it seems that the appropriations were intended for control purposes, the budget for planning purposes, and the work program for management purposes. Each of the three documents would have its specialized information scheme, but jointly they would comprise a multipurpose budget system not very different from PPB, even though the language of cross-walking or systems analysis was not used.

Yet the plan failed, for in the end the Bureau was left with object accounts pegged to a control orientation. The Bureau’s distinction between budgets and appropriations was not well understood, and the work program idea was rejected

by New York City on the ground that adequate accounting backup was lacking. The Bureau had failed to recognize that the conceptual distinction between budgets and appropriations tends to break down under the stress of informational demands. If the legislature appropriates by objects, the budget very likely will be classified by objects. Conversely, if there are no functional accounts, the prospects for including such data in the budget are diminished substantially. As has almost always been the case, the budget came to mirror the appropriations act; in each, objects were paramount. It remains to be seen whether PPB will be able to break this interlocking informational pattern.

By the early 1920s the basic functions of planning and management were overlooked by those who carried the gospel of budget reform across the nation. First generation budget workers concentrated on perfecting and spreading the widely approved object-of-expenditure approach, and budget writers settled into a nearly complete preoccupation with forms and with factual descriptions of actual and recommended procedures. Although ideas about the use of the budget for planning and management purposes were retained in Buck’s catalogs of “approved” practices,¹⁸ they did not have sufficient priority to challenge tradition.

From the start, federal budgeting was placed on a control, object-of-expenditure footing, the full flavor of which can be perceived in reading Charles G. Dawes’ documentary on *The First Year of the Budget of the United States*. According to Dawes,

the Bureau of the Budget is concerned only with the humbler and routine business of Government. Unlike cabinet officers, it is concerned with no question of policy, save that of economy and efficiency.¹⁹

This distinction fitted neatly with object classifications that provided a firm accounting based for the routine conduct of government business, but no information on policy implications of public expenditures. Furthermore, in its first decade, the Bureau’s tiny staff (40 or fewer) had to coordinate a multitude of well-advertised economy drives which shaped the job of the examiner as being that of reviewing itemized estimates to pare them

down. Although Section 209 of the Budget and Accounting Act had authorized the Bureau to study and recommend improvements in the organization and administrative practices of Federal agencies, the Bureau was overwhelmingly preoccupied with the business of control.

The Management Orientation

Although no single action represents the shift from a control to a management orientation, the turning point in this evolution probably came with the New Deal's broadening perspective of government responsibilities.

During the 1920s and 1930s, occasional voices urged a return to the conceptions of budgeting advocated by the early reformers. In a notable 1924 article, Lent D. Upson argued vigorously that "budget procedure had stopped halfway in its development," and he proposed six modifications in the form of the budget, the net effect being a shift in emphasis from accounting control to functional accounting.²⁰ A similar position was taken a decade later by Wylie Kilpatrick who insisted that "the one fundamental basis of expenditure is functional, an accounting of payments for the services performed by government."²¹

Meanwhile, gradual changes were preparing the way for a reorientation of budgeting to a management mission. Many of the administrative abuses that had given rise to object controls were curbed by statutes and regulations and by a general upgrading of the public service. Reliable accounting systems were installed and personnel and purchasing reforms introduced, thereby freeing budgeting from some of its watchdog chores. The rapid growth of government activities and expenditures made it more difficult and costly for central officials to keep track of the myriad objects in the budget. With expansion, the bits and pieces into which the objects were itemized became less and less significant, while the aggregate of activities performed became more significant. With expansion, there was heightened need for central management of the incohesive sprawl of administrative agencies.

The climb in activities and expenditures also signaled radical changes in the role of the budget system. As long as government was

considered a "necessary evil," and there was little recognition of the social value of public expenditures, the main function of budgeting was to keep spending in check. Because the outputs were deemed to be of limited and fixed value, it made sense to use the budget for central control over inputs. However, as the work and accomplishments of public agencies came to be regarded as benefits, the task of budgeting was redefined as the effective marshalling of fiscal and organizational resources for the attainment of benefits. This new posture focused attention on the problems of managing large programs and organizations, and on the opportunities for using the budget to extend executive hegemony over the dispersed administrative structure.

All these factors converged in the New Deal years. Federal expenditures rose rapidly from \$4.2 billion in 1932 to \$10 billion in 1940. Keynesian economics (the full budgetary implications of which are emerging only now in PPB) stressed the relationship between public spending and the condition of the economy. The President's Committee on Administrative Management (1937) castigated the routinized, control-minded approach of the Bureau of the Budget and urged that budgeting be used to coordinate Federal activities under presidential leadership. With its transfer in 1939 from the Treasury to the newly created Executive Office of the President, the Bureau was on its way to becoming the leading management arm of the Federal Government. The Bureau's own staff was increased tenfold; it developed the administrative management and statistical coordination functions that it still possesses; and it installed apportionment procedures for budget execution. More and more, the Bureau was staffed from the ranks of public administration rather than from accounting, and it was during the Directorship of Harold D. Smith (1939–46) that the Bureau substantially embraced the management orientation.²² Executive Order 8248 placed the President's imprimatur on the management philosophy. It directed the Bureau:

to keep the President informed of the progress of activities by agencies of the Government with respect to work proposed, work actually initiated, and work completed, together with the relative timing of work

between the several agencies of the Government; all to the end that the work programs of the several agencies of the executive branch of the Government may be coordinated and that the monies appropriated by the Congress may be expended in the most economical manner possible to prevent overlapping and duplication of effort.

Accompanying the growing management use of the budget process for the appraisal and improvement of administrative performance and the scientific management movement with its historical linkage to public administration were far more relevant applications of managerial cost accounting to governmental operations. Government agencies sought to devise performance standards and the rudimentary techniques of work measurement were introduced in several agencies including the Forest Service, the Census Bureau, and the Bureau of Reclamation.²³ Various professional associations developed grading systems to assess administrative performance as well as the need for public services. These crude and unscientific methods were the forerunners of more sophisticated and object techniques. At the apogee of these efforts, Clarence Ridley and Herbert Simon published *Measuring Municipal Activities: A Survey of Suggested Criteria for Appraising Administration*, in which they identified five kinds of measurement—(1) needs, (2) results, (3) costs, (4) effort, and (5) performance—and surveyed the obstacles to the measurement of needs and results. The latter three categories they combined into a measure of administrative efficiency. This study provides an excellent inventory of the state of the technology prior to the breakthrough made by cost-benefit and systems analysis.

At the close of World War II, the management orientation was entrenched in all but one aspect of Federal budgeting—the classification of expenditures. Except for isolated cases (such as TVA's activity accounts and the project structure in the Department of Agriculture), the traditional object accounts were retained though the control function had receded in importance. In 1949 the Hoover Commission called for alterations in budget classifications consonant with the management orientation.

It recommended “that the whole budgetary concept of the Federal Government should be refashioned by the adoption of a budget based upon functions, activities, and projects.”²⁴ To create a sense of novelty, the Commission gave a new label—performance budgeting—to what had long been known as functional or activity budgeting. Because its task force had used still another term—program budgeting—there were two new terms to denote the budget innovations of that period. Among writers there was no uniformity in usage, some preferring the “program budgeting” label, others “performance budgeting,” to describe the same things. The level of confusion has been increased recently by the association of the term “program budgeting” (also the title of the Rand publication edited by David Novick) with the PPB movement.

Although a variety of factors and expectations influenced the Hoover Commission, and the Commission's proposals have been interpreted in many ways, including some that closely approximate the PPB concept, for purposes of clarity, and in accord with the control-management-planning framework, performance budgeting as it was generally understood and applied must be distinguished from the emergent PPB idea. The term “performance budgeting” is hereafter used in reference to reforms set in motion by the Hoover Commission and the term “program budgeting” is used in conjunction with PPB.

Performance budgeting is management-oriented; its principal thrust is to help administrators to assess the work efficiency of operating units by (1) casting budget categories in functional terms, and (2) providing work-cost measurements to facilitate the efficient performance of prescribed activities. Generally, its method is particularistic, the reduction of work-cost data into discrete, measurable units. Program budgeting (PPB) is planning-oriented; its main goal is to rationalize policy making by providing (1) data on the costs and benefits of alternative ways of attaining proposed public objectives, and (2) output measurements to facilitate the effective attainment of chosen objectives. As a policy device, program budgeting departs from simple engineering models of efficiency in which the objective is fixed and the

quantity of inputs and outputs is adjusted to an optimal relationship. In PPB, the objective itself is variable; analysis may lead to a new statement of objectives. In order to enable budget makers to evaluate the costs and benefits of alternative expenditure options, program budgeting focuses on expenditure aggregates; the details come into play only as they contribute to an analysis of the total (the system) or marginal tradeoffs among competing proposals. Thus, in this macroanalytic approach, the accent is on comprehensiveness and on grouping data into categories that allow comparisons among alternative expenditure mixes.

Performance budgeting derived its ethos and much of its technique from cost accounting and scientific management; program budgeting has drawn its core ideas from economics and system analysis. In the performance budgeting literature, budgeting is described as a “tool of management” and the budget as a “work program.” In PPB, budgeting is an allocative process among competing claims, and the budget is a statement of policy. Chronologically, there was a gap of several years between the bloom of performance budgeting and the first articulated conceptions of program budgeting. In the aftermath of the first Hoover report, and especially during the early 1950s, there was a plethora of writings on the administrative advantages of the performance budget. Substantial interest in program budgeting did not emerge until the mid-1950s when a number of economists (including Smithies, Novick, and McKean) began to urge reform of the Federal budget system. What the economists had in mind was not the same thing as the Hoover Commission.

In line with its management perspective the Commission averred that “the all-important thing in budgeting is the work of service to be accomplished, and what that work or service will cost.”²⁵ Mosher followed this view closely in writing that “the central idea of the performance budget . . . is that the budget process be focused upon programs and functions—that is, accomplishments to be achieved, work to be done.”²⁶ But from the planning perspective, the all-important thing surely is not the work or service to be accomplished but the objectives or purposes to be fulfilled by the investment of public funds. Whereas in performance budgeting,

work and activities are treated virtually as ends in themselves, in program budgeting work and services are regarded as intermediate aspects, the process of converting resources into outputs. Thus, in a 1954 Rand paper, Novick defined a program as “the sum of the steps or interdependent activities which enter into the attainment of a specified objective. The program, therefore, is the end objective and is developed or budgeted in terms of all the elements necessary to its execution.”²⁷ Novick goes on to add, “this is not the sense in which the government budget now uses the term.”

Because the evaluation of performance and the evaluation of program are distinct budget functions, they call for different methods of classification which serves as an intermediate layer between objects and organizations. The activities relate to the functions and work of a distinct operating unit; hence their classification ordinarily conforms to organizational lines. This is the type of classification most useful for an administrator who has to schedule the procurement and utilization of resources for the production of goods and services. Activity classifications gather under a single rubric all the expenditure data needed by a manager to run his unit. The evaluation of programs, however, requires an end-product classification that is oriented to the mission and purposes of government. This type of classification may not be very useful for the manager, but it is of great value to the budget maker who has to decide how to allocate scarce funds among competing claims. Some of the difference between end-product and activity classifications can be gleaned by comparing the Coast Guard’s existing activity schedule with the proposed program structure on the last page of Bulletin 66-3. The activity structure which was developed under the aegis of performance budgeting is geared to the operating responsibilities of the Coast Guard: Vessel Operations, Aviation Operations, Repair and Supply Facilities, and others. The proposed program structure is hinged to the large purposes sought through Coast Guard operations: Search and Rescue, Aids to Navigation, Law Enforcement, and so on.

It would be a mistake to assume that performance techniques presuppose program budgeting or that it is now possible to collect

performance data without program classifications. Nevertheless, the view has gained hold that a program budget is “a transitional type of budget between the orthodox (traditional) character and object budget on the one hand and performance budget on the other.”²⁸

Kammerer and Shadoan stress a similar connection. The former writes that “a *performance* budget carries the program budget one step further: into *unit costs*.”²⁹ Shadoan “envisions ‘performance budgeting’ as an extension of . . . the program budget concept to which the element of unit work measurement has been added.”³⁰ These writers ignore the divergent functions served by performance and program budgets. It is possible to devise and apply performance techniques without relating them to, or having the use of, larger program aggregates. A cost accountant or work measurement specialist can measure the cost or effort required to perform a repetitive task without probing into the purpose of the work or its relationship to the mission of the organization. Work measurement—“a method of establishing an equitable relationship between the volume of work performed and manpower utilized”³¹—is only distantly and indirectly related to the process of determining governmental policy at the higher levels. Program classifications are vitally linked to the making and implementation of policy through the allocation of public resources. As a general rule, performance budgeting is concerned with the *process of work* (what methods should be used) while program budgeting is concerned with the *purpose of work* (what activities should be authorized).

Perhaps the most reliable way to describe this difference is to show what was tried and accomplished under performance budgeting. First of all, performance budgeting led to the introduction of activity classifications, the management orientation of which has already been discussed. Second, narrative descriptions of program and performance were added to the budget document. These statements give the budget-reader a general picture of the work that will be done by the organizational unit requesting funds. But unlike the analytic documents currently being developed under PPB, the narratives have a descriptive and justificatory function; they do not provide an objective basis for

evaluating the cost-utility of an expenditure. Indeed, there hardly is any evidence that the narratives have been used for decision making; rather they seem best suited for giving the uninformed outsider some glimpses of what is going on inside.

Third, performance budgeting spawned a multitude of work-cost measurement explorations. Most used, but least useful, were the detailed workload statistics assembled by administrators to justify their requests for additional funds. On a higher level of sophistication were attempts to apply the techniques of scientific management and cost accounting to the development of work and productivity standards. In these efforts, the Bureau of the Budget had a long involvement, beginning with the issuance of the trilogy of work-measurement handbooks in 1950 and reaching its highest development in the productivity-measurement studies that were published in 1964. All these applications were at a level of detail useful for managers with operating or supervisory responsibilities, but of scant usefulness for top-level officials who have to determine organizational objectives and goals. Does it really help top officials if they know that it cost \$0.07 to wash a pound of laundry or that the average postal employee processes 289 items of mail per hour? These are the main fruits of performance measurements, and they have an important place in the management of an organization. They are of great value to the operating official who has the limited function of getting a job done, but they would put a crushing burden on the policymaker whose function is to map the future course of action.

Finally, the management viewpoint led to significant departures from PPB's principal that the expenditure accounts should show total systems cost. The 1949 National Security Act (possibly the first concrete result of the Hoover report) directed the segregation of capital and operating costs in the defense budget. New York State's performance-budgeting experiment for TB hospitals separated expenditures into cost centers (a concept derived from managerial cost accounting) and within each center into fixed and variable costs. In most manpower and work measurements, labor has been isolated from other inputs. Most important, in

many states and localities (and implicitly in Federal budgeting) the cost of continuing existing programs has been separated from the cost of new or expanded programs. This separation is useful for managers who build up a budget in terms of increments and decrements from the base, but is a violation of program budgeting's working assumption that all claims must be pitted against one another in the competition for funds. Likewise, the forms of separation previously mentioned make sense from the standpoint of the manager, but impair the planner's capability to compare expenditure alternatives.

The Planning Orientation

The foregoing has revealed some of the factors leading to the emergence of the planning orientation. Three important developments influenced the evolution from a management to a planning orientation.

1. Economic analysis—macro and micro—has had an increasing part in the shaping of fiscal and budgetary policy.
2. The development of new informational and decisional technologies has enlarged the applicability of objective analysis to policy making. And,
3. There has been a gradual convergence of planning and budgetary processes.

Keynesian economics with its macroanalytic focus on the impact of governmental action on the private sector had its genesis in underemployment economy of the Great Depression. In calling attention to the opportunities for attaining full employment by means of fiscal policy, the Keynesians set into motion a major restatement of the central budget function. From the utilization of fiscal policy to achieve economic objectives, it was but a few steps to the utilization of the budget process to achieve fiscal objectives. Nevertheless, between the emergence and the victory of the new economics, there was a lapse of a full generation, a delay due primarily to the entrenched balanced-budget ideology. But the full realization of the budget's economic potential was stymied on the revenue side by static tax policies and on the expenditure side by status spending policies.

If the recent tax policy of the Federal Government is evidence that the new economics has come of age, it also offers evidence of the longstanding failure of public officials to use the taxing power as a variable constraint on the economy. Previously, during normal times, the tax structure was accepted as given, and the task of fiscal analysis was to forecast future tax yields so as to ascertain how much would be available for expenditure. The new approach treats taxes as variable, to be altered periodically in accord with national policy and economic conditions. Changes in tax rates are not to be determined (as they still are in virtually all states and localities) by how much is needed to cover expenditures but by the projected impact of alternative tax structures on the economy.

It is more than coincidental that the advent of PPB has followed on the heels of the explicit utilization of tax policy to guide the economy. In macroeconomics, taxes and expenditures are mirror images of one another; a tax cut and an expenditure increase have comparable impacts. Hence, the hinging of tax policy to economic considerations inevitably led to the similar treatment of expenditures. But there were (and remain) a number of obstacles to the utilization of the budget as a fiscal tool. For one thing, the conversion of the budget process to an economic orientation probably was slowed by the Full Employment Act of 1946 which established the Council of Economic Advisers and transferred the Budget Bureau's fiscal analysis function to the Council. The institutional separation between the CEA and the BOB and between fiscal policy and budget making was not compensated by cooperative work relationships. Economic analysis had only a slight impact on expenditure policy. It offered a few guidelines (for example, that spending should be increased during recessions) and a few ideas (such as a shelf of public works projects), but it did not feed into the regular channels of budgeting. The business of preparing the budget was foremost a matter of responding to agency spending pressures, not of responding to economic conditions.

Moreover, expenditures (like taxes) have been treated virtually as givens, to be determined by the unconstrained claims of the spending units. In the absence of central policy

instructions, the agencies have been allowed to vent their demands without prior restraints by central authorities and without an operational set of planning guidelines. By the time the Bureau gets into the act, it is faced with the overriding task of bringing estimates into line with projected resources. In other words, the bureau has had a budget-cutting function, to reduce claims to an acceptable level. The President's role has been similarly restricted. He is the *gatekeeper* of Federal budgeting. He directs the pace of spending increases by deciding which of the various expansions proposed by the agencies shall be included in the budget. But, as the gatekeeper, the President rarely has been able to look back at the items that have previously passed through the gate; his attention is riveted to those programs that are departures from the established base. In their limited roles, neither the Bureau nor the President has been able to inject fiscal and policy objectives into the forefront of budget preparation.

It will not be easy to wean budgeting from its utilization as an administrative procedure for financing ongoing programs to a decisional process for determining the range and direction of public objectives and the government's involvement in the economy. In the transition to a planning emphasis, an important step was the 1963 hearings of the Joint Economic Commission on *The Federal Budget as an Economic Document*. These hearings and the pursuant report of the JEC explored the latent policy opportunities in budget making. Another development was the expanded time horizons manifested by the multiyear expenditure projections introduced in the early 1960s. Something of a break-through was achieved via the revelation that the existing tax structure would yield cumulatively larger increments of uncommitted funds—estimated as much as \$50 billion by 1970—which could be applied to a number of alternative uses. How much of the funds should be “returned” to the private sector through tax reductions and how much through expenditure increases? How much should go to the States and localities under a broadened system of Federal grants? How much should be allocated to the rebuilding of cities, to the improvement of education, or to the eradication of racial injustices. The traditional budget system lacked the analytic tools to cope with these

questions, though decisions ultimately would be made one way or another. The expansion of the time horizon from the single year to a multiyear frame enhances the opportunity for planning and analysis to have an impact on future expenditure decisions. With a one-year perspective, almost all options have been foreclosed by previous commitments; analysis is effective only for the increments provided by self-generating revenue increases or to the extent that it is feasible to convert funds from one use to another. With a longer time span, however, many more options are open, and economic analysis can have a prominent part in determining which course of action to pursue.

So much for the macroeconomic trends in budget reform. On the microeconomic side, PPB traces its lineage to the attempts of welfare economists to construct a science of finance predicated on the principle of marginal utility. Such as science, it was hoped, would furnish objective criteria for determining the optimal allocation of public funds among competing uses. By appraising the marginal costs and benefits of alternatives (poor relief versus battleships in Pigou's classic example), it would be possible to determine which combination of expenditures afforded maximum utility. The quest for a welfare function provided the conceptual underpinning for a 1940 article on “The Lack of a Budgetary Theory” in which V. O. Key noted the absence of a theory which would determine whether “to allocate x dollars to activity A instead of activity B.”³² In terms of its direct contribution to budgetary practice, welfare economics has been a failure. It has not been possible to distill the conflicts and complexities of political life into a welfare criterion or homogeneous distribution formula. But stripped of its normative and formal overtones, its principles have been applied to budgeting by economists such as Arthur Smithies. Smithies has formulated a budget rule that “expenditure proposals should be considered in the light of the objectives they are intended to further, and in general final expenditure decisions should not be made until all claims on the budget can be considered.”³³ PPB is the application of this rule to budget practice. By structuring expenditures so as to juxtapose substitutive elements within program categories, and by analyzing the cost and benefits of the various substitutes,

PPB has opened the door to the use of marginal analysis in budgeting.

Actually, the door was opened somewhat by the development of new decisional and information technologies, the second item on the list of influences in the evolution of the planning orientation. Without the availability of the decisional-informational capability provided by cost-benefit and systems analysis, it is doubtful that PPB would be part of the budgetary apparatus today. The new technologies make it possible to cope with the enormous informational and analytic burdens imposed by PPB. As aids to calculation, they furnish a methodology for the analysis of alternatives, thereby expanding the range of decision-making in budgeting.

Operations research, the oldest of these technologies, grew out of complex World War II conditions that required the optimal coordination of manpower, material, and equipment to achieve defense objectives. Operations research is most applicable to those repetitive operations where the opportunity for quantification is highest. Another technology, cost-benefit analysis, was intensively adapted during the 1950s to large-scale water resource investments, and subsequently to many other governmental functions. Systems analysis is the most global of these technologies. It involves the skillful analysis of the major factors that go into the attainment of an interconnected set of objectives. Systems analysis has been applied in DOD to the choice of weapons systems, the location of military bases, and the determination of sealift-airlift requirements. Although the extension of these technologies across-the-board to government was urged repeatedly by members of the Rand Corporation during the 1950s, it was DOD's experience that set the stage for the current ferment. It cannot be doubted that the coming of PPB has been pushed ahead several years or more by the "success story" in DOD.

The third stream of influence in the transformation of the budget function has been a closing of the gap between planning and budgeting. Institutionally and operationally, planning and budgeting have run along separate tracks. The national government has been reluctant to embrace central planning of any sort because of identification with socialist management of the economy. The closest thing we have had to a central planning agency was

the National Resources Planning Board in the 1939–1943 period. Currently, the National Security Council and the Council of Economic Advisors have planning responsibilities in the defense and fiscal areas. As far as the Bureau of the Budget is concerned, it has eschewed the planning units: in the States, because limitations on debt financing have encouraged the separation of the capital and operating budgets; in the cities, because the professional autonomy and land-use preoccupations of the planners have set them apart from the budgeteers.

In all governments, the appropriations cycle, rather than the anticipation of future objectives, tends to dictate the pace and posture of budgeting. Into the repetitive, one-year span of the budget is wedged all financial decisions, including those that have multiyear implications. As a result, planning, if it is done at all, "occurs independently of budgeting and with little relation to it."³⁴ Budgeting and planning, moreover, invite disparate perspectives: the one is conservative and negativistic; the other, innovative and expansionist. As Mosher has noted, "budgeting and planning are apposite, if not opposite. In extreme form, the one means savings; the other, spending."³⁵

Nevertheless, there has been some *rapprochement* of planning and budgeting. One factor is the long lead-time in the development and procurement of hardware and capital investments. The multiyear projections inaugurated several years ago were a partial response to this problem. Another factor has been the diversity of government agencies involved in related functions. This has given rise to various *ad hoc* coordinating devices, but it also has pointed to the need for permanent machinery to integrate dispersed activities. Still another factor has been the sheer growth of Federal activities and expenditures and the need for a rational system of allocation. The operational code of planners contains three tenets relevant to these budgetary needs: (1) planning is future-oriented; it connects present decisions to the attainment of a desired future state of affairs; (2) planning, ideally, encompasses all resources involved in the attainment of future objectives. It strives for comprehensiveness. The *massive plan* is the one that brings within its scope all relevant factors; (3) planning is means-ends oriented. The allocation of resources is

strictly dictated by the ends that are to be accomplished. All this is to say that planning is an economizing process, though planners are more oriented to the future than economists. It is not surprising that planners have found the traditional budget system deficient,³⁶ nor is it surprising that the major reforms entailed by PPB emphasize the planning function.

Having outlined the several trends in the emerging transition to a planning orientation, it remains to mention several qualifications. First, the planning emphasis is not predominant in Federal budgeting at this time. Although PPB asserts the paramountcy of planning, PPB itself is not yet a truly operational part of the budget machinery. We are now at the dawn of a new era in budgeting; high noon is still a long way off. Second, this transition has not been preceded by a reorientation of the Bureau of the Budget. Unlike the earlier change-over from control to management in which the alteration of budgetary techniques *followed* the revision of the Bureau's role, the conversion from management to planning is taking a different course—first, the installation of new techniques; afterwards, a reformulation of the Bureau's mission. Whether this sequence will hinder reform efforts is a matter that cannot be predicted, but it should be noted that in the present instance the Bureau cannot convert to a new mission by bringing in a wholly new staff, as was the case in the late 1930s and early 1940s.

What Difference Does It Make?

The starting point for the author was distinguishing the old from the new in budgeting. The interpretation has been framed in analytic terms, and budgeting has been viewed historically in three stages corresponding to the three basic functions of budgeting. In this analysis, an attempt has been made to identify the difference between the existing and the emerging as a difference between management and planning orientations.

In an operational sense, however, what difference does it make whether the central budget process is oriented toward planning rather than management? Does the change merely mean a new way of making decisions, or does it mean different decisions as well? These are not easy

questions to answer, particularly since the budget system of the future will be a compound of all three functions. The case for PPB rests on the assumption that the form in which information is classified and used governs the actions of budget makers, and, conversely, that alterations in form will produce desired changes in behavior. Take away the assumption that behavior follows form, and the movement for PPB is reduced to a trivial manipulation of techniques—form for form's sake without any significant bearing on the conduct of budgetary affairs.

Yet this assumed connection between roles and information is a relatively uncharted facet of the PPB literature. The behavioral side of the equation has been neglected. PPB implies that each participant will behave as a sort of Budgetary Man, a counterpart of the classical Economic Man and Simon's Administrative Man.³⁷ Budgetary Man, whatever his station or role in the budget process, is assumed to be guided by an unwavering commitment to the rules of efficiency; in every instance he chooses that alternative that optimizes the allocation of public resources.

PPB probably takes an overly mechanistic view of the impact of form on behavior and underestimates the strategic and volitional aspects of budget making. In the political arena, data are used to influence the "who gets what" in budgets and appropriations. If information influences behavior, the reverse also is true. Indeed, data are more tractable than roles; participants are more likely to seek and use data which suit their preferences than to alter their behavior automatically in response to formal changes.

All this constrains, rather than negates, the impact of budget form. The advocates of PPB, probably in awareness of the above limitations, have imported into budgeting men with professional commitments to the types of analysis and norms required by the new techniques, men with a background in economics and systems analysis, rather than with general administrative training.

PPB aspires to create a different environment for choice. Traditionally, budgeting has defined its mission in terms of identifying the existing base and proposed departures from it—"This is where we are; where do we go from here?" PPB defines its mission in terms of

budgetary objectives and purposes—“Where do we want to go? What do we do to get there?” The environment of choice under traditional circumstances is *incremental*; in PPB it is *teletic*. Presumably, these different processes will lead to different budgetary outcomes.

A budgeting process which accepts the base and examines only the increments will produce decisions to transfer the present into the future with a few small variations. The curve of government activities will be continuous, with few zigzags or breaks. A budget-making process which begins with objectives will require the base to compete on an equal footing with new proposals. The decisions will be more radical than those made under incremental conditions. This does not mean that each year’s budget will lack continuity with the past. There are sunk costs that have to be reckoned, and the benefits of radical changes will have to outweigh the cost of terminating prior commitments. Furthermore, the extended time span of PPB will mean that big investment decisions will be made for a number of years, with each year being a partial installment of the plan. Most important, the political manifestations of sunk costs—vested interests—will bias decisions away from radical departures. The conservatism of the political system, therefore, will tend to minimize the decisional differences between traditional and PPB approaches. However, the very availability of analytic data will cause a shift in the balance of economic and political forces that go into the making of a budget.

Teletic and incremental conditions of choice lead to still another distinction. In budgeting, which is committed to the established base, the flow of budgetary decisions is upward and aggregative. Traditionally, the first step in budgeting, in anticipation of the call for estimates, is for each department to issue its own call to prepare and to submit a set of estimates. This call reaches to the lowest level capable of assembling its own estimates. Lowest level estimates form the building blocks for the next level where they are aggregated and reviewed and transmitted upward until the highest level is reached and the totality constitutes a department-wide budget. Since budgeting is tied to a base, the building-up-from-below approach is sensible; each building block estimates the cost of what it is

already doing plus the cost of the increments it wants. (The building blocks, then, are decisional elements, not simply informational elements as is often assumed.)

PPB reverses the informational and decisional flow. Before the call for estimates is issued, top policy has to be made, and this policy constrains the estimates prepared below. For each lower level, the relevant policy instructions are issued by the superior level prior to the preparation of estimates. Accordingly, the critical decisional process—that of deciding on purposes and plans—has a downward and disaggregative flow.

If the making of policy is to be antecedent to the costing of estimates, there will have to be a shift in the distribution of budget responsibilities. The main energies of the Bureau of the Budget are now devoted to budget preparation; under PPB these energies will be centered on what we may term *prepreparation*—the stage of budget making that deals with policy and is prior to the preparation of the budget. One of the steps marking the advent of the planning orientation was the inauguration of the Spring Preview several years ago for the purpose of affording an advance look at departmental programs.

If budget making is to be oriented to the planning function, there probably will be a centralization of policy making, both within and among departments. The DOD experience offers some precedent for predicting that greater budgetary authority will be vested in department heads than heretofore, but there is no firm basis for predicting the degree of centralization that may derive from the relatedness of objectives pursued by many departments. It is possible that the mantle of central budgetary policy will be assumed by the Bureau; indeed, this is the expectation in many agencies. On the other hand, the Bureau gives little indication at this time that it is willing or prepared to take this comprehensive role.

Conclusion

The various differences between the budgetary orientations are charted in the table presented here. All the differences may be summed up in the statement that the ethos of budgeting will shift from justification to analysis. To far greater

extent than heretofore, budget decisions will be influenced by explicit statements of objectives and by a formal weighing of the costs and benefits of alternatives.

NOTES

1. New York Bureau of Municipal Research, *Making a Municipal Budget* (New York: 1907), pp. 9–10.
2. Robert N. Anthony, *Planning and Control Systems: A Framework for Analysis* (Boston: 1965), pp. 16–18.
3. Frederick A. Cleveland, “Evolution of the Budget Idea in the United States,” *Annals of the American Academy of Political and Social Science* 62 (1915): 16.
4. *Ibid.*, p. 17.
5. See Frank J. Goodnow, “The Limit of Budgetary Control,” *Proceedings, Am. Pol. Sci. Assoc.* (Baltimore: 1913), p. 72; William F. Willoughby, “Allotment of Funds by Executive Officials, An Essential Feature of Any Correct Budgetary System,” *ibid.*, pp. 78–87.
6. U.S. President’s Commission on Economy and Efficiency, *The Need for a National Budget* (Washington, D.C.: 1912), pp. 210–213.
7. Charles A. Beard, “Prefatory Note,” *ibid.*, p. vii.
8. New York Bureau of Municipal Research, “Some Results and Limitations of Central Financial Control in New York City,” *Municipal Research* 81 (1917): 10.
9. “Next Steps,” *op. cit.*, p. 39.
10. “Next Steps,” *op. cit.*, p. 39.
11. New York Bureau, “Some Results and Limitations,” *op. cit.*, p. 9.
12. “Next Steps,” *op. cit.*, p. 35.
13. *Ibid.*, p. 7.
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Organizations of the Future

Warren Bennis

Recently, I predicted that in the next 25 to 50 years we will participate in the end of bureaucracy as we know it and the rise of new social systems better suited to 20th Century demands of industrialization.¹ This forecast was based on the evolutionary principle that every age develops an organizational form appropriate to its genius and that the prevailing form of pyramidal hierarchal organization, known by sociologists as “bureaucracy” and most businessmen as “that damn bureaucracy,” was out of joint with contemporary realities.

I realize now that my prediction is already a distinct reality so that prediction is foreshadowed by practice.

I should like to make clear that by “bureaucracy” I mean the typical organizational structure that coordinates the business of most human organization we know of: industry, government, university, R&D labs, military, religious, voluntary, and so forth.

Bureaucracy, as I refer to it here, is a useful social invention, perfected during the Industrial Revolution to organize and direct the activities of the business firm. Max Weber, the German sociologist who developed the theory of bureaucracy around the turn of the century, once described bureaucracy as a social machine.

The bureaucratic “machine model” was developed as a reaction against the personal subjugation, nepotism, cruelty, and capricious and subjective judgments that often passed for managerial practices during the early days of the Industrial Revolution. Bureaucracy emerged out

of the need for more predictability, order, and precision. It was an organization ideally suited to the values and the demands of Victorian Empire. And just as bureaucracy emerged as a creative response to a radically new age, so today new organizational shapes and forms are surfacing before our eyes.

I shall try first to show why the conditions of our modern industrialized world will bring about the decline of bureaucracy and force a reconsideration of new organizational structures. Then, I will suggest a rough model of the organization of the future. Finally, I shall set forth the new tasks and challenges for the training and development manager.

Why Is Bureaucracy Vulnerable?

There are at least four relevant threats to bureaucracy. The first is a human, basically psychological one, which I shall return to later on, while the other three spring from extraordinary changes in our environment. The latter three are (1) rapid and unexpected change, (2) growth in size where volume of organization’s traditional activities is not enough to sustain growth, and (3) complexity of modern technology where integration of activities and persons of very diverse, highly specialized competence are required.²

It might be useful to examine the extent to which these conditions exist *right now*.

Rapid and Unexpected Change It may be enough simply to cite the knowledge and population explosion. More revealing, however, are the statistics that demonstrate these events:

- Our productivity per man hour now doubles almost every 20 years rather than every 40 years, which was true before World War II.
- The federal government alone spent 16 billion in R&D activities in 1965 and will spend 35 billion by 1980.

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- The time lag between a technical discovery and recognition of its commercial uses was 30 years before World War I, 16 years between the wars, and 9 years since World War II.
- In 1946 only 30 cities in the world had populations of more than one million. Today there are 80. In 1930 there were 40 people for each square mile of the earth's land surface. Today, there are 63. By the year 2000, there are expected to be 142.

Growth in Size Not only have more organizations grown larger, but they have become more complex and more international. Firms like Standard Oil of New Jersey (with 57 foreign affiliates), Socony Mobil, National Cash Register, Singer, Burroughs, and Colgate-Palmolive derive more than half their income or earnings from foreign sales. A long list of others, such as Eastman Kodak, Pfizer, Caterpillar Tractor, International Harvester, Corn Products, and Minnesota Mining and Manufacturing make from 30 to 50 percent of their sales abroad.³ General Motors' sales are not only nine times those of Volkswagen, they are also bigger than the gross national product of The Netherlands and well over those of a hundred other countries. If we have seen the sun set on the British empire, it will be a long time before it sets on the empires of General Motors, ITT, Royal Dutch/Shell and Unilever.

Today's Activities Require Persons of Very Diverse, Highly Specialized Competence Numerous dramatic examples can be drawn from studies of labor markets and job mobility. At some point during the past decade, the U.S. became the first nation in the world ever to employ more people in *service occupations* than in the production of tangible goods. Examples of this trend are:

- In the field of education, the *increase* in employment between 1950 and 1960 was greater than the total number employed in the steel, copper, and aluminum industries.
- In the field of health, the *increase* in employment between 1950 and 1960 was greater than the total number employed in automobile manufacturing in either year.

- In financial firms, the *increase* in employment between 1950 and 1960 was greater than total employment in mining in 1960.⁴

Rapid change, hurried growth, and increase in specialists: with these three logistical conditions we should expect bureaucracy to decline.

Change in Managerial Behavior

Earlier I mentioned a fourth factor which seemed to follow along with the others, though its exact magnitude, nature, and antecedents appear more obscure and shadowy due to the relative difficulty of assigning numbers to it. This factor stems from the personal observation that over the past decade there has been a fundamental change in the basic philosophy that underlies managerial behavior. The change in philosophy is reflected most of all in:

- A new concept of *Man*, based on increased knowledge of his complex and shifting needs, which replaces an oversimplified, innocent push-button idea of man.
- A new concept of *power*, based on collaboration and reason, which replaces a model of power based on coercion and threat.
- A new concept of *organizational values*, based on humanistic democratic ideals, which replaces the depersonalized mechanistic value system of bureaucracy.

These transformations of Man, power, and values have gained wide intellectual acceptance in management quarters. They have caused a terrific amount of rethinking on the part of many organizations. They have been used as a basis for policy formulation by many large-scale organizations. This philosophy is clearly not compatible with bureaucratic practices.

The primary cause of this shift in management philosophy stems not from the bookshelf but from the manager himself. Many of the behavioral scientists, like McGregor or Likert, have clarified and articulated—even legitimized—what managers have only half registered to themselves. I am convinced that the success of McGregor's *The Human Side of Enterprise* was based on a rare empathy for a vast audience of managers who were wistful for

an alternative to a mechanistic conception of authority. (See Figure 1.) It foresaw a vivid utopia of more authentic human relationships than most organizational practices allow. Furthermore, I suspect that the desire for relationships has little to do with a profit motive *per se*, though it is often rationalized as doing so.⁵ The real push for these changes stems from some powerful needs, not only to humanize the

organization, but to use the organization as a crucible of personal growth and development, for self-realization.⁶

Core Organization Problems

As a result of these changes affecting organizations of the future, new problems and tasks are emerging. They fall, I believe, into five major

FIGURE 1 |

Human Problems Confronting Contemporary Organizations

PROBLEM	BUREAUCRATIC SOLUTIONS	NEW 20TH-CENTURY CONDITIONS
<i>Integration.</i> The problem of how to integrate individual needs and organizational goals.	No solution because of no problem. Individual vastly oversimplified, regarded as passive instrument. Tension between “personality” and role disregarded.	Emergence of human sciences and understanding of man’s complexity. Rising aspirations. Humanistic-democratic ethos.
<i>Social Influence.</i> The problem of the distribution of power and sources of power and authority.	An explicit reliance on legal-rational power, but an implicit usage of coercive power. In any case, a confused, ambiguous, shifting complex of competence, coercion, and legal code.	Separation of management from ownership. Rise of trade unions and general education. Negative and unintended effects of authoritarian rule.
<i>Collaboration.</i> The problem of producing mechanisms for the control of conflict.	The “rule of hierarchy” to resolve conflicts between ranks and the “rule of coordination” to resolve conflict between horizontal groups. “Loyalty.”	Specialization and professionalization and increased need for interdependence. Leadership too complex for one man rule or omniscience.
<i>Adaptation.</i> The problem of responding appropriately to changes induced by the environment.	Environment stable, simple, and predictable; tasks routine. Adapting to change occurs in haphazard and adventitious ways. Unanticipated consequences abound.	External environment of firm more “turbulent,” less predictable. Unprecedented rate of technological change.
<i>“Revitalization.”</i> The problem of growth and decay.	Underlying assumption that the future will be certain and basically similar, if not more so, to the past.	Rapid changes in technologies, tasks, manpower, raw materials, norms and values of society, goals of enterprise and society all make constant attention to the process of revision imperative.

categories, which I visualize as the core tasks confronting organizations of the future.

1. Integration encompasses the entire range of issues having to do with the incentives, rewards, and motivation of the individual and how the organization succeeds or fails in adjusting to these needs. In other words, it is the ratio between individual needs and organizational demands that creates the transaction most satisfactory to both. The problem of integration grows out of our “consensual society,” where personal attachments play a great part, where the individual is appreciated, in which there is concern for his well-being, not just in a veterinary-hygiene sense, but as a moral, integrated personality.
2. The problem of social influence is essentially the problem of power and how power is distributed. It is a complex issue and alive with controversy, partly because of an ethical component and partly because studies of leadership and power distribution can be interpreted in many ways, and almost always in ways which coincide with one’s biases (including a cultural leaning toward democracy).

The problem of power has to be seriously reconsidered because of dramatic situational changes that make the possibility of one-man rule or the “Great Man” not necessarily “bad” but impractical. I am referring to changes in the role of top management. Peter Drucker, over 12 years ago, listed 41 major responsibilities of the chief executive and declared that “90 percent of the trouble we are having with the chief executive’s job is rooted in our superstition of the one-man chief.”⁷ The broadening product base of industry, impact of new technology, the scope of international operations, make one-man control quaint, if not obsolete.

3. The problem of collaboration grows out of the very same social processes of conflict and stereotyping, and centrifugal forces that divide nations and communities. They also employ furtive, often fruitless, always crippling mechanisms of conflict resolution: avoidance or suppression,

annihilation of the weaker party by the stronger, sterile compromises, and unstable collusions and coalitions. Particularly as organizations become more complex they fragment and divide, building tribal patterns and symbolic codes which often work to exclude others (secrets and noxious jargon, for example) and on occasion to exploit differences for inward (and always fragile) harmony. Some large organizations, in fact, can be understood only through an analysis of their cabals, cliques, and satellites, where a venture into adjacent spheres of interest is taken under cover of darkness and fear of ambush. Dysfunctional inter-group conflict is so easily stimulated, that one wonders if it is rooted in our archaic heritage when man struggled, with an imperfect symbolic code and early consciousness, for his territory. Robert R. Blake in his experiments has shown how simple it is to induce conflict, how difficult to arrest it.⁸ Take two groups of people who have never been together before, and give them a task that will be judged by an impartial jury. In less than one hour, each group devolves into a tightly knit band with all the symptoms of an “in-group.” They regard their product as a “masterwork” and the other group’s as “commonplace” at best. “Other” becomes “enemy”; “We are good; they are bad. We are right, they are wrong.”⁹

Jaap Rabbie, conducting experiments on the antecedents of inter-group conflict at the University of Utrecht, has been amazed by the ease with which conflict and stereotype develop.¹⁰ He brings into the experimental room two groups and distributes green name tags and green pens to one group and refers to it as the “green group.” He distributes red pens and red name tags to the other group and refers to it as the “red group.” The groups do not compete; they do not even interact. They are in sight of each other for only minutes while they silently complete a questionnaire. Only 10 minutes is needed to activate defensiveness and fear.

In a recent essay on animal behavior, Erikson develops the idea of “pseudo-

species.”¹¹ Pseudo-species act as if they were separate species created at the beginning of time by supernatural intent. He argues:

Man has evolved (by whatever kind of evolution and for whatever adaptive reasons) in pseudo-species, i.e., tribes, clans, classes, etc. Thus, each develops not only a *distinct sense of identity* but also a conviction of harboring *the* human identity, fortified against other pseudo-species by prejudices which mark them as extra-specific and inimical to “genuine” human endeavor. Paradoxically, however, newly born man is (to use Ernst Mayr’s term) a generalist creature who could be made to fit into any number of pseudo-species and must, therefore, become “specialized” during a prolonged childhood. . . .

Modern organizations abound with pseudo-species, bands of specialists held together by the illusion of a unique identity and with a tendency to view other pseudo-species with suspicion and mistrust. Ways must be discovered to produce generalists and diplomats, and we must find more effective means of managing inevitable conflict and minimizing the pseudo-conflict. This is not to say that conflict is always avoidable and dysfunctional. Some types of conflict may lead to productive and creative ends.

4. The problem of *adaptation* is caused by our turbulent environment. The pyramidal structure of bureaucracy, where power was concentrated at the top, seemed perfect to “run a railroad.” And undoubtedly for the routinized tasks of the nineteenth and early twentieth centuries, bureaucracy was and still is an eminently suitable social arrangement. However, rather than a placid and predictable environment, what predominates today is a dynamic and uncertain one in which there is a deepening interdependence among the economic and other facets of society.
5. Finally, the problem of revitalization. As Alfred North Whitehead says:

The art of free society consists first in the maintenance of the symbolic code,

and secondly, in the fearlessness of revision. . . . Those societies which cannot combine reverence to their symbols with freedom of revision must ultimately decay. . . .

Growth and decay emerge as the penultimate conditions of contemporary society. Organizations, as well as societies, must be concerned with those social structures that engender buoyancy, resilience, and a “fearlessness of revision.”

I introduce the term “revitalization” to embrace all the social mechanisms that stagnate and regenerate with the process of this cycle. The elements of revitalization are:

- An ability to learn from experience and to codify, store, and retrieve the relevant knowledge.
- An ability to “learn how to learn,” that is, to develop methodologies for improving the learning process.
- An ability to acquire and use feedback mechanisms on performance, to develop a “process orientation,” in short, to be self-analytical.
- An ability to direct one’s own destiny.

These qualities have a good deal in common with what John Gardner calls “self renewal.” For the organization, it means conscious attention to its own evolution. Without a planned methodology and explicit direction, the enterprise will not realize its potential.

Integration, Distribution of Power, Collaboration, Adaptation, and Revitalization are the major human problems of the next 25 years. How organizations cope with and manage these tasks will undoubtedly determine the viability and growth of the enterprise.

Organizations of the Future¹²

Against this background I should like to set forth some of the conditions that will determine organizational life in the next two or three decades:

1. **The Environment** Rapid technological change and diversification will lead to interpenetration of the government with business.

Partnerships between government and business will be typical. It will be a truly mixed economy. Because of the immensity and expense of the projects, there will be fewer identical units competing for the same buyers and sellers.

Organizations will become more interdependent.

The four main features of the environment are:

- Interdependence rather than competition.
- Turbulence and uncertainty rather than readiness and certainty.
- Large scale rather than small scale enterprises.
- Complex and multi-national rather than simple national enterprises.

2. Population Characteristics The most distinctive characteristic of our society is, and will become even more so, education. Within 15 years, two-thirds of our population living in metropolitan areas will have attended college. Adult education is growing even faster, probably because of the rate of professional obsolescence. The Killian report showed that the average engineer required further education only 10 years after gaining his degree. It will become almost routine for the experienced physician, engineer, and executive to go back to school for advanced training every two or three years. Some 50 universities, in addition to a dozen large corporations, offer advanced management courses to successful men in the middle and upper ranks of business. Before World War II, only two such programs existed, both new, both struggling to get students.

All of this education is not just “nice,” it is necessary. As Secretary of Labor Wirtz recently pointed out, computers can do the work of most high school graduates—cheaper and more effectively. Fifty years ago education was regarded as “nonwork” and intellectuals on the payroll were considered “overhead.” Today the survival of the firm *depends* on the effective exploitation of brain power.

One other characteristic of the population which will aid our understanding of organizations of the future is increasing job mobility. The ease of transportation, coupled with the needs of a dynamic environment, change drastically the idea of “owning” a job—or “having roots.”

Already 20 percent of our population change their mailing address at least once a year.

3. Work Values The increased level of education and mobility will change the values we hold about work. People will be more intellectually committed to their *professional* careers and will probably require more involvement, participation, and autonomy.

Also, people will be more “other-directed,” taking cues for their norms and values from the immediate environment rather than tradition. We will tend to rely more heavily on temporary social arrangements.¹³ We will tend to have relationships rather than relatives.

4. Tasks and Goals The tasks of the organization will be more technical, complicated, and unprogrammed. They will rely on intellect instead of muscle. And they will be too complicated for one person to comprehend, to say nothing of control. Essentially, they will call for the collaboration of specialists in a project or a team-form of organization.

There will be a complication of goals. Business will increasingly concern itself with its adaptive or innovative-creative capacity. In addition, meta-goals will have be articulated; that is, supra-goals, which shape and provide the foundation for the goal structure. For example, one meta-goal might be a system for detecting new and changing goals; another could be a system for deciding priorities among goals.

Finally, more conflict and contradiction can be expected from diverse standards of organizational effectiveness. One reason for this is that professionals tend to identify more with the goals of their profession than with those of their immediate employer. University professors can be used as a case in point. Within the University, there may be a conflict between teaching and research. Often, more of a professor’s income derives from outside sources, such as foundations and consultant work. They tend not to be good “company men” because they divide their loyalty between their professional values and organizational goals.

5. Organization The social structure of organizations of the future will have some unique characteristics. The key word will be “temporary”; there will be adaptive, rapidly changing

temporary systems. These will be “task forces” organized around problems-to-be-solved by groups of relative strangers who represent a diverse set of professional skills. The groups will be arranged on an organic rather than mechanical model; they will evolve in response to a problem rather than to programmed role expectations. The “executive” thus becomes a coordinator or “linking pin” between various task forces. He must be a man who can speak the diverse languages of research with skills to relay information and to mediate between groups. People will be evaluated not vertically according to rank and status, but flexibly and functionally according to skill and professional training. Organizational charts will consist of project groups rather than functional groups. This trend is already visible today in the aerospace and construction industries, as well as many professional and consulting firms.

Adaptive, problem-solving, temporary systems of diverse specialists, linked together by coordinating and task evaluating specialists in an organic flux—this is the organizational form that will gradually replace bureaucracy as we know it. As no catchy phrase comes to mind, I call this an organic-adaptive structure.

6. Motivation The organic-adaptive structure should increase motivation, and thereby effectiveness, because it enhances satisfactions intrinsic to the task. There is a harmony between the educated individual’s need for meaningful, satisfactory, and creative tasks and a flexible organizational structure.

There will, however, also be reduced commitment to work groups, for these groups, as I have already mentioned, will be transient structures. I would predict that in the organic adaptive system, people will learn to develop quick and intense relationships on the job, and learn to bear the loss of more enduring work relationships. Because of the added ambiguity of roles, time will have to be spent on continual rediscovery of the appropriate organizational mix.

The American experience of frontier neighbors, after all, prepares us for this, so I don’t view “temporary systems” as such a grand departure. These “brief encounters” need not be more superficial than long and chronic ones. I have seen too many people, some occupying adjacent

offices for many years, who have never really experienced or encountered each other. They look at each other with the same vacant stares as people do on buses and subways, and perhaps they are passengers waiting for their exit.

Europeans typically find this aspect of American life frustrating. One German expatriate told me of his disenchantment with “friendly Americans.” At his first party in this country, he met a particularly sympathetic fellow and the two of them fell into a warm conversation which went on for several hours. Finally, they had to leave to return to their homes, but like soul-mates, they couldn’t part. They went down into the city street and walked round and round on this cold winter night, teeth chattering and arms bound. Finally, both stiff with cold, the American hailed a cab and went off with a wave. The European was stunned. He didn’t know his new “friend’s” name. He never saw or heard from him again. “That’s your American friendship,” he told me.

That *is* American friendship: intense, spontaneous, total involvement, unpredictable in length, impossible to control. They are happenings, simultaneously “on” and transitory and then “off” and then new lights and new happenings.

A Swiss woman in Max Frisch’s *I’m Not Stiller* sums it up this way: “Apparently all these frank and easy-going people did not expect anything else from a human relationship. There was no need for this friendly relationship to go on growing.”¹⁴

Training Requirements for Organizations of the Future

How can we best plan for the organizational developments I forecast? And how can training and development directors influence and direct this destiny? One thing is clear: There will be a dramatically new role for the manager of training and development. Let us look at some of the new requirements.

1. Training for Change The remarkable aspect of our generation is its commitment to change, in thought and action. Can training and development managers develop an educational process which:

- Helps us to identify with the adaptive process without fear of losing our identity?
- Increases our tolerance for ambiguity without fear of losing intellectual mastery?
- Increases our ability to collaborate without fear of losing individuality?
- Develops a willingness to participate in our own social evolution while recognizing implacable forces?

Putting it differently, it seems to me that *we should be trained in an attitude toward inquiry and novelty rather than the particular content of job*; training for change means developing “learning men.”

2. Systems Counseling It seems to me that management (and personnel departments) have failed to come to grips with the reality of *social systems*. It is embarrassing to state this after decades of research have been making the same point. We have proved that productivity can be modified by group norms, that training effects fade out and deteriorate if training goals are not compatible with the goals of the social system, that group cohesiveness is a powerful motivator, that inter-group conflict is a major problem facing modern organization, that individuals take many of their cues from their primary work group, that identification with the work group turns out to be the only stable predictor of productivity, and so on. Yet this evidence is so frequently ignored that I can only infer that there is something naturally preferable (almost an involuntary reflex) in locating the sources of all problems in the individual and diagnosing situations as functions of faulty individuals rather than as symptoms of malfunctioning social systems.

If this reflex is not arrested, it can have serious repercussions. In these new organizations, where roles will be constantly changing and certainly ambiguous, where changes in one subsystem will clearly affect other sub-systems, where diverse and multinational activities have to be coordinated and integrated, where individuals engage simultaneously in multiple roles and group memberships (and role conflict is endemic), a systems viewpoint must be developed. Just as it is no longer possible to make any enduring change in a “problem child” without treating the entire family, it will not be

possible to influence individual behavior without working with his particular sub-system. This means that our training and development managers of the future must perform the functions of *systems counselors*.

3. Changing Motivation The rate at which professional-technical-managerial types join organizations is higher than any other employment category. While it isn't fully clear what motivates them, two important factors emerge.

The first is a strong urge to “make it” professionally, to be respected by professional colleagues. Loyalty to an organization may increase if it encourages professional growth. Thus, the “good place to work” will resemble a supergraduate school, abounding with mature, senior colleagues, where the employee will work not only to satisfy organizational demands but, perhaps primarily, those of his profession.

The other factor involves the quest for self-realization, for personal growth which may not be task-related. That remark, I am well aware, questions four centuries of encrusted Protestant Ethic. And I feel uncertain as to how (or even *if*) these needs can be met by an organization. However, we must hope for social inventions to satisfy these new desires. Training needs to take more responsibility for attitudes about continuing education so that it is not considered a “retread” or a “repair factory” but a natural and inescapable aspect of work. The idea that education has a terminal point and that adults have somehow “finished” is old-fashioned. A “dropout” should be redefined to mean anyone who *hasn't returned* to school.

However the problem of professional and personal growth is resolved, it is clear that many of our older forms of incentive, based on lower echelons of the need hierarchy, will have to be reconstituted.

4. Socialization for Adults In addition to continuing education, we have to face the problem of continuing socialization, or the institutional influences which society provides to create good citizens. Put simply, it means training in values, attitudes, ethics, and morals. We allot these responsibilities typically to the family, to church, to schools. We incorrectly assume that socialization stops when the individual comes of age. Most certainly, we are afraid of socialization

for adults, as if it implies the dangers of a delayed childhood disease, like whooping cough.

Or to be more precise, we focus not on socialization, but on conscious and responsible control of it. In fact, our organizations are magnificent, if undeliberate, vehicles of socialization. They teach values, inculcate ethics, create norms, dictate right and wrong, influence attitudes necessary for success and all the rest. The men who succeed tend to be well socialized and the men who don't, are not: "Yeah, Jones was a marvelous worker, but he never fit in around here." And most universities grant tenure where their norms and values are most accepted, although this is rarely stated.

Taking conscious responsibility for the socialization process will become imperative in tomorrow's organization. And finding men with the right technical capability will not be nearly as difficult as finding men with the right set of values and attitudes. Of course, consciously guiding this process is a trying business, alive with problems, not the least being the ethical one: Do we have the right to shape attitudes and values? We really do not have a choice. Can we avoid it? How bosses lead and train subordinates, how individuals are treated, what and who gets rewarded, the subtle cues transmitted and learned without seeming recognition, occur spontaneously. What we can choose are the mechanisms of socialization—how coercive we are, how much individual freedom we give, how we transmit values. What will be impermissible is a denial to recognize that we find some values more desirable and to accept responsibility for consciously and openly communicating them.

5. Developing Problem-Solving Teams One of the most difficult and important challenges for the training and development manager will be the task of promoting conditions for effective collaboration or building synergetic teams. Synergy is where individuals actually contribute more and perform better as a result of a collaborative and supportive environment. They play "over their heads," so to speak. The challenge I am referring to is the building of synergetic teams.

Of course, the job isn't an easy one. An easy way out is to adopt the "zero synergy" strategy. This means that the organization attempts to hire the best individuals it can and then permits

them to "cultivate their own gardens." This is a strategy of isolation that can be observed in almost every university organization.

[Until universities take a serious look at their strategy of zero synergy, there is little hope that they will solve their vexing problems. The Berkeley protests were symptomatic of at least four self-contained, uncommunicating social systems (students, faculty, administration, trustees) without the trust, empathy, interaction (to say nothing of a tradition) to develop meaningful collaboration. To make matters even more difficult, if possible, academic types may, by nature (and endorsed by tradition) see themselves as "loners" and divergent to the majority. They all want to be independent together, so to speak. Academic narcissism goes a long way on the lecture platform but may be positively disruptive for developing a community.]

Another approach has the same effect but appears different. It is the pseudo-democratic style, in which a phony harmony and conflict avoidance persist.

In addition to our lack of background and experience in building synergy (and our strong cultural biases against group efforts), teams take time to develop. They are like other highly complicated organisms and, just as we wouldn't expect a newborn to talk, we shouldn't expect a new team to work effectively from the start. Teams require trust and commitment and these ingredients require a period of gestation.

Expensive and time-consuming as it is, building synergetic and collaborative frameworks will become essential. The problems that confront us are too complex and diversified for one man or one discipline. They require a blending of skills, slants, and disciplines for their solution and only effective problem-solving *teams* will be able to get on with the job.

6. Developing Supra-Organizational Goals and Commitments The President of ABC (the fictitious name of a manufacturing company) was often quoted as saying: "The trouble with ABC is that nobody aside from me ever gives a damn about the overall goals of this place. They're all seeing the world through the lenses of their departmental biases. What we need around here are people who wear the ABC hat, not the engineering hat or the sales hat or the production hat."

After he was heard muttering this rather typical president's dirge, a small group of individuals, who thought they could wear the ABC hat, formed a group they called the ABC HATS. They came from *various* departments and hierarchical levels and represented a microcosm of the entire organization. The ABC HATS group has continued to meet over the past few years and has played a central role in influencing top policy.

It seems to me that training and development managers could affect the development of their organizations if they would encourage the formation of HATS groups. What worries me about the organization of the future, of specialized professionals and an international executive staff, is that their professional and regional outlook brings along with it only a relative truth and a distortion of reality. This type of organization is extremely vulnerable to the hardening of pseudo-species and a compartmentalized approach to problems.

Training and development can be helpful in a number of ways:

- They can identify and support those individuals who are "linking pins": individuals who have a facility for psychological and intellectual affinity with a number of diverse languages and cultures. These individuals will become the developers of problem-solving teams.
- They can perform the HATS function, which is another way of saying that training and development managers should be managers who keep overall goals in mind and modulate the professional biases which are intrinsic to the specialists' work.
- They can work at the interfaces of the pseudo-species in order to create more inter-group understanding and interface articulation.

Today, we see each of the intellectual disciplines burrowing deeper into its own narrow sphere of interest. (Specialism, by definition, implies a peculiar slant, a segmented vision. A cloak and suit manufacturer went to Rome and managed to get an audience with His Holiness. Upon his return a friend asked him, "What did the Pope look like?" The tailor answered, "A 41 Regular.") Yet, the most interesting problems

turn up at the intersection between disciplines and it may take an outsider to identify these. Even more often, the separate disciplines go their crazy-quilt way and rely more and more on internal standards of evidence and competence. They dismiss the outsider as an amateur with a contemptuous shrug. The problem with intellectual effort today (and I include my own field of organization psychology) is that no one is developing the grand synthesis.

Organizations, too, require "philosophers," individuals who provide articulation between seemingly inimical interests, who break down the pseudo-species, and who transcend vested interests, regional ties, and professional biases in arriving at the solution to problems.

To summarize, I have suggested that the training and development director of the future has in store at least six new and different functions: (1) training for change, (2) systems counseling, (3) developing new incentives, (4) socializing adults, (5) building collaborative, problem-solving teams, and (6) developing supra-organizational goals and commitments. Undoubtedly there are others and some that cannot be anticipated. It is clear that they signify a fundamentally different role for personnel management from "putting out fires" and narrow maintenance functions. If training and development is to realize its true promise, its role and its image must change from maintenance to innovation.

I have seen this new role develop in a number of organizations, not easily or overnight, but pretty much in the way I have described it here. It might be useful to review briefly the conditions present in the cases I know about:

The personnel manager or some sub-system within personnel (it might be called "employee relations" or "industrial relations" or "career development") took an *active, innovative* role with respect to organizational goals and forcibly took responsibility for organizational growth and development.

Secondly, this group shifted its emphasis away from personnel functions *per se* (like compensation and selection) and toward organizational problems, like developing effective patterns of collaboration, or fostering an innovative atmosphere or

reducing inter-group conflict, or organizational goal-setting and long-run planning.

Thirdly, this group developed a close working relationship to various sub-systems in the organization, an organic, task-oriented relationship, not the frequently observed mechanical “line-staff” relationship.

Fourthly, they were viewed as full-fledged members of the management team, instead of the “head-shrinkers” or the “headquarters group.” This was the hardest to establish in all cases, but turned out to be the most important. In fact, in one case, the man responsible for spearheading the organizational development effort has recently taken an important line job. The reverse happens too. Line management participates in so-called personnel activities, almost as if they are an adjunct to staff. Distinctions between line and staff blur in this context and an organic linkage develops, often serving as a prototype of a collaborative, problem solving team.

One single factor stands out in retrospect over all others. There was always the conviction and the ability to make the training and development department the leading edge, the catalyst for organizational change and adaptability. Rather than performing the more traditional role, these groups became centers for innovation and organizational revitalization, and their leaders emerged as change-agents, the new managers of tomorrow’s organizations.

I should now add another point in conclusion. It emerges from the previous points. They describe a far more autonomous, organizationally influential, self-directed role than trainers have been given or have asked for in the past.

If the training group is to be concerned with adult socialization, for example, it would be myopically irresponsible if not worse for them to define socialization in terms of momentary needs of the organization. Rather, they must take at least some of the responsibility for enunciating the goals and conditions of the enterprise. In a way, their systems counseling function is “organizational socialization.” If they take responsibility for socializing both the members as people and the organization as a human system, then they must have values and standards which are somehow prior and outside both.

In fact, the emerging role I outline implies that the roles of the top management and training director become more interchangeable than ever before.

NOTES

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11. Erik Erikson, “Ontogeny of Ritualization,” paper presented to the Royal Society in June 1965.
12. Adapted from my earlier paper, “Beyond Bureaucracy,” *Trans-Action*, July–August 1965.
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Policy Analysts: A New Professional Role in Government Service

Yehezkel Dror

The main contemporary reform movement in the federal administration of the United States (and in some other countries as well) is based on an economic approach to public decision-making. The roots of this approach are in economic theory, especially micro-economics and welfare economics, and quantitative decision-theory; the main tools of this approach are operations research, cost-effectiveness and cost benefit analysis, and program budgeting and systems analysis; and the new professionals of this approach are the systems analysts. Together, these elements constitute main components of the Planning-Programming-Budgeting System, as first developed in the Department of Defense and now being extended to most executive departments and establishments.

In essence, these reforms constitute an invasion of public decision-making by economics. Going far beyond the domain of economic policy-making, the economic approach to decision-making views every decision as an allocation of resources between alternatives, that is, as an economic problem. Application of suitable tools of economic analysis should therefore, in this opinion, contribute to the improvement of decision-making, whatever the subject matter of the decision may be. This is the main innovation of the Planning-Programming-Budgeting System, which is in essence a restatement of earlier budgeting

theory combined with systems analysis and put into a coherent and integrated framework.¹

The invasion of public decision-making by economics is both unavoidable and beneficial, but fraught with danger. It is unavoidable because economics provides the only highly developed theoretical basis for improvement in highly critical decision-making processes. It is beneficial because the economic approach in the systems analysis and PPBS form can contribute to the improvement of public decision-making, if carefully utilized. It is fraught with dangers because of the inability to deal adequately with many critical elements of public policy-making and the possible distortion in decision-making resulting therefrom.

A main question is how to reap the full benefits of the economic approach and to improve public decision-making and policymaking while avoiding its pitfalls. This question becomes more and more acute with the present tendency to apply PPBS and systems analysis throughout governmental administration.

Systems Analysis and Decision-Making

In considering the dangers of system analysis (by itself and as a critical part of PPBS), we must keep in mind an important consideration: I accept as a fact that systems analysis has made very important, though limited contributions to better decision-making up to now, especially in the Department of Defense, but much of this contribution may have been due more to the wisdom, sophistication, and open-mindedness of the few outstanding practitioners of systems analysis and their readiness to fight organizational inertia and muddling-through tendencies than to their defined professional tools. Now systems analysis is to become a profession with defined job responsibilities throughout government, to be practiced by a larger group of specially trained staff officers. If this is so, we

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cannot rely any longer on the tacit qualities and multiple backgrounds (including, for instance, physics and engineering, in addition to economics) of the small number of highly gifted individuals who pioneered system analysis. Instead, we must develop institutional arrangements, professional training, and job definitions which will provide the desired outputs with good and hopefully very good, but not necessarily outstanding, personnel.

When we look at the basic characteristics of systems analysis as a professional discipline (as distinguished from the personal wisdom of some of its pioneers), a number of weaknesses can be identified. These weaknesses are not transitory features of a new discipline, but seem to be endemic to the nature and origin of systems analysis and are introduced through it into PPBS.

Some of the important weaknesses of systems analysis from the point of view of public decision-making can be summed up as follows:²

1. Strong attachment to quantification and dependence upon it, including both need for quantitative models and for quantitative parameters for the variables appearing in the models.
2. Incapacity to deal with conflicting non-commensurate values (other than through neutralizing the issue when possible, by seeking out value-insensitive alternatives).
3. Requirement of clear-cut criteria of decision and well-defined missions.
4. Neglect of the problems of political feasibility and of the special characteristics of political resources (such as the power-producing effect of using political power).³
5. Lack of significant treatment of essential extra-rational decision elements, such as creativity, tacit knowledge, and judgment.
6. Inability to deal with large and complex systems other than through sub-optimization, which destroys the overall *Gestalt* of the more difficult and involved issues.
7. Lack of instruments for taking into account individual motivations, irrational behavior, and human idiosyncrasy.

As a result of these weaknesses, systems analysis as such is of doubtful utility for dealing

with political decisions, overall strategic planning, and public policy-making. This does not disparage the importance of systems analysis for operational planning and control⁴ or the essential contributions of systems analysis as one of the bases of a broader professional discipline of policy analysis. But by itself, or as a part of PPBS, systems analysis cannot deal with issues and situations where the problem is to move on from one appreciative system⁵ or multidimensional space to another, or to get from one curve to a different curve.

Possible Boomerang Effects

Even so, a good *prima facie* argument can be made for taking systems analysis as it is and applying it to public decision-making. The principal claims in favor of this position are that systems analysis will at least permit some improvements in public decision-making. To paraphrase one of the founders of modern systems analysis, even in the situations where technology and objectives change very swiftly, good systems analysis will at least try to get on an entirely different curve and not look for a peak of a rather flat curve.⁶ Furthermore, with the help of systems analysis and PPBS—so the argument may go—at the very least, we will begin to get out of the rote of inertia and incremental change onto the highway of doubting conventional wisdom and introducing desirable innovations.

These arguments would be valid if one condition is met, namely, that both the professional systems analysts and the senior staff and line of the agencies in which they serve are highly sophisticated in respect to the possibilities and limitations of systems analysis. But this is a completely unrealistic requirement. The successes of systems analysis in some domains in the Department of Defense, the brilliance of its main pioneers and first practitioners, and the exaggerated claims of some of its advocates and proponents combine to create an unrealistic level of expectation. Being evaluated in terms of such an unrealistic level of expectation, systems analysis and PPBS will often be judged as a failure. As a result, there is a great risk that the strong anti-innovation forces will be vindicated, will become stronger entrenched, and will be better able to oppose significant reforms in the

future. Unsophisticated reliance on systems analysis in this way may also impair and indeed nullify the potential benefits of other important parts of PPBS, such as future orientation and multiple-year programming.

From Systems Analysis to Policy Analysis

What is needed is a more advanced type of professional knowledge, which can be used with significant benefits for the improvement of public decision-making. This professional knowledge should do for public decision-making in various issue-areas what systems analysis did in some areas of defense decision-making. To fill this rather difficult order, the various orientations, ideas, and tools of systems analysis must be developed so as to be applicable to complex and non-quantifiable issues and systems. Furthermore—and this is more important and more difficult—politics and political phenomena must be put into the focus of analysis. The term “policy analysis” seems to be suitable for the proposed professional discipline, as it combines affinity with systems analysis with the concept of policy in the broad and political sense.⁷

In essence, what is required is an integration between revised disciplines of political science and public administration on the one hand and systems analysis, decision theory, and economic theory on the other hand. This combination should be in the form of a compound rather than a mix, so as to provide a more advanced form of knowledge, rather than an eclectic collection of unrelated items. Care must be taken to achieve a real synthesis, rather than an uncritical subordination of the political to economic models, in which the specific features of politics may be lost.

To clarify the idea, let me point out some main features of policy analysis, as compared with system analysis.

1. Much attention would be paid to the political aspects of public decision-making and public policy-making (instead of ignoring or condescendingly regarding political aspects). This includes much attention to problems of political feasibility, recruitment of support, accommodations

of contradicting goals, and recognition of diversity of values. Especially important are development of theories and construction of models which do full justice to the special characteristics of politics and political behavior and do not try to force them into a procrustean bed of economic terminology and theory.

2. A broad conception of decision-making and policy-making would be involved (instead of viewing all decision-making as mainly a resources allocation). Many types of critical decisions cannot be usefully approached from an economic resource allocation framework, e.g., determining the content of diplomatic notes or changing the selective draft to a randomized process. Here, qualitative exploration of new alternatives is necessary, beyond quantitative analysis and cost benefit estimation.
3. A main emphasis would be on creativity and search for new policy alternatives, with explicit attention to encouragement of innovative thinking (instead of comparative analysis of available alternatives and synthesis of new alternatives as one of the elements of analysis). A good example is the problem of reducing smoking—where the problem is clearly one of inventing new promising alternatives, rather than cost-benefit analysis of different known alternatives, none of which is good. The requirement of creativity and innovation of alternatives has far-reaching implications, as there is reason to suspect incompatibility between the personality traits, training, and organizational arrangements optimal for analysis (in the strict meaning of the term) and those optimal for invention of alternatives. The latter requires more “creative” personalities, structural tools to search for new ideas (for instance, through knowledge surveys), pro-innovating organizational arrangements (e.g., cross-fertilization and stimulation through brain trusts and interdisciplinary teams), imaginative and pro-risk entrepreneurship atmosphere, and changes in overall organizational climate (e.g., raising organizational levels of aspiration). Combining systems analysis

with budgeting, as in PPBS, may be good for quantitative analysis, but it is not a way to encourage and stimulate new and risky and expensive-looking policy ideas.

4. There would be extensive reliance on tacit understanding, *Gestalt*-images, qualitative models, and qualitative methods (instead of main emphasis on explicit knowledge and quantitative models and tools). This involves imaginative thinking, systematic integration of trained intuition into policy analysis (e.g., through the Delphi Method), development of qualitative tools (such as metaphor construction, scenarios, counterfactual thinking), and construction of broad qualitative models of complex issues in cooperation with social scientists and other professionals (instead of ignoring the latter, in effect, or regarding them as passive sources of quantitative data).
5. There would be much more emphasis on “futuristic”⁸ thinking with long-range predictions, alternative states-of-the-future, and speculative thinking on the future (in most areas up to the year 2000) as essential background for current policy-making.
6. The approach would be looser and less rigid, but nevertheless systematic, one which would recognize the complexity of means ends interdependence, the multiplicity of relevant criteria of decision, and the partial and tentative nature of every analysis (instead of striving for a clear-cut criterion and dominant solutions). In policy analysis, sequential decision-making and constant learning is dominant,⁹ and clarification of issues, invention of new alternatives, more consideration of the future, and reduction of primary disagreements to secondary disagreements are main goals.

Policy Analysts as Government Staff Officers

To introduce urgently needed improvements in public decision-making, while avoiding the possible boomerang effects of systems analysis, policy analysis must become an important new professional role in government service. Policy

analysis staff positions should be established in all principal administrative agencies and establishments, near the senior policy determining positions, operating, in general, formally as advisory staff to top executives and senior line positions and actually establishing with them a symbiotic cooperative relationship. Certainly, the professional staff of the federal planning-programming-budgeting system units should be trained also in policy analysis.

Policy analysis does not presume to bring about a radical change in policy-making. It does not presume to create omniscient units, which exist outside any socio-political-organizational framework and operate by a “downward and disaggregative flow” of top policy and policy directions.¹⁰ Good policy analysis can at best become an additional component in aggregative policy-making, contributing to that process some better analysis, some novel ideas, some futuristic orientation, and some systematic thought. Policy analyses are one of the bridges between science and politics,¹¹ but they do not transform the basic characteristics of “the political” and of organization behavior.¹² In order to contribute to the improvement of policymaking, policy analysts should be dispersed throughout the higher echelons of government service (and, indeed, throughout the social guidance cluster) as part of the effort to improve aggregate policy-making through introducing into the clash and interaction between competing partisan interests¹³ an additional element.¹⁴ Such redundancy will increase the aggregate effect of policy analysis on policymaking, while also providing a safeguard against trained incapacities, one-sided value bias, and professional prejudices.

The main role of policy analysts in government—as parts of PPBS, in distinct high-level staff units, in separate independent advisory corporations, and in various other organizational locations—is to contribute to public decision-making a broad professional competence, based simultaneously on systems analysis and quantitative decision-theory and on a new outlook in political science and public administration. The aim of policy analysis is to permit improvements in decision-making and policy-making by permitting fuller consideration of a broader set of alternatives, within a

TABLE 1

A Tentative Comparison of Some Features of Systems Analysis and Policy Analysis

FEATURE	SYSTEMS ANALYSIS	POLICY ANALYSIS
Base discipline	Economics, operations research, quantitative decision sciences	As systems analysis, <i>plus</i> political science, public administration, parts of the social sciences and psychology (in the future, new interdiscipline of policy sciences)
Main emphasis	Quantitative analysis	Qualitative analysis and innovation of new alternatives
Main desired qualities of professionals	Bright, nonconventional, high analytical capacities	As systems analysis, <i>plus</i> maturity, explicit and tacit knowledge of political and administrative reality, imagination, and idealistic realism
Main decision criteria	Efficiency in allocation of resources	Multiple criteria, including social, economic, and political
Main methods	Economic analysis, quantitative model construction	As systems analysis, <i>plus</i> qualitative models and analyses, imaginative and futuristic thought, and integration of tacit knowledge
Main location	In PPBS—in Bureau of the Budget and agency budget units	Throughout the social guidance cluster in different forms
Main outputs when applied to public decision-making	Clearly better decisions with respect to limited issues; possible boomerang effect if applied to highly complex political issues	Somewhat better decisions on highly complex and political issues; educational impact on political argumentation and long-range improvements in operation of public policymaking system
Requisites for development of knowledge and preparation of professionals	Already operational; further development requires some changes in university curricula	Changes in orientation of political science and public administration as academic disciplines—establishment of new university curricula and of new policy science interdisciplines

wider context, with the help of more systematic tools. No metamorphosis of policy-making is aimed at, but improvements of, say, 10 to 15 percent in complex public decision-making and policy-making can be achieved through better integration of knowledge and policy-making with the help of policy analysis—and this is a lot. This, I think, is certainly much more than can be achieved by systems analysis, outside relatively simple issue-areas and sub-systems.

It is premature to try and set down in detail the characteristics of the new professional role of policy analysis in government. These must be evolved largely through a careful process of learning and sequential decision-making. Nevertheless, some suggestive features can be presented tentatively in the form of a comparison between systems analysis and policy analysis (see *Table 1*).

Some Implications

The decision in 1965 to introduce PPBS in the federal administration and the preparation for including a social report in the State of the Union message¹⁵ both provide in the United States an opportunity to introduce policy analysis as a new professional role in government service and create an urgent need to do so as expeditiously as possible. This involves a number of steps.

Immediately needed is a change in conception in respect to the introduction of PPBS, with explicit recognition of the necessity to move in the direction of policy analysis. As already pointed out, the main pioneers of systems analysis are highly sophisticated in their substantive work and often actually practice some policy analysis. This actual sophistication must be put into the formalized system and institutionalized directives. More important still, the schemes for training of staff for PPBS at the various special university programs must be changed, so as to move from nearly exclusive preoccupation with qualitative methods to full emphasis of quantitative and political analysis.¹⁶ Later on, policy analysis units of different forms should be established at focal decision centers throughout the social guidance cluster.

The development of policy analysis depends on a number of transformations in the disciplines of political science and public administration. The one-sided invasion of public decision-making by economics was caused largely by the inability of modern political science and public administration to make significant contributions to governmental decision-making. Economics developed a highly advanced action-oriented theory and put it to the test of innovating economic policy-making. At the same time, the modern study of political science and public administration became sterilized by an escape from political issues into behavioral “value-free” research and theory, or exhausted itself in suggestions for insignificant incremental improvements on the technical level.

This trend must be revised. A new approach in political science and public administration, oriented toward the study and improvement of public policy-making, constitutes, in the longer run, a main avenue for the improvement of public decision-making.¹⁷ A new interdisciplinary of “policy science” may also be necessary to provide a sound theoretical and institutional basis for policy analysis knowledge and policy analysis professionals. In the meantime, serious boomerang effects and damage can and should be avoided and the foundations for such a study and profession can and should be laid by changing the present efforts to introduce systems analysis in government service in the direction of policy analysis.

NOTES

1. This is brought out both from the papers published in “Planning-Programming-Budgeting System: A Symposium,” *Pub. Adm. Rev.* (December 1966), pp. 243–310 (hereafter referred to as *Symposium*) and from the literature on program budgeting, e.g., David Novick, ed., *Program Budgeting* (Cambridge: Harvard University Press, 1965). The well-taken communication by Frederick C. Mosher in *Pub. Adm. Rev.* (March 1967), pp. 67–71, mentions this important innovation of PPBS, but does not give it the emphasis which it deserves.

2. Many of the pioneers of systems analysis are aware of some of these weaknesses. A number of them have left systems analysis and devote themselves to development of broad tools, mainly in the area of strategy and conflict studies (e.g., Herman Kahn and Albert Wohlstetter). Others, at the Rand Corporation, continue to broaden systems analysis by developing non-quantitative tools, such as the Delphi Method and Operational Gaming. See, for instance, Olaf Helmer, *Social Technology* (New York: Basic Books, 1966). Recently, some important and able efforts have also been made to examine explicitly the relations between systems analysis and the political process, though without adequate attention to required and possible changes in the methods of systems analysis, so as to adjust them to broader political issues. See, for instance, James R. Schlesinger, *Systems Analysis and the Political Process* (Santa Monica: Rand Corp., 1967), p. 3464. These are important, though too timid, steps on the way from system analysis to policy analysis. But “systems analysis” as usually presented and as it appears in PPBS does not share the benefits of these first-step new advances.
3. The overwhelming influence of economic ideas influences even highly sophisticated political scientists to view political power as similar to economic resources while ignoring the critical differences—such as the often immediate power-producing effect of using political resources in the form of favors or coercive moves (see *Symposium*, p. 309). The economic models of resources which, for instance, can either be consumed or invented with continuous, concave, production possibility frontier curves do not apply to political power.
4. For the distinction between strategic planning, management control, and operational control, see Robert N. Anthony, *Planning and Control Systems: A Framework for Analysis* (Boston: Graduate School of Business Administration, Harvard University, 1965).
5. For the concept of “appreciative system” and its importance in public decision-making, see Sir Geoffrey Vickers, *The Art of Judgment: A Study of Policy Making* (New York: Basic Books, 1965), chap. 4.
6. See Albert Wohlstetter, “Analysis and Design of Conflict Systems,” in *Analysis for Military Decisions*, ed. Edward S. Quade (Chicago: Rand McNally, 1964), p. 106.
7. One weakness of the term “analysis” is its calculative-logical connotation. In policy analysis a very important part of the job is to invent new alternatives and to engage in creative and imaginative thinking. Nevertheless, I prefer a concept which somewhat understates the role rather than too presumptuous, too “political,” and too frightening a term, such as “policy advertiser” or “policy consultant.”
8. E.g., see Dennis Gabor, *Inventing the Future* (New York: Alfred A. Knopf, 1964); Bertrand de Jouvenel, *The Art of Conjecture* (New York: Basic Books, 1967; French original published in 1964). For an application to political science, see Benjamin Akzin, “On Conjecture in Political Science,” *Political Studies* (February 1966), pp. 1–14.
9. These methods are sometimes mentioned in passing, but are not at present actually integrated into systems analysis and PPBS, e.g., see *Symposium*, p. 262.
10. *Symposium*, p. 258.
11. For the concept, see Don K. Price, *The Scientific Estate* (Cambridge: Harvard University Press, Belknap Press, 1965), esp. pp. 123–126.
12. The tendency in systems analysis and PPBS to ignore organizational behavior is illustrated by the intention to rely on planned outputs as a standard for appraising actual outputs (*Symposium*, p. 275). As is well known, both from organization theory and from bitter experience, the defensive tendencies of organizations will operate to put planning output in line with expected output, well below optimal or even preferred outputs. The DOD may have been in some respects an exception as a result of its special structure, the personality of the Secretary of Defense, Presidential backing, and—perhaps most important of all—the external

pressure of acute competition with active adversaries. But in ordinary organizations, cooperation by the senior executives is essential for significant changes in the quality of outputs. Interestingly enough, none of the papers in the *Symposium* mentions this requisite.

13. Compare Charles E. Lindblom, *The Intelligence of Democracy* (New York: Free Press, 1965).
14. The dangers of nonaggregative view of policy-making are illustrated by doubtful conclusions in respect to the effects of the establishment of the Council of Economic Advisors (*Symposium*, p. 254) and of unrestricted federal grants-in-aid (*Symposium*, p. 268). See Edward S. Flash, Jr., *Economic Advice and Presidential Leadership* (New York: Columbia University Press, 1965), esp. chap. 8 and 9; Walter W. Heller, *New Dimensions of Political Economy* (Cambridge: Harvard University Press, 1966), chap. 3.
15. See Bertram M. Gross, *The State of the Nation: Social Systems Accounting* (Tavistock Publications Ltd., 1966). An earlier version is “The State of the Nation: Social Systems Accounting,” in *Social Indicators*, ed. Raymond A. Bauer (Cambridge: MIT Press, 1966), pp. 154–271. See also Bertram M. Gross, ed., “Social Goals and Indicators for American Society,” *Annals of the American Academy of Political and Social Science* (May 1967). At present Senate hearings have already started on S-843, which proposes establishment of a council of social advisers and an annual social report of the President.
16. Some possibilities for doing so are illustrated by a seven-month graduate course for systems and policy-analysis staff officers organized by the Israeli government as part of an effort to improve decision-making and administrative planning. See Yehezkel Dror, “Improvement of Decision-Making and Administrative Planning in the Israel Government Administration,” in *Public Administration in Israel and Abroad 1966* (Jerusalem, 1967), pp. 121–131.
17. For an effort in this direction see my book, *Public Policy-Making Reexamined* (San Francisco: Chandler, 1967).

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The Life Cycle of Bureaus

Anthony Downs

How Bureaus Come into Being

Types of Bureau Genesis Bureaus are generally created in one of four different ways. First, a bureau can be formed by what Max Weber called the routinization of charisma.¹ A group of men brought together by their personal devotion to a charismatic leader may transform itself into a bureaucratic structure in order to perpetuate his ideas. Second, a bureau may be deliberately created almost out of nothing by one or more groups in society in order to carry out a specific function for which they perceive a need. Many of the agencies in the federal government formed during the New Deal years are of this type. Third, a new bureau can split off from an existing bureau, as the Air Force did from the Army after World War II. Fourth, a bureau may be created through “entrepreneurship” if a group of men promoting a particular policy (such as communism) gains enough support to establish and operate a large nonmarket organization devoted to that policy.

All of these geneses have three things in common: the bureau is initially dominated either by advocates or zealots, it normally goes through an early phase of rapid growth, and it must immediately begin seeking sources of external support in order to survive.

Dominance by Advocates or Zealots in New Bureaus In a vast majority of cases, a bureau starts as the result of aggressive agitation and action by a small group of zealots who have a specific idea they want to put into practice

on a large scale. This is true by definition of bureaus created through “spontaneous entrepreneurship.” Charismatic leaders also qualify as zealots. They attract a small group of disciples who eventually need to support themselves. This need tends to modify the original group into some more formal organization. In many cases, it becomes a predominantly bureaucratic organization. Thus, the Franciscan Order can be considered a bureaucratic offshoot from the leadership of St. Francis.

Almost every bureau formed by splitting off from an existing bureau is initially generated by the zealotry of a few members of the existing bureau. Some zealots are found in all bureaus—indeed, in almost all human organizations. This is true because the personal characteristics necessary for zealotry occur spontaneously in a certain fraction of any society’s population. This fraction is higher in modern societies than in tradition-oriented societies, since the former encourage innovation in general. Also, the proportion of zealots in a given bureau may differ sharply from that in society as a whole, because some bureaus tend to attract zealots and others to repel them. As a result, the proportion of zealots in different bureaus varies widely. Nevertheless, a certain number appear spontaneously in every bureau.

When a group of such zealots somehow conceive a new function they believe their bureau should undertake, they form a nucleus agitating for change. Enthused by their idea, they persuade their superiors to give them some resources and manpower to develop it. If their efforts prove successful, they gradually enlarge their operations. For these operations to generate a new bureau, they must be technically distinct from the other activities of the parent bureau. As the practitioners of the new specialty become more immersed in it, their terminology, interests, and even policy outlooks become more unlike those of the remainder of the parent bureau. Hence a growing conflict usually springs up between these two groups. The new

Source: From Anthony Downs, *Inside Bureaucracy*, pp. 5–23
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specialists eventually become convinced that they cannot fully exploit the potentialities of their operations within the parent bureau. This marks a critical stage in the life of the new section. It can either be suppressed by the traditionalists, or be successful in breaking off into a new bureau. The key factor is the amount of support the new section generates outside of the parent bureau. If the new section's leaders can establish a strong clientele or power base beyond the control of their immediate superiors, then they have some leverage in agitating for relative autonomy. In some cases, they will establish autonomy very quickly; in others it will take years of struggle and a strong push from the external environment. But in all cases, it is purposeful agitation by men specifically interested in promoting a given program that generates the splitting off of new bureaus from existing ones (or new sections within a bureau from existing sections). Hence the new bureau (or section) is initially dominated by the zealots whose efforts have brought it into being.

Only in bureaus created out of nothing by external agents is there initially no "small band of warriors" whose agitation has founded the bureau. In this case, politicians, existing bureaucrats, or members of private firms or unions have discerned the need for a new organization designed to accomplish a specific purpose. They round up the legal authority to establish this organization, select someone to run it, and give him an initial set of resources. Examples of such creation are the Commodity Credit Corporation² and the new campuses of the University of California.

However, new bureaus thus formed out of nothing usually behave very much like those formed around a nucleus of zealots. The ideas upon which a new bureau is based have generally originated with some group of zealots. In many cases, the leading proponents of these ideas are immediately put in charge of the bureau. In any case, whoever is running a bureau entrusted with a new function soon finds that his recruiting efforts are most successful with men who have a proclivity toward that function—including the zealots who started the idea, or their disciples. Moreover, since the top administrator and his staff will normally be judged by their success in carrying

out this function, they also tend to become strong advocates themselves.

The Struggle for Autonomy No bureau can survive unless it is continually able to demonstrate that its services are worthwhile to some group with influence over sufficient resources to keep it alive. If it is supported by voluntary contributions, it must impress potential contributors with the desirability of sacrificing resources to obtain its services. If it is a government bureau, it must impress those politicians who control the budget that its functions generate political support or meet vital social needs.

Generation of such external support is particularly crucial for a new bureau. True, some "new" bureaus have already succeeded in gaining support, or else they would not have been able to split off from their parent agency. Similarly, an organization created by entrepreneurship can grow large enough to qualify as a bureau only if it has external support. Even bureaus formed by the routinization of charisma have attracted outside support because of the personal magnetism of their original leader. Thus only bureaus created almost out of nothing come into being without already having provided valuable services for "outsiders." Even they have some ready-made sources of external support, since their functions were being demanded by someone.

Yet the survival of new bureaus is often precarious. Their initial external sources of support are usually weak, scattered, and not accustomed to relations with the bureau. The latter must therefore rapidly organize so that its services become very valuable to the users. Only in this way can it motivate users to support it.

Once the users of the bureau's services have become convinced of their gains from it, and have developed routinized relations with it, the bureau can rely upon a certain amount of inertia to keep on generating the external support it needs. But in the initial stages of its life, it must concentrate on developing these "automatic" support generators. This critical drive for autonomy will determine whether or not it will survive in the long run.

This does not mean that members of the new bureau are interested solely in its survival. In fact, they are more interested in performing

its social functions. This follows from the fact that the new bureau is initially dominated by advocates or zealots, who are not primarily motivated by self-interest.

In some cases, the social functions involved are inherently incapable of generating external support in the long run. For example, a bureau set up to plan a specific operation (such as the invasion of Normandy) eliminates its external support when it carries out its function. However, most bureaus have functions that cannot be adequately discharged in the long run if the bureaus do not continue to exist. Hence even pure altruism would lead their top officials to be vitally concerned about bureau survival.

To this motive must be added the motive of self-interest described by Peter Clark and James Wilson: “Few [organizations] disband willingly, as neither executives nor members are eager to end an activity that rewards them.”³ Thus officials in almost every new bureau place a high priority on creating conditions that will insure the bureau’s survival.

As Clark and Wilson point out, bureau survival is closely related to the creation of relative autonomy by each bureau:

The proliferation of associations and the division of labor in society has meant that there is almost no way for an organization to preserve itself by simply seeking ends for which there are no other advocates. Thus, the maintenance of organizational autonomy is a critical problem. By *autonomy* we refer to the extent to which an organization possesses a distinctive area of competence, a clearly demarcated clientele or membership, and undisputed jurisdiction over a function, service, goal, issue, or cause. Organizations seek to make their environment stable and certain and to remove threats to their identities. Autonomy gives an organization a reasonably stable claim to resources and thus places it in a more favorable position from which to compete for those resources. Resources include issues and causes as well as money, time, effort, and names.⁴

Rapid Growth of Young Bureaus Few bureaus ever achieve such perfect autonomy that they are immune from threats to their

survival. However, a bureau can attain a certain initial degree of security as noted above. This presupposes that it has become large enough to render useful services, and old enough to have established routinized relationships with its major clients. We will refer to these minimal size and age levels as the bureau’s *initial survival threshold*.

There is always a certain time interval between the beginnings of a bureau and the attainment of the initial survival threshold. Sometimes this period occurs before its formal “birth” as a separate organization. In other cases, a bureau’s fight to reach the threshold begins with its formal establishment.

As a general rule, a bureau arrives at this threshold after a period of rapid growth in both its size and the relative social significance of its functions. This usually occurs in response to external environmental conditions favorable to the expansion of the bureau’s functions. For example, the Army Air Force grew extremely rapidly during World War II in response to the need for military air power. This experience convinced Congress (stimulated by members of the Army Air Force seeking autonomy) that it should establish a separate Air Force. The formal birth of the Air Force thus marked the end of its critical creation period, which began in the 1920s.

For bureaus that do not develop by splitting off from existing agencies, rapid growth normally occurs immediately after they have been formally born as separate agencies. The leaders of such a new bureau must quickly serve enough customers to reach an initial survival threshold before their original allocation of resources is exhausted, or its replenishment is blocked.

Bureaus created through entrepreneurship are generally not successful until the zeal of the nucleus group coincides with environmental conditions favorable to the function they are promoting. Then other agents in society bestow enough resources on this nucleus so it can rapidly expand to meet the need its members have long been advocating.

Bureaus formed through the routinization of charisma generally do not experience rapid expansion until after the attraction of the charismatic leader has been transformed into

organizational machinery. In most religions, this has not occurred until after the original leader's death.

Whatever its origin, a fledgling bureau is most vulnerable to annihilation by its enemies immediately before it attains its initial survival threshold. Then it has not yet generated enough external support to resist severe attacks.

Since most organizations have both functional and allocational rivals, the possibility that a bureau will be destroyed by its enemies is a real one. Its *functional* rivals are other agencies whose social functions are competitive with those of the bureau itself. Private power companies are competitive in this way with the Rural Electrification Administration. Its *allocational* rivals are other agencies who compete with it for resources, regardless of their functional relationships with it. In government, all bureaus supported by the same fund-raising agency (such as Congress) are allocationally competitive. In the private sector, allocational competition is usually indirect. The community fund, for example, competes with all forms of private expenditure for consumers' dollars. Thus the general scarcity of resources makes almost everyone an enemy of a new bureau unless it can demonstrate its usefulness to him. A bureau's infancy therefore nearly always involves a fight to gain resources in spite of this latent hostility.

If the new bureau has strong functional rivals, or if it is designed to regulate or inhibit the activities of powerful social agents, then it will be severely opposed from the start. These antagonists often seek to capture the new bureau's functions themselves, or suppress them altogether. Hence they try to block it from establishing a strong external power base. The bureau may have to fight strongly during its infancy to avoid being disbanded or swallowed by some larger existing bureau.

Some bureaus never succeed in reaching their initial survival threshold but may exist for years in a state of continuous jeopardy. An example is the Civilian Defense Agency, which has recently been swallowed by the Army. Such agencies have been unable to establish firm autonomy largely because they have no strong clientele with power in the U.S. political system. Their functions do not endow them with a host

of well-organized domestic beneficiaries, or a powerful set of suppliers with no alternative markets (such as the suppliers of the Department of Defense). Thus, the single most important determinant of whether a bureau can establish autonomy (and how fast it can do so) is the character of its power setting. If its suppliers or beneficiaries are strong and well organized in comparison with its rivals and sufferers, then it will probably quickly gain a clearly autonomous position.

The Dynamics of Growth

The Cumulative Effects of Growth or Decline The major causes of both growth and decline in bureaus are rooted in exogenous factors in their environment. As society develops over time, certain social functions grow in prominence and others decline. Bureaus are inevitably affected more strongly by these external developments than by any purely internal changes. However, the interplay between external and internal development tends to create certain cumulative effects of growth or decline. They occur because bureaus can experience significant changes in the character of their personnel in relatively short periods of time. In spite of the career nature of bureau employment, there is often a considerable turnover of personnel in specific bureaus. Also, growth that doubles or triples the size of a bureau in a short time can swiftly alter its whole structure and character.

1. Dominance in bureaus. A shift in only a small proportion of the officials in a bureau can have a profound effect upon its operations. If most of the officials occupying key positions in a bureau are of one type (that is, conservers, climbers, and so on), then the bureau and its behavior will be *dominated* by the traits typical of that type. This relatively small group of key officials can exercise dominance even if a majority of bureau members are of other types.

The possibility of a few men dominating the activities and "spirit" of a whole bureau arises because its hierarchical structure tends to concentrate power disproportionately at the top. In some situations, however, it is difficult to tell whether a bureau really is dominated by one type, or is staffed by such a mixture of officials that no one type is dominant.

2. *The growth accelerator effect.* Let us imagine a bureau in a state of “perfect equilibrium” with a zero growth rate over time. Suddenly its social function becomes much more important than it had been. As a result, the bureau’s sovereign and other agents in its environment direct it to expand its activities and staff rapidly, giving it the resources to do so. An example is NASA’s experience shortly after Sputnik I.

Any organization experiencing rapid overall growth provides many more opportunities for promotion in any given time period than a static one. New supervisory positions are created, thereby attracting new personnel who are interested in rapid promotion; that is, climbers. At the same time conservers will not be drawn to fast-growing bureaus, or may even be repelled by them, because rapid growth is normally accompanied by uncertainty, constant shuffling of organizational structure, and hard work.⁵ As a result, fast-growing bureaus will experience a rising proportion of climbers and a declining proportion of conservers. Moreover, this proportional increase in climbers will be larger in high-level positions than in the bureau as a whole. Climbers will rise faster because they deliberately pursue promotion more than others. They are much more innovation-prone than conservers, and the bureau needs innovators in order to carry out its newly expanded functions. Hence objective “natural selection” within the bureau, as well as the subjective selection caused by differences in personal motivation, will cause climbers to be selected for promotion faster than conservers. This means that the prominence of climbers (and other innovation-prone officials such as zealots and advocates) will increase in a fast-growing bureau, even if that bureau is initially dominated by conservers.

The bureau becomes continuously more willing and able to innovate and to expand its assigned social functions by inventing new ones or “capturing” those now performed by other less dynamic organizations. Such further expansion tends to open up even more opportunities for promotion. This in turn attracts more climbers, who make the bureau still more willing and able to innovate and expand, and so on. Rapid growth of a bureau’s social functions

thus leads to a cumulative change in the character of its personnel which tends to accelerate its rate of growth still further.

3. *Brakes on acceleration.* This growth acceleration soon runs into serious obstacles. First, even though the bureau’s original social function expanded greatly in relative importance, that function must still compete allocationally with others for social attention and resources. Therefore, as the accelerating bureau grows larger, it encounters more and more resistance to further relative growth of this function at the expense of other activities in society. This has certainly happened to NASA.

Second, the ever-expanding bureau soon engenders hostility and antagonism from functionally competitive bureaus. Its attempt to grow by taking over their functions is a direct threat to their autonomy. Hence the total amount of bureaucratic opposition to the expansion of any one bureau rises the more it tries to take over the functions of existing bureaus.

Third, the bureau encounters the difficulty of continuing to produce impressive results as its organization grows larger and more unwieldy. The bureau cannot generate external support (except among its suppliers) without producing services beneficial to someone outside its own members. Therefore, a bureau must periodically come up with impressive results if it wishes to sustain its growth. NASA’s staging of dramatic events at well-spaced intervals illustrates this concept. But as the bureau grows larger and takes on more functions, it often becomes increasingly difficult to produce such convincing results. Increased size and complexity cause greater difficulties of planning and coordination. Also, a higher proportion of the efforts of top echelon officials will be devoted to coordination and planning. This means that the best talent in the bureau will be diverted away from action into administration.

As the bureau gets larger, the average level of talent therein is likely to decline. This level may initially rise as ambitious and promotion-oriented climbers flow into it during the first phase of its fast growth. This is especially likely because of a certain “critical mass” effect. It is hard for a bureau to recruit one well-known

physicist when it has none; but once it has two or three, others are attracted by the chance to work with this distinguished team. Nevertheless, the tendency for average talent to rise with growth eventually reverses itself. Once the bureau has all the high-level talent it can command during its first stages of growth, it must satisfy itself with lesser talent as it grows even larger. True, if the bureau expands into entirely different fields, it can start all over again at the top of the talent list. Hence, this growth-braking effect is less serious if the bureau grows by taking on new or different functions than if it grows by performing one set of functions more intensively.

Fourth, conflicts among the climbers who flood into a fast-growing bureau provide an internal check. As the proportion of climbers rises, a higher proportion of their efforts is devoted to internal politics and rivalry rather than performance of their social functions. This also tends to reduce the bureau's ability to provide impressive demonstrations of its efficiency.

The declining ability to produce impressive results as the bureau grows larger may be offset for a time by increasing economies of scale. Such economies may enable the bureau to produce more outputs per unit of input, but they do not reduce the amount of external opposition generated by every attempt to expand the bureau's total inputs. Eventually these factors choke off accelerated (or perhaps all) growth. This prevents the bureau from expanding indefinitely once it has experienced an initial spurt of high-speed growth.

4. The decelerator effort. Whenever the relative growth rate of a bureau declines below the average for all bureaus, its personnel may change in ways almost exactly opposite to those that make up the growth accelerator. This *decelerator effect* is most likely to occur when the bureau is forced to reduce its total membership because of a sharp drop in the relative significance of its social function. Such a decline, stagnation, or just slower than average growth tends to reduce the opportunity for promotion within the bureau to a level below that prevailing in comparable organizations. This will usually serve notice for climbers to depart. However, not all climbers have skills that are

easily transferable to other organizations. Such transferability is an important factor determining the climber's mobility from bureau to bureau. Still, in most cases, many climbers will respond to a sharp decline in the bureau's growth rate by jumping to other bureaus. Also, those who have reached high positions in the bureau will lose hope of climbing much higher, and will tend to become conservers instead of climbers. Such changes reduce the proportion of climbers in the bureau and increase the proportion of conservers in key positions. As a result, the entire bureau will shift toward greater conserver dominance, thereby reducing its ability to innovate and the desire to expand its functions. Then, whenever opportunities for innovation of function-expansion do present themselves, the bureau will be less able, or willing, to take advantage of them. It may even lose functions to other more aggressive and innovation-prone bureaus. Thus, once a bureau starts to shrink, or even just experiences an abnormally slow growth rate over an extensive period, it sets in motion forces that tend to make it shrink even faster, or grow even more slowly.

However, this decelerator effect is not entirely symmetrical with the growth accelerator for the following reasons. First, the climbers who are left in the bureau will still tend to rise faster than nonclimbers. Second, the number of top jobs (which are soon occupied by climbers) will go up faster during acceleration periods than it goes down during deceleration periods. Third, since all types of officials, including conservers, resist shrinkage in their importance of resources, the resistance aroused by reductions in bureau size tends to be stronger than the enthusiasm caused by growth. Accelerators and decelerators cause more of a ratchet movement in the life of a single bureau than a smooth up-and-down curve.

These factors function as checks on the tendency of the decelerator to reduce the size of a bureau once it has stopped growing. The fact that reduction of a bureau's services below some minimal level will create strong protests from its direct beneficiaries serves as another check.

5. "Qualitative growth" without expansion.⁶ A logical deduction from our accelerator

and decelerator principles is that slow-growing or stable organizations of a certain type will generally be staffed by less talented personnel (in terms of innovation ability) than fast-growing organizations of the same type. However, this conclusion seems at variance with the experience of U.S. university faculties. In recent years, the fastest expansion in total faculty size has occurred at state-financed schools, yet nearly all measures of faculty quality show that the best-rated private universities have managed to maintain a higher caliber than their faster-growing state rivals. The reason for this is that these private universities have experienced rapid qualitative growth without quantitative expansion.

What really attracts climbers is not promotion *per se*, but increased power, income, and prestige. Normally, bureaus offer their members these perquisites primarily through promotion. They can usually promote many people rapidly only if fast growth creates more high-level positions. However, if the organization in essence promotes everyone simultaneously by increasing the power, income, and prestige of nearly all its members without growing larger, it can achieve the same effects. This is precisely what top-level private universities have accomplished. They have continued to offer both new recruits and existing faculty members higher salaries, more freedom from bureaucratic interference, and greater time for research than their state-financed rivals. Moreover, the extremely high turnover in most university faculties has made it possible to offer low-level members relatively rapid increases in rank without either expanding, forcibly ejecting present high-ranking members, or drastically increasing the ratio of high-ranking to low-ranking positions.

An organization can maintain high-quality personnel (in terms of innovation ability) even if it does not experience relatively rapid growth in size, so long as it experiences such growth in the incentives it offers its members. But this implies that it receives ever more resources from its environment for performing tasks requiring no more man-hours of input. This can happen only if the value of the members' outputs per man-hour of input rises sharply. Normally, such increased productivity occurs only when there is a dramatic increase in the relative social value

of the organization's function. Again, this is precisely what has been going on at top-level private universities. As the total number of students seeking higher education has shot upward, the demand for education at the best-rated schools has zoomed even faster. Moreover, an increased emphasis on basic research occurred at the same time, thanks to the impact of Sputnik I. Therefore, top-level private universities have been able both to raise their tuitions and to attract larger research grants. These added funds have made it possible for them to up-grade the incentives offered to their faculties without experiencing rapid growth in size.

6. Some effects of rapid growth in a fragmented bureaucracy carrying out a single function. The above discussion of universities illustrates the operation of *fragmentalized systems* of bureaus all carrying out the same functions. Some bureaus enjoy a relative monopoly of responsibility for social functions in a given area. Examples are the U.S. Post Office Department and the Soviet Army. Other bureaus are individual units in much larger fragmented systems of organizations serving a single major social function. Relatively pure examples are universities and churches. Less pure examples are elementary and high schools and local governments in metropolitan areas. They have a monopoly in a given area, but their clients can and do move in order to be within the jurisdiction of the particular bureau whose services they desire.

When there is a rapid growth in the relative social importance of the function served by such a system, the system as a whole normally expands to meet this increased demand. This can involve the addition of new bureaus to the system, the expansion of existing bureaus, or both. Under such conditions, the "laws" of acceleration and deceleration we have set forth above apply to the system as a whole rather than just to individual units therein. Thus, the great relative increase in demand for university faculty members has resulted in the attraction of many climbers into this field whose counterparts in former years went into business or other fields.

The "top" of the system to which climbers rise rapidly consists of positions that provide the highest levels of income, prestige, power,

and other perquisites. It is at least conceivable that these top positions may be disproportionately concentrated within a few bureaus. This is particularly likely if the demand for the highest quality of service provided by the system has risen even faster than the demand for its service as a whole. In such a case, the particular bureaus providing the highest quality of service may be able to increase their incomes (by getting more appropriations, more donations, and higher prices) faster than the system as a whole. Then they can offer their members a more rapid upgrading of incentives than the rest of the system. As a result, the most ambitious climbers will gravitate to these top-ranking bureaus, even if they do not individually expand in size. In fact, by deliberately refusing to expand, these bureaus can avoid the dilution of these top-quality personnel with the less-talented people necessary to staff rapid quantitative growth. This will reinforce their reputations for high quality, and thereby attract even higher demand for their services.

This is approximately what has happened among universities. The situation is complicated by the fact that universities depend significantly upon voluntary quid pro quo transactions for their incomes, and are therefore only quasi-bureaucratic in terms of our definition. However, the foregoing analysis illustrates that the basic conclusions made here about bureaus apply to those in fragmentalized systems too, but must sometimes be considered applicable to the system as a whole rather than individual bureaus therein.

Why Bureaus Seek to Expand C. Northcote Parkinson's famous first law states that, "Work expands so as to fill the time available for its completion."⁷ Its major corollary further adds that, "In any public administrative department not actually at war, the staff increase . . . will invariably prove to be between 5.17 per cent and 6.56 per cent (per year), irrespective of any variation in the amount of work (if any) to be done."⁸ These humorous views express a widely prevalent notion that bureaus have an inherent tendency to expand, regardless of whether or not there is any genuine need for more of their services. In fact, all organizations have inherent tendencies to expand. What sets bureaus apart is

that they do not have as many restraints upon expansion, nor do their restraints function as automatically.

The major reasons why bureaus inherently seek to expand are as follows:

- An organization that is rapidly expanding can attract more capable personnel, and more easily retain its most capable existing personnel, than can one that is expanding very slowly, stagnating, or shrinking. This principle was examined in the preceding section.
- The expansion of any organization normally provides its leaders with increased power, income, and prestige; hence they encourage its growth. Conservers are the only exception, for they place little value on gaining more status for themselves.⁹ This principle does not imply that larger organizations necessarily have more power or prestige than smaller ones. Rather, it implies that the leaders of any given organization can normally increase their power, income, and prestige by causing their organization to grow larger.
- Growth tends to reduce internal conflicts in an organization by allowing some (or all) of its members to increase their personal status without lowering that of others. Therefore, organizational leaders encourage expansion to maximize morale and minimize internal conflicts. Every bureau's environment changes constantly, thereby shifting the relative importance of the social functions performed by its various parts, and the resources appropriate to each part. Such shifts will be resisted by the sections losing resources. But these dissensions can be reduced if some sections are given more resources without any losses being experienced by others.
- Increasing the size of an organization may also improve the quality of its performance (per unit of output) and its chances for survival. Hence both loyalty and self-interest can encourage officials to promote organizational growth. As William H. Starbuck has pointed out in his analysis of organizational growth, there may be significant operational

advantages to being a very large organization.¹⁰ Among these are the following:

- The organization may achieve economies of scale through greater specialization, ability to use up excess capacities, and reduction of stochastic errors through increasing sample sizes.
- Large organizations have a better chance of survival than small ones.
- Large organizations are harder to change than small ones (because they embody greater sunk costs); so they tend to be more resistant to external pressures. They also spend more on research and development (both in total and per employee), hence they can better develop new techniques useful in augmenting their power.
- Very large organizations can impose a certain degree of stability upon their external environment, whereas smaller ones cannot. Increased environmental stability reduces uncertainty and anxiety and solidifies the control of high-ranking officials.
- Finally because there is no inherent quid pro quo in bureau activity enabling officials to weigh the marginal return from further spending against its marginal cost, the incentive structure facing most officials provides much greater rewards for increasing expenditures than for reducing them. Hence officials are encouraged to expand their organization through greater spending. . . . Unlike the other sources of growth-pressure described above, this one is not found in most market-oriented organizations.

The Effects of Age upon Bureaus Bureaus, like men, change in predictable ways as they grow older. Following are the most important such changes, and their effects.

Bureaus learn to perform given tasks better with experience. Given the initial level of resources allocated to the bureau, this increased efficiency in effect allows the bureau to generate additional productive capacity just by growing older, without any added input of resources. The added capacity can be utilized by producing more of the same services, by absorbing the

new capacity as organizational slack, or by devoting it to creating new functions or seeking to “capture” existing ones from other bureaus. Another possibility—cutting inputs—is unlikely, since all officials avoid reducing the resources under their control. It must be remembered that when a new process is undertaken, learning at first produces great economies, but the “learning curve” soon tends to flatten out.

As bureaus grow older, they tend to develop more formalized rule systems covering more and more of the possible situations they are likely to encounter. The passage of time exposes the bureau to a wide variety of situations, and it learns how to deal with most of them more effectively than it did in its youth. The desire for organizational memory of this experience causes the bureau’s officials to develop more and more elaborate rules. These rules have three main effects. First, they markedly improve the performance of the bureau regarding situations previously encountered, and make the behavior of each of its parts both more stable and more predictable to its other parts. Second, they tend to divert the attention of officials from achieving the social functions of the bureau to conforming to its rules—the “goal displacement” described by sociologists. Third, they increase the bureau’s structural complexity, which in turn strengthens its inertia because of greater sunk costs in current procedures. The resulting resistance to change further reduces the bureau’s ability to adjust to new circumstances. Consequently, older bureaus tend to be more stable and less flexible than young ones.

As a bureau grows older, its officials tend to shift the emphasis of their goals from carrying out the bureau’s social functions to insuring its survival and growth as an autonomous institution. When a bureau is first created, it is usually dominated by zealots or strong advocates who focus their attention upon accomplishing its social functions. As it grows older, its rules and administrative machinery become more complex and more extensive, demanding more attention from top officials. The conservers in the bureau tend to become more important because they are oriented toward preserving rules. Zealots become less important, because they are uninterested in administration and poor at allocating resources impartially.

As a bureau ages, its officials become more willing to modify the bureau's original formal goals in order to further the survival and growth of its administrative machinery.¹¹ This shift of emphasis is encouraged by the creation of career commitments among a bureau's more senior officials (in terms of service). The longer they have worked for the bureau, the more they wish to avoid the costs of finding a new job, losing rank and seniority, and fitting themselves into a new informal structure. Hence they would rather alter the bureau's formal goals than admit that their jobs should be abolished because the original goals have been attained or are no longer important.

As a bureau grows older, the number and proportion of administrative officials therein tends to rise. This tendency has been demonstrated by Starbuck in his analysis of the effects of longevity upon bureaus.¹² The main reasons why this shift to administration occurs as a function of age rather than size are as follows. First, administrators tend to have more job security and stability than production workers, partly because administrators are usually more senior in rank. Therefore, whenever attrition in personnel occurs, non-administrative officials are normally discharged first. The longer a bureau has survived, the more likely it is to have lived through a number of such shrinkages in the past. Second, the older a bureau is, the more different types of functions it is likely to carry out. As a result, a higher proportion of the bureau's personnel must be engaged in coordination. Third, until recent developments in the technology of business machines, production jobs were historically subject to a greater mechanization than administrative jobs. The older a bureau is, the more time it has been exposed to these effects of technical change.

If a bureau experiences a period of relative stability in total size following a period of rapid growth, the average age of its members tends to rise as the bureau grows older. This tends to increase the influence of conservers in the bureau, for many officials of other types are likely to become conservers as they grow older. The next section of this chapter discusses this in detail.

These effects of age upon a bureau lead to the Law of Increasing Conservatism: *All*

organizations tend to become more conservative as they get older, unless they experience periods of very rapid growth or internal turnover. This principle is especially applicable to bureaus because they are relatively insulated from competition.

From this Law and the other effects of age examined, we can draw the following additional conclusions:

- The older a bureau is, the less likely it is to die. This is true because its leaders become more willing to shift major purposes in order to keep the bureau alive.
- The best time to "kill" a bureau is as soon as possible after it comes into existence.
- In general, the older a bureau is, the broader the scope of the social functions it serves. If a bureau is relatively long-lived, it has usually survived sizable fluctuations in the importance of its various social functions. Its initial functions declined in relative importance, pressuring its leaders to take on new functions. However, it probably did not relinquish its original ones. Therefore, as time passes, bureaus, like private firms, tend to diversify to protect themselves from fluctuations in demand.

The "Age Lump" Phenomenon and Its Effects One of the effects of increasing age upon a bureau is the tendency of the average age of the bureau's members to rise. Earlier, this chapter showed that almost every bureau goes through a period of rapid growth right before it reaches its initial survival threshold. During this period, it usually contains a high proportion of zealots (because they established it) and climbers (because they are attracted by fast growth). These people, moreover, tend to be relatively young, for youthful officials are more optimistic and full of initiative than older ones.

Soon after this initial spurt, the growth rate slows down, and the bureau is likely to enter a "growth plateau." This means that a high proportion of its total membership consists of the persons who joined it during the fast-growth period (unless it has a very high turnover). This group constitutes a "lump" of

personnel, all about the same age. As they grow older, the average age of the bureau's members rises too, since they form such a large fraction of its total membership. This creates the following significant effects:

- There is a squeeze on the members of the age lump regarding promotions because so many of them attain the necessary qualifications all at once. Not all who are objectively suitable for promotion to the few high-level posts can be shifted upwards. Hence relatively low-level jobs continue to be occupied by very senior people.
 - A high proportion of the bureau's membership tends to be changed into conservers because of increasing age and the frustration of ambitions for promotion. In any organization, officials tend to become conservers as they get older if they are not in the mainstream of promotion to the top. Hence the whole bureau tends to become more conserver-dominated as members of this lump become older.
 - The squeeze on promotions tends to drive many climbers out of the organization into faster-growing organizations (if any alternatives are available). The proportion of conservers in the bureau tends to rise for this reason too. The most talented officials are the most likely to leave, since they naturally have more opportunities elsewhere. The bureau, therefore, becomes evermore dominated by mediocrity, unless there are really no alternative organizations to join (for example, the Russian Communist Party has no competitors within Russia).
 - Up to the period just before most members of the age lump retire, it will be very difficult to attract able young people into the bureau. Climbers will be discouraged from joining because they see that the road upward is already clogged. Zealots will be discouraged by the conserver-domination of the bureau. However, when the main portions of the age lump are about to retire, the prospects of so many top-level jobs being suddenly vacated may attract both climbers and zealots.
- The bureau will experience a crisis of continuity when the age lump arrives at the normal retirement age. Almost all of the upper echelons will suddenly be vacated by members of the group that will have dominated the bureau's policies for many years. As a result, the bureau will go through a time of troubles as its remaining members struggle for control over its policies and resources.
 - Many of these rather unfavorable consequences of age lumps can be offset by the following events:
 - Additional spurts of rapid growth, which produce multiple age lumps within the bureau.
 - Speeded-up retirement of bureau members who are not promoted. The U.S. Armed Forces used some version of this up-or-out system to counteract the lumps in their age structures resulting from World War II.
 - Purges of upper level officials.
 - Survival of the bureau over such a long period that the original age lump tends to be replaced by a more even age distribution.
 - Because growth in many bureaus normally occurs in uneven spurts rather than at a steady pace, age lumps and their consequences are widespread phenomena.

The Death of Bureaus The ability of bureaus to outlive their real usefulness is part of the mythology of bureaucracy. Our theory supplies several reasons why bureaus—particularly government bureaus—rarely disappear once they have passed their initial survival thresholds.

Normally, organizations die because they fail to perform social functions of enough importance to make their members or clientele willing to sacrifice the resources necessary to maintain those functions. Such an inability can occur for three reasons: the specific functions performed by the organization decline in relative importance; the functions remain important but the organization is unable to perform them efficiently; or the functions remain important but some other organization performs them better. When the demise of a bureau

is caused by the first two of these conditions, the bureau tends to disappear altogether. However, when its death is caused by the capture of its functions by another organization, the bureau's members are sometimes transferred to the other organization. In such cases, the bureau is swallowed and continues to live after a fashion.

There are several reasons why bureaus are unlikely to die once they have become firmly established:

- Bureaus are often willing to shift functions in order to survive; hence the relative decline of their initial social functions will not kill them if they are agile enough to undertake new and more viable functions before it is too late.
- The nature of bureaus leads their clients to create pressure to maintain them after their usefulness no longer justifies their costs. A bureau's clients normally receive its services without making full (or any) direct payments for them. These clients, therefore, pressure the central allocation agency to continue the bureau's services, even if they would be unwilling to pay for those services directly if they had to bear their full costs.
- A few of the clients or suppliers of nearly every bureau receive such large and irreplaceable net benefits from the bureau's services that they will continue to demand those services even if the marginal benefits thereof have declined below the marginal cost for most clients. Government bureaus are especially likely to have such zealous clients, since they usually perform services that cannot be duplicated by private agents acting alone. Defense contractors, for example, are unlikely to find any private buyers for missiles or space vehicles.
- The absence of any explicit quid pro quo relationship between bureau costs and benefits tends to conceal situations in which the costs of maintaining the bureau outweigh its benefits. This often allows the natural proclivity of any organization's members to keep the organization alive to function successfully even when the bureau really "ought" to die.
- Bureaus tend to be less willing to engage in all-out conflicts with each other than private profit-making firms; hence they are less likely to kill each other. Private firms are more willing to engage in struggles to the death than bureaus for two main reasons. First, in freely competitive markets containing a large number of small firms, intense competition is relatively impersonal and is a prerequisite to survival. In contrast, when one bureau "invades" the territory of another, this is a deliberate act aimed at a specific opponent. In essence, bureaus resemble large oligopolistic firms. Like such firms, they try to avoid all-out wars because they are too costly to all involved. Second, if two or more bureaus engage in a "war" concerning control over certain social functions, they inevitably attract the attention of the government's central allocation agencies (both executive and legislative). This is extremely hazardous because the bureau's opponents are sure to call attention to some of its major shortcomings. Moreover, top officials in every bureau fear any detailed investigation, since it is almost certain to uncover embarrassing actions.
- Experience shows that the "death rate" among both bureaus and large oligopolistic firms is extremely low. This demonstrates that the single most important reason why bureaus so rarely die is that they are large, and all large organizations have high survival rates. Large organizations can withstand greater absolute fluctuations in available resources than small ones, and they also enjoy certain other advantages set forth earlier in this chapter. Hence size, rather than type of function, is the number one determinant of survival. Since all bureaus are large by definition, and the vast majority of business firms are small, direct comparisons of the overall death rates among bureaus and private firms are bound to be misleading.
- Even if a bureau cannot muster sufficient external support to continue as an autonomous agency, it might survive by getting some other aggrandizing bureau to swallow it.

- Despite the low death rate of bureaus within their own cultures, very few bureaus—or organizations of any kind—have managed to survive for really long periods of time, that is, hundreds of years. Most government bureaus disappear when the particular government that created them is replaced as did Roman bureaus. Similarly, private bureaus do not usually outlive the cultures that spawn them. Churches and universities seem to be the hardiest species, as the Roman Catholic Church and Oxford University illustrate.
4. Ibid., p. 158.
 5. Of course, if there is a great deal of unemployment, all types of officials who do not have jobs may be drawn to an expanding bureau.
 6. I am indebted to Professor George Stigler of the University of Chicago for raising the problem of university faculties, and thereby stimulating the development of this section.
 7. C. Northcote Parkinson, *Parkinson's Law and Other Studies in Administration* (Boston: Houghton Mifflin, 1962), p. 2.
 8. Ibid., p. 12.
 9. This inherent cause of bureau growth is essentially identical to William J. Baumol's argument that the managers of profit-making corporations try to maximize sales within a minimum-profit constraint. See William J. Baumol, "On the Theory of Expansion of the Firm," *American Economic Review* 52 (December 1962): 1078–1087.
 10. William H. Starbuck, "Organizational Growth and Development," in *Handbook of Organizations*, ed. J. G. March (Chicago: Rand McNally, 1964).
 11. Ibid., p. 303.
 12. Ibid., pp. 366–376.

NOTES

1. Max Weber, *The Theory of Social and Economic Organization*, trans. A. M. Henderson and Talcott Parsons (New York: Free Press of Glencoe, 1947), p. 363 ff.
2. For an account of the origin of the Commodity Credit Corporation, see Arthur M. Schlesinger Jr., *The Coming of the New Deal* (Boston: Houghton Mifflin, 1959), pp. 61–67.
3. Peter B. Clark and James Q. Wilson, "Incentive Systems: A Theory of Organizations," *Administrative Science Quarterly* (September 1961), p. 157.

Rescuing Policy Analysis from PPBS

Aaron Wildavsky

Everyone knows that the nation needs better policy analysis. Each area one investigates shows how little is known compared to what is necessary in order to devise adequate policies. In some organizations there are no ways at all of determining the effectiveness of existing programs; organizational survival must be the sole criterion of merit. It is often not possible to determine whether the simplest objectives have been met. If there is a demand for information the cry goes out that what the organization does cannot be measured. Should anyone attempt to tie the organization down to any measure of productivity, the claim is made that there is no truth in numbers. Oftentimes this is another way of saying, "Mind your own business." Sometimes the line taken is that the work is so subtle that it resists any tests. On other occasions the point is made that only those learned in esoteric arts can properly understand what the organization does, and they can barely communicate to the uninitiated. There are men so convinced of the ultimate righteousness of their cause that they cannot imagine why anyone would wish to know how well they are doing in handling our common difficulties. Their activities are literally priceless; vulgar notions of cost and benefit do not apply to them.

Anyone who has weathered this routine comes to value policy analysis. The very idea that there should be some identifiable objectives and that attention should be paid to

whether these are achieved seems a great step forward. Devising alternative ways of handling problems and considering the future costs of each solution appear creative in comparison to more haphazard approaches. Yet policy analysis with its emphasis upon originality, imagination, and foresight, cannot be simply described. It is equivalent to what Robert N. Anthony has called strategic planning: "... the process of deciding on objectives of the organization, on changes in these objectives, on the resources used to attain these objectives. . . . It connotes big plans, important plans, plans with major consequences."¹ While policy analysis is similar to a broadly conceived version of systems analysis,² Yehzekel Dror has pointed up the boundaries that separate a narrow study from one with larger policy concerns. In policy analysis,

1. Much attention would be paid to the political aspects of public decision-making and public policy-making (instead of ignoring or condescendingly regarding political aspects). . . .
2. A broad conception of decision-making and policy-making would be involved (instead of viewing all decision-making as mainly a resources allocation). . . .
3. A main emphasis would be on creativity and search for new policy alternatives, with explicit attention to encouragement of innovative thinking. . . .
4. There would be extensive reliance on . . . qualitative methods. . . .
5. There would be much more emphasis on futuristic thinking. . . .
6. The approach would be looser and less rigid, but nevertheless systematic, one which would recognize the complexity of means ends interdependence, the multiplicity of relevant criteria of decision, and the partial and tentative nature of every analysis. . . .³

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Policy analysis aims at providing information that contributes to making an agency politically and socially relevant. Policies are goals, objectives, and missions that guide the agency. Analysis evaluates and sifts alternative means and ends in the elusive pursuit of policy recommendations. By getting out of the firehouse environment of day-to-day administration, policy analysis seeks knowledge and opportunities for coping with an uncertain future. Because policy analysis is not concerned with projecting the status quo, but with tracing out the consequences of innovative ideas, it is a variant of planning. Complementing the agency's decision process, policy analysis is a tool of social change.

In view of its concern with creativity, it is not surprising that policy analysis is still largely an art form; there are no precise rules about how to do it. The policy analyst seeks to reduce obscurantism by being explicit about problems and solutions, resources and results. The purpose of policy analysis is not to eliminate advocacy but to raise the level of argument among contending interests. If poor people want greater benefits from the government, the answer to their problems may not lie initially in policy analysis but in political organization. Once they have organized themselves, they may want to undertake policy analysis in order to crystallize their own objectives or merely to compete with the analyses put forth by others. The end result, hopefully, would be a higher quality debate and perhaps eventually public choice among better known alternatives.

A belief in the desirability of policy analysis—the sustained application of intelligence and knowledge to social problems—is not enough to insure its success, no more than to want to do good is sufficient to accomplish noble purposes. If grandiose claims are made, if heavy burdens are placed on officials without adequate compensation, if the needs of agency heads are given scant consideration, they will not desire policy analysis. It is clear that those who introduced the PPB system into the federal government in one fell swoop did not undertake a policy analysis on how to introduce policy analysis into the federal government.

In a paper called “The Political Economy of Efficiency”⁴ written just as PPBS was begun in

national government, I argued that it would run up against serious difficulties. There is still no reason to change a single word of what I said then. Indeed, its difficulties have been so overwhelming that there is grave danger that policy analysis will be rejected along with its particular manifestation in PPBS. In this essay I shall assess the damage that the planning-programming-budgeting system has done to the prospects of encouraging policy analysis in American national government. Then I would like to suggest some ways of enabling policy analysis to thrive and prosper.

Why Defense Was a Bad Model

A quick way of seeing what went wrong with PPBS is to examine the preconditions for the use of this approach in the Defense Department, from which it was exported throughout the federal government. The immediate origins of PPBS are to be found in the RAND Corporation,⁵ where, after the Second World War, a talented group of analysts devoted years of effort to understanding problems of defense policy. It took five years to come up with the first useful ideas. Thus the first requisite of program budgeting in Defense was a small group of talented people who had spent years developing insights into the special problems of defense strategy and logistics. The second requisite was a common terminology, an ad hoc collection of analytical approaches, and the beginnings of theoretical statements to guide policy analysis. When Secretary of Defense Robert McNamara came into office, he did not have to search for men of talent nor did he have to wait for a body of knowledge to be created. These requisites already existed in some degree. What was further necessary was his ability to understand and to use analytical studies. Thus the third requisite of program budgeting is top leadership that understands policy analysis and is determined to get it and make use of it.

The fourth requisite was the existence of planning and planners. Planning was well accepted at the various levels of the Defense Department with the variety of joint service plans, long-range requirement plans, logistical plans, and more. Military and civilians believed in planning, in coping with uncertainty and in

specifying some consequences of policy decisions. The problem as the originator of PPBS saw it was to introduce cost considerations into planning; they wanted to stop blue-sky planning and to integrate planning and budgeting. They wanted to use the program budget to bridge the gap between military planners, who cared about requirements but not about resources, and budget people, who were narrowly concerned with financial costs but not necessarily with effective policies.

Policy analysis is expensive in terms of time, talent, and money. It requires a high degree of creativity in order to imagine new policies and to test them out without requiring actual experience. Policy analysis calls for the creation of systems in which elements are linked to one another and to operational indicators so that costs and effectiveness of alternatives may be systematically compared. There is no way of knowing in advance whether the analysis will prove intellectually satisfying and politically feasible. Policy analysis is facilitated when: (a) goals are easily specified, (b) a large margin of error is allowable, and (c) the cost of the contemplated policy makes large expenditures on analysis worthwhile. That part of defense policy dealing with choices among alternative weapons systems was ideally suited for policy analysis. Since the cost of intercontinental missiles or other weapons systems ran into the billions of dollars, it was easy to justify spending millions on analysis.⁶ The potential effectiveness of weapons like intercontinental missiles could be contemplated so long as one was willing to accept large margins of error. It is not unusual for analysts to assume extreme cases of damage and vulnerability in a context in which the desire for reducing risk is very great. Hence a goal like assuring sufficient destructive power such that no enemy strike could prevent devastation of one's country may be fuzzy without being unusable. If one accepts a procedure of imagining that possible enemies were to throw three times as much megatonnage as intelligence estimates suggest they have, he need not be overly troubled by doubts about the underlying theory. If one is willing to pay the cost of compensating against the worst, lack of knowledge will not matter so much. The point is not that this is an undesirable analytic procedure,

quite the contrary, but the extreme cases were allowed to determine the outcomes.

Inertia The introduction of new procedures that result in new policies is not easy. Inertia is always a problem. Members of the organization and its clientele groups have vested interests in the policies of the past. Efforts at persuasion must be huge and persistent. But there are conditions that facilitate change. One of these is a rising level of appropriations. If change means that things must be taken away from people in the organization without giving them anything in return, greater resistance may be expected. The ability to replace old rewards with larger new ones helps reduce resistance to change. The fact that defense appropriations were increasing at a fast rate made life much easier for Mr. McNamara. The expected objections of clientele groups, for example, were muted by the fact that defense contractors had lots of work, even if it was not exactly what they expected. Rapid organizational growth may also improve the possibilities for change. The sheer increase in organizational size means that many new people can be hired who are not tied to the old ways. And speedy promotion may help convince members that the recommended changes are desirable.

The deeper change goes into the bowels of the organization, the more difficult it is to achieve. The more change can be limited to central management, the greater the possibility for carrying it out. The changes introduced in the Defense Department did not, for the most part, require acceptance at the lower levels. Consider a proposed change in the organization of fighting units that would drastically reduce the traditional heavy support facilities for ground forces. Such a change is not easily manipulated from Washington. But the choice of one weapons system over another is much more amenable to central control. The kinds of problems for which program budgeting was most useful also turned out to be problems that could be dealt with largely at the top of the organization. The program budget group that McNamara established had to fight with generals in Washington but not with master sergeants in supply. Anyone who knows the Army knows what battle they would rather be engaged in fighting.

The ability of an organization to secure rapid change depends, of course, on the degree of its autonomy from the environment. I have argued elsewhere⁷ that the President of the United States has much more control over America's foreign policy than over its domestic policy. In almost any area of domestic policy there is a well-entrenched structure of interests. In foreign and defense policy, excluding such essentially internal concerns as the National Guard, the territory within the American political system is not nearly so well defended; there are far fewer political fortifications, mines, and booby-traps.

Personnel Experienced personnel may be a barrier to change. They know something about the consequences of what they are doing. They may have tried a variety of alternatives and can point to reasons why each one will not work. If I may recall my low-level Army experience (I entered as a private first class and was never once demoted), the usual reply to a question about the efficacy of present practice was, "Have you ever been in combat, son?" But the most dramatic changes introduced in the Pentagon had to do with questions of avoiding or limiting nuclear war, in which no one had a claim to experience and in which the basic purpose of analysis is to make certain that we do not have to learn from experience. If the system fails, the game is over. And since McNamara's men possessed a body of doctrines on defense policy, they had an enormous advantage over regular military who were for a long time unable to defend themselves properly in the new field.⁸

The new policy analysts did not accept the currency of military experience. In their view, naked judgment was not a satisfactory answer to why a policy should be adopted. The Army might know the fire-power of an infantry division, but the fire-power was not "effectiveness." Competition among the services for appropriations, however, was favorable to PPBS. There was a defense budget that covered virtually all of the Department's subject matter. There were defense missions in which trade-offs could be made between the services. Resources could actually be diverted if the analysis "proved" a

particular service was right. Programs could easily be developed because of the facile identification of program with weapons systems and force units. Once the military learned the jargon, they were willing to play the game for an extra division or carrier. So long as dollar losses in one program were more than made up by gains in another, the pain of policy analysis was considerably eased.

The favorable conditions for the limited use of program budgeting in the Department of Defense do not exist in most domestic agencies. There are no large groups of talented policy analysts expert in agency problems outside of the federal government. These nonexistent men cannot, therefore, be made available to the agencies. (The time has passed when eighth-rate systems engineers in aerospace industries are expected to solve basic social problems overnight.) Most agencies had few planners and even less experience in planning. There is no body of knowledge waiting to be applied to policy areas such as welfare and crime. A basic reason for wanting more policy analysis is to help create knowledge where little now exists. There are only a few agencies in which top managers want systematic policy analysis and are able to understand quantitative studies. Goals are not easily specified for most domestic agencies. Nor do they usually have handy equivalents for programs like expensive weapons systems. What Thomas Schelling has so pungently observed about the Department of State—it does not control a large part of the budget devoted to foreign policy—is true for the domestic departments and their lack of coverage as well.⁹

Except for a few individual programs like the proposals for income supplements or assessing the desirability of a supersonic transport, the cost of most domestic policies does not rise into the billions of dollars. Congress and interested publics are not disposed to allow large margins of error. Instead of increasing, the availability of federal funds began declining soon after the introduction of program budgeting. A higher level of conflict was inevitable, especially since the acceptance of proposed changes required the acquiescence of all sorts of people and institutions in the far-flung reaches of the agencies. Social workers, city officials,

police chiefs, welfare mothers, field officers, and numerous others were involved in the policies. Program budgeting on the domestic side takes place in a context in which there is both less autonomy from the environment and a great deal more first-hand experience by subordinates. On these grounds alone no one should have been surprised that program budgeting in the domestic agencies did not proceed as rapidly or with as much ostensible success as in the Defense Department.¹⁰

No One Can Do PPBS

In past writings I argued that program budgeting would run up against severe political difficulties. While most of these arguments have been conceded, I have been told that in a better world, without the vulgar intrusion of political factors (such as the consent of the governed), PPBS would perform its wonders as advertised. Now it is clear that for the narrow purpose of predicting why program budgeting would not work there was no need to mention political problems at all. It would have been sufficient to say that the wholesale introduction of PPBS presented insuperable difficulties of calculation. All the obstacles previously mentioned, such as lack of talent, theory, and data, may be summed up in a single statement: *no one knows how to do program budgeting*. Another way of putting it would be to say that many know what program budgeting should be like in general, but no one knows what it should be in any particular case. Program budgeting cannot be stated in operational terms. There is no agreement on what the words mean, let alone an ability to show another person what should be done. The reason for the difficulty is that telling an agency to adopt program budgeting means telling it to find better policies and there is no formula for doing that. One can (and should) talk about measuring effectiveness, estimating costs, and comparing alternatives, but that is a far cry from being able to take the creative leap of formulating a better policy.

Pattern of Events On the basis of numerous discussions with would-be practitioners of program budgeting at the federal level, I think

I can describe the usual pattern of events. The instructions come down from the Bureau of Budget. You must have a program budget. Agency personnel hit the panic button. They just do not know how to do what they have been asked to do. They turn, if they can, to the pitifully small band of refugees from the Pentagon who have come to light the way. But these defense intellectuals do not know much about the policy area in which they are working. That takes time. Yet something must quickly come out of all this. So they produce a vast amount of inchoate information characterized by premature quantification of irrelevant items. Neither the agency head nor the examiners in the Bureau of the Budget can comprehend the material submitted to them. Its very bulk inhibits understanding. It is useless to the Director of the Budget in making his decisions. In an effort to be helpful, the program analysis unit at the Budget Bureau says something like, "Nice try, fellows; we appreciate all that effort. But you have not quite got the idea of program budgeting yet. Remember, you must clarify goals, define objectives, relate these to quantitative indicators, project costs into the future. Please send a new submission based on this understanding."

Another furious effort takes place. They do it in Defense, so it must be possible. Incredible amounts of overtime are put in. Ultimately, under severe time pressure, even more data is accumulated. No one will be able to say that agency personnel did not try hard. The new presentation makes a little more sense to some people and a little less to others. It just does not hang together as a presentation of agency policies. There are more encouraging words from the Budget Bureau and another sermon about specifying alternative ways of meeting agency objectives, though not, of course, taking the old objectives for granted. By this time agency personnel are desperate. "We would love to do it," they say, "but we cannot figure out the right way. You experts in the Budget Bureau should show us how to do it." Silence. The word from on high is that the Bureau of the Budget does not interfere with agency operations; it is the agency's task to set up its own budget. After a while, cynicism reigns supreme.

PPBS must be tremendously inefficient. It resembles nothing so much as a Rube Goldberg apparatus in which the operations performed bear little relation to the output achieved. The data inputs into PPBS are huge and its policy output is tiny. All over the federal government the story is the same; if you ask what good has PPBS done, those who have something favorable to say invariably cite the same one or two policy analyses. At one time I began to wonder if the oil shale study¹¹ in the Interior Department and the maternal and child health care program¹² in Health, Education, and Welfare were all that had ever come out of the programming effort.

The orders to expand PPBS did not say, “Let us do more policy analysis than we have in the past.” What it said was, “Let us make believe we can do policy analysis on everything.” Instead of focusing attention on areas of policy amenable to study, the PPBS apparatus requires information on *all* agency policies.

Program Structure The fixation on program structure is the most pernicious aspect of PPBS. Once PPBS is adopted, it becomes necessary to have a program structure that provides a complete list of organization objectives and supplies information on the attainment of each one. In the absence of analytic studies for all or even a large part of an agency’s operations, the structure turns out to be a sham that piles up meaningless data under vague categories.¹³ It hides rather than clarifies. It suggests comparisons among categories for which there is no factual or analytical basis. Examination of a department’s program structure convinces everyone acquainted with it that policy analysis is just another bad way of masquerading behind old confusions. A mere recitation of some program categories from the Department of Agriculture—Communities of Tomorrow, Science in the Service of Man, Expanding Dimensions for Living—makes the point better than any comment.

Even if the agency head does understand a data-reduction-summarization of the program budget, he still cannot use the structure to make decisions, because it is too hard to adjust the elaborate apparatus. Although the system dredges up information under numerous

headings, it says next to nothing about the impact of one program on another. There is data but no causal analysis. Hence the agency head is at once over-supplied with masses of numbers and undersupplied with propositions about the impact of any action he might undertake. He cannot tell, because no one knows, what the marginal change he is considering would mean for the rest of his operation. Incremental changes at the Bureau of the Budget at the agency level are made in terms of the old budget categories. Since the program structure is meant to be part of the budget, however, it must be taken as a statement of current policy and it necessarily emerges as a product of organizational compromise. The program structure, therefore, does not embody a focus on central policy concerns. More likely, it is a haphazard arrangement that reflects the desire to manipulate external support and to pursue internal power aspirations. Being neither program nor budget, program structure is useless. It is the Potemkin Village of modern administration. The fact that generating bits of random data for the program structure takes valuable time away from more constructive concerns also harms policy analysis. The whole point of policy analysis is to show that what had been done intuitively in the past may be done better through sustained application of intelligence. The adoption of meaningless program structures, and their pervasion into slogans for supporting existing policies, does not—to say the least—advance the cause of policy analysis.

Gorham Testimony I do not mean to suggest that the introduction of PPBS has not led to some accomplishments. Before we consider the significance of these accomplishments, however, it is essential that we understand what PPBS has manifestly *not* done. One could hardly have better witness on this subject than William Gorham, formerly Assistant Secretary (Program Coordination), Department of Health, Education, and Welfare, and now head of the Urban Institute, who is widely acknowledged to be an outstanding practitioner of program budgeting.

At the highest level of generality, it is clear that PPBS does not help in making choices between vast national goals such as health and

defense, nor is PPBS useful in making trade-offs between more closely related areas of policy such as health, education, and welfare. In his testimony before the Joint Economic Committee, Gorham put the matter bluntly:

Let me hasten to point out that we have not attempted any grandiose cost-benefit analysis designed to reveal whether the total benefits from an additional million dollars spent on health programs would be higher or lower than that from an additional million spent on education or welfare. If I was ever naive enough to think this sort of analysis possible, I no longer am. The benefits of health, education, and welfare programs are diverse and often intangible. They affect different age groups and different regions of the population over different periods of time. No amount of analysis is going to tell us whether the Nation benefits more from sending a slum child to pre-school, providing medical care to an old man or enabling a disabled housewife to resume her normal activities. The “grand decisions”—how much health, how much education, how much welfare, and which groups in the population shall benefit—are questions of value judgments and politics. The analyst cannot make much contribution to their resolution.¹⁴

It turns out that it is extremely difficult to get consensus on goals within a single area of policy. As a result, the policy analysts attempt to find objectives that are more clearly operational and more widely acceptable. Gorham speaks with the voice of experience when he says:

Let me give you an example. Education. What we want our kids to be as a result of going to school is the level of objective which is the proper and the broadest one. But we want our children to be different sorts of people. We want them to be capable of different sorts of things. We have, in other words, a plurality of opinions about what we want our schools to turn out. So you drop down a level and you talk about objectives in terms of educational attainment—years of school completed and certain objective measures of quality. Here you move in

education from sort of fuzzy objectives, but very important, about what it is that you want the schools to be doing, to the more concrete, less controversial, more easily to get agreed upon objectives having to do with such things as educational attainment, percentage of children going to college, etc.

I think the same thing is true in health and in social services, that at the very highest level objective, where in theory you would really like to say something, the difficulty of getting and finding a national consensus is so great that you drop down to something which is more easily and readily accepted as objectives.¹⁵

What can actually be done, according to Gorham, are analytic studies of narrowly defined areas of policy. “The less grand decisions,” Gorham testified, “those among alternative programs with the same or similar objectives within health—can be substantially illuminated by good analysis. It is this type of analysis which we have undertaken at the Department of Health, Education, and Welfare.”¹⁶ Gorham gives as examples disease control programs and improvements in the health of children. If this type of project analysis is what can be done under PPBS, a serious question is raised: Why go through all the rigmarole in order to accomplish a few discrete studies of important problems?

A five-year budget conceived in the hodge-podge terms of the program structure serves no purpose.¹⁷ Since actual budget decisions are made in terms of the old categories and policy analysis may take place outside of the program structure, there is no need to institutionalize empty labels. If a policy analysis has been completed, there is no reason why it cannot be submitted as part of the justification of estimates to the Bureau of the Budget and to Congress. For the few program memoranda that an agency might submit, changes could be detailed in terms of traditional budget categories. Problems of program structure would be turned over to the agency’s policy analysts who would experiment with different ways of lending intellectual coherence to the agency’s programs. There would be no need to foist the latest failure on a skeptical world. Nor would there be battles over

the costs of altering a program structure that has achieved, if not a common framework, at least the virtue of familiarity. The difference is that stability of categories in the traditional budget has real value for control¹⁸ while the embodiment of contradictions in the program structure violates its essential purpose.

Incentives for Policy Analysis

PPBS discredits policy analysis. To collect vast amounts of random data is hardly a serious analysis of public policy. The conclusion is obvious. The shotgun marriage between policy analysis and budgeting should be annulled. Attempts to describe the total agency program in program memoranda should be abandoned. It is hard enough to do a good job of policy analysis, as most agency people now realize, without having to meet arbitrary and fixed deadlines imposed by the budget process.¹⁹ There is no way of telling whether an analysis will be successful. There is, therefore, no point in insisting that half-baked analyses be submitted every year because of a misguided desire to cover the entire agency program. The Budget Bureau itself has recently reorganized the difficulty by requiring agencies to present extensive memoranda only when major policy issues have been identified. It is easier and more honest just to take the program structure out of the budget.

The thrust of the argument thus far, however, forces us to confront a major difficulty. Policy analysis and budgeting were presumably connected in order to see that high quality analysis did not languish in limbo but was translated into action through the critical budget process. Removing policy analysis from the annual budget cycle might increase its intellectual content at the expense of its practical impact. While formal program structures should go—PPBS actually inhibits the prospects for obtaining good analysis that is worth translating into public policy—they should be replaced with a strong incentive to make policy analysis count in yearly budgetary decisions. I am therefore proposing a substitute for PPBS that maintains whatever incentive it provided for introducing the results of policy analysis into the real world without encouraging the debilitating effects.

The submission of program memoranda supported by policy analysis should be made a requirement for major dollar changes in an agency's budget. The Bureau of the Budget should insist that this requirement be met by every agency. Agency heads, therefore, would have to require it of subunits. The sequence could operate as follows:

1. Secretary of agency and top policy analysts review major issues and legislation and set up a study menu for several years. Additions and deletions are made periodically.
2. Policy analysts set up studies which take anywhere from six to 24 months.
3. As a study is completed for a major issue area, it is submitted to the Secretary of the agency for review and approval.
4. If approved, the implications of the study's recommendations are translated into budgetary terms for submission as a program memorandum in support of the agency's fiscal year budget.

No one imagines that a mechanical requirement would in and of itself compel serious consideration of policy matters. No procedure should be reified as if it had a life of its own apart from the people who must implement it. This conclusion is as true for my suggestion as for PPBS. We must therefore consider ways and means of increasing the demand for and supply of policy analysis.

Increasing Demand and Supply The first requirement of effective policy analysis is that top management want it. No matter how trite this criterion sounds, it has often been violated, as Frederick C. Mosher's splendid study of program budgeting in foreign affairs reveals.²⁰ The inevitable difficulties of shaking loose information and breaking up old habits will prove to be insuperable obstacles without steady support from high agency officials. If they do not want it, the best thing to do is concentrate efforts in another agency. Placing the best people in a few agencies also makes it more likely that a critical mass of talent will be able to achieve a creative response to emerging policy problems.

Policy analysis should be geared to the direct requirements of top management. This means that analysis should be limited to a few major

issues. Since there will only be a few studies every year, the Secretary should have time to consider and understand each one. The analytical staff should be flexible enough to work on his priority interests. Consequently, one of the arguments by which program budgeting has been oversold has to be abandoned. Policy analysis will not normally identify programs of low priority. Top management is not interested in them. They would receive no benefit from getting supporters of these programs angry at them. Instead, agency heads want to know how to deal with emergent problems. Practitioners of policy analysis understand these considerations quite well. Harry Shooshan, Deputy Undersecretary for Programs, Department of the Interior, presents a perceptive analysis:

... We have tried to more heavily relate our PPB work and our analytical work to the new program thrusts, and major issues, not because it is easier to talk about new programs, but rather, there is a good question of judgment, on how much time one should spend on ongoing programs that are pretty well set. So you restate its mission and you put it in PPB wrapping and what have you really accomplished?

There are going to be new program proposals, new thrusts of doing something in certain areas. Let's relate our analyses to that and get the alternatives documented as well as we can for the decision-makers. So it is a combination of on the one hand it being difficult to identify low priorities in a manner that really means something and on the other hand, it is the fact of what have we really accomplished by simply putting old programs in new wrappings when new programs really should get the emphasis right now in terms of what are the decisions now before, in my case, the Secretary of the Interior, in terms of what should he know before he makes decisions relative to where he is attempting to go. If I can relate PPB to the decision on his desk today and the near future, I can sell him and in turn, our own Department on the contribution that we can make.²¹

The implications of Shooshan's point go beyond making policy analysis more desirable

by having it meet the needs of top management. The subjects for policy analysis ought to be chosen precisely for their critical-fluid emergent character. These are the places where society is hurting. These are the areas in which there are opportunities for marginal gains. Indeed, a major role for top management is scanning the political horizon for targets of opportunity. Yet the characteristics of these new problems run counter to the criteria for selection that PPBS currently enforces, since they are identified by ambiguity concerning goals, lack of data upon which to project accurate estimates of costs and consequences, and pervasive uncertainty concerning the range of possible changes in program.

There would be a much larger demand for policy analysis if it were supplied in ways that would meet the needs of high level officials. Let us consider the example of the President of the United States. He can certainly use policy analysis to help make better decisions. Substantial policy studies would give him and his staff leverage against the bureaucracy. Knowledge is power. Indeed, command of a particular field would enable Presidents to exert greater control over the agenda for public decision and would give them advantages in competition with all sorts of rivals. Presidents could use perhaps a dozen major policy studies per year of their most immediate concerns. If even a few of these turn out well, the President may be motivated to make use of them. Contrast this with the present inundation of the Executive Office by endless streams of program "books," summaries, and memoranda that nobody ever looks at.

What is true of the President is also true for important executives in the agencies. Policy-oriented executives will want to get better analysis. Executives wishing to increase their resource base will be interested in independent sources of information and advice. Those who would exert power need objectives to fight for. It is neither fashionable nor efficient to appear to seek power for its own sake. In polite society the drive is masked and given a noble face when it can be attached to grand policy concerns that bring benefits to others as well as to power seekers. The way to gain the attention of leaders is not to flood them with trivia but to provide examples

of the best kind of work that can be done. The last years of the Johnson Administration witnessed a proliferation of secret commissions to recommend new policies. The department secretary often became just another special pleader. If they have any interest in curbing this development, secretaries may find that producing their own policy analyses allows them to say that outside intervention is not the only or the best way to generate new policies.

Congressional Demand If strategically located Congressmen demanded more policy analysis, there is little doubt that we would get it. What can be done to make them want more of it? The answer does not lie in surrounding them with large staffs so that they lose their manifestly political functions and become more like bureaucrats. Nor does the answer lie in telling Congressmen to keep away from small administrative questions in favor of larger policy concerns. For many Congressmen get into the large questions only by feeling their way through the smaller details.²² A threat to deprive Congressmen of the traditional line item appropriations data through which they exert their control of agency affairs also does not appear to be a good way of making Congressmen desire policy analysis.

Policy analysis must be made relevant to what Congressmen want. Some legislators desire to sponsor new policies and they are one clientele for analysis. For other Congressmen, however, policy is a bargainable product that emerges from their interactions with their fellows. These members must be appealed to in a different way. They often have a sense of institutional loyalty and pride. They know that Congress is a rare institution in this world—a legislative body that actually has some control over public policy. They are aware that the development of new knowledge and new techniques may freeze them out of many of the more serious decisions. Policy analysis should be proposed to these men as an enhancement of the power of Congress as an institution. The purpose of analysis would be, in its simplest form, to enable Congressmen to ask good questions and to evaluate answers. Oftentimes it is hardest for a layman to recognize the significant questions implicit in an area of policy. Are there

other and better questions to be asked, other and better policies to be pursued?

A Congress that takes seriously its policy role should be encouraged to contract for policy analysis that would stress different views of what the critical questions are in a particular area of policy. Each major committee or subcommittee should be encouraged to hire a man trained in policy analysis for a limited period, perhaps two years. His task would be to solicit policy studies, evaluate presentations made by government agencies, and keep Congressmen informed about what are considered the important questions. In the past, chairmen have not always paid attention to the quality of committee staffs. Following the lead of the Joint Economic Committee, seminars might be held for a couple of weeks before each session. At these seminars discussions would take place between agency personnel, committee staff, and the academics or other experts who have produced the latest policy analysis. If all went well, Congressmen would emerge with a better idea of the range of issues and of somewhat different ways of tackling the problems, and the policy analysts would emerge with a better grasp of the priorities of these legislators.

Suppliers of Policy Analysis Thus far we have dealt solely with the incentive structure of the consumers who ought to want policy analysis—agency heads, Presidents, Congressmen. Little has been said about the incentive structure of the suppliers who ought to provide it—analysts, consultants, academics. Our premise has been that the supply of policy analysis would be a function of the demand. Now, the relationships between supply and demand have long been troublesome in economics because it is so difficult to sort out the mutual interactions. Upon being asked whether demand created supply or supply created demand, the great economist Marshall was reported to have said that it was like asking which blade of the scissors cuts the paper. There is no doubt, however, that changes in the conditions and quality of supply would have important effects on the demand for policy analysis.

Disengaging policy analysis from PPBS would help build the supply of policy analysis by:

1. Decreasing the rewards for mindless quantification for its own sake. There would be no requests from the Bureau of the Budget for such information and no premium for supplying it.
2. Increasing the rewards for analysts who might try the risky business of tackling a major policy problem that was obviously not going to be considered because everyone was too busy playing with the program structure. Gresham's Law operates here: programmed work drives out unprogrammed activity, make-work drives out analysis.

One way of increasing the supply of policy analysis would be to improve the training of people who work directly in the various areas of policy. Instead of taking people trained in policy analysis and having them learn about a particular policy area, the people in that area would be capable of doing policy analysis. Three-day or three-month courses will not do for that purpose. A year, and possibly two years, would be required. Since it is unlikely that the best people can be made available for so long a period, it is necessary to think in terms of education at an earlier period of their lives. There is a great need for schools of public policy in which technical training is combined with broader views of the social context of public policy. Although no one knows how to teach "creativity" it is possible to expose students to the range of subjects out of which a creative approach to public policy could come.

Another way of increasing the supply of policy analysis would be to locate it in an organizational context in which it has prestige and its practitioners are given time to do good work. Having the policy analysis unit report directly to the secretary or agency head would show that it is meant to be taken seriously.²³ But then it is bound to get involved in day-to-day concerns of the agency head, thus creating a classic dilemma.

Tactics The effective use of a policy analysis unit cannot be specified in advance for all agencies. There are certain tensions in its functions that may be mitigated on a case-by-case basis but cannot be resolved once and for all. Serious

policy analysis requires months, if not years, of effort. A unit that spends its time solely on substantial policy analysis would soon find itself isolated from the operational concerns of the agency. There would be inordinate temptations on the part of its members to go where the action is. Before long, the policy unit might become more immediately relevant at the expense of its long-term impact. The frantic nature of day-to-day emergencies drives out the necessary time and quiet for serious study and reflection. What can be done? One tactic is for the policy unit to consider itself an educational as well as an action group. Its task should be to encourage analysis on the part of other elements of the organization. It should undertake nothing it can get subunits to do. The role of the policy unit would then be one of advising subunits and evaluating their output.

A second tactic would be to contract out for studies that are expected to take the longest period of time. The third tactic is the most difficult, because it calls for a balancing act. Immediate usefulness to top management may be secured by working on problems with short lead times while attempting to retain perhaps half of the available time for genuine policy analysis. To the degree that serious policy analysis enters into the life of the organization and proves its worth, it will be easier to justify its requirements in terms of release from everyday concerns, yet the demand for services of the analysts is certain to increase. Failures in policy analysis, on the other hand, are likely to give the personnel involved more time for reflection than they would prefer. Like headquarters-field relationships, line and staff responsibilities, and functional versus hierarchical command, the problems of the policy unit are inherent in its situation and can only be temporarily resolved.

These comments on incentives for increasing the supply and demand for policy analysis are plainly inadequate. They are meant merely to suggest that there is a problem and to indicate how one might go about resolving it. We do not really know how to make policy analysis fit in with the career requirements of Congressmen, nor can we contribute much beside proverbial wisdom to the structure and operation of policy analysis units. There are,

however, opportunities for learning that have not yet been used. One of the benefits flowing from the experience with PPBS is that it has thrown up a small number of policy analyses that practitioners consider to be good. We need to know what makes some live in the world and others remain unused. Aside from an impressive manuscript by Clay Thomas Whitehead,²⁴ however, in which two recent policy analyses in defense are studied, there has been no effort to determine what this experience has to teach us. Despite the confident talk about policy analysis (here and elsewhere), a great deal of work remains to be done on what is considered “good” and why. The pioneering work by Charles E. Lindblom should not be wrongly interpreted as being anti-analysis, but as a seminal effort to understand what we do when we try to grapple with social problems.

Reexamination Critical aspects of policy analysis need to be reexamined. The field cries out for a study of “coordination” as profound and subtle as Martin Landau’s forthcoming essay on “Redundancy.”²⁵ That most elemental problem of political theory—the proper role of the government versus that of the individual—should be subject to a radical critique.²⁶ The fact that cost-benefit analysis began with water resource projects in which the contribution to national income was the key question has guided thought away from other areas of policy for which this criterion would be inappropriate. There are policies for which the willingness of citizens to support the activity should help determine the outcome. There are other policies in which presently unquantifiable benefits, like pleasure in seeing others better off or reduction of anxiety following a visible decrease in social hostility, should be controlling. Although social invention is incredibly difficult, the way is open for new concepts of the role of government to liberate our thoughts and guide our actions.

In many ways the times are propitious for policy analysis. The New Deal era of legislation has ended and has not yet been replaced by a stable structure of issues. People do not know where they stand today in the same way they knew how they felt about Medicare or private versus public electric power. The old welfare state policies have disenchanted former

supporters as well as further enraged their opponents. Men have worked for 20 years to get massive education bills through Congress only to discover that the results have not lived up to their expectations; it takes a lot more to improve education for the deprived than anyone had thought. There is now a receptivity to new ideas that did not exist a decade ago. There is a willingness to consider new policies and try new ways. Whether or not there is sufficient creativity in us to devise better policies remains to be seen. If we are serious about improving public policy, we will go beyond the fashionable pretense of PPBS to show others what the best policy analysis can achieve.

NOTES

1. Robert N. Anthony, *Planning and Control Systems: A Framework for Analysis* (Cambridge, Mass.: Harvard University Press, 1965), p. 16.
2. Aaron Wildavsky, “The Political Economy of Efficiency,” *Pub. Adm. Rev.* 26 (December 1966): 298–302.
3. Yehezkel Dror, “Policy Analysts: A New Professional Role in Government Service,” *Pub. Adm. Rev.* 27 (September 1967): 200–201. See also Dror’s major work, *Public Policy-Making Reexamined* (San Francisco: Chandler, 1968).
4. Aaron Wildavsky, op. cit.
5. See David Novick, “Origin and History of Program Budgeting,” The RAND Corporation (October 1966), p. 3427.
6. I once tried to interest a graduate student who had experience with defense problems in doing research in the City of Oakland. He asked the size of Oakland’s budget. “Fifty million dollars,” I said. “Why, in the Air Force we used to round to that figure,” was his reply.
7. Aaron Wildavsky, “The Two Presidencies,” *Trans-Action* 4 (December 1966): 7–14.
8. For further argument along these lines see my article, “The Practical Consequences of the Theoretical Study of Defense Policy,” *Pub. Adm. Rev.* 25 (March 1965): 90–103.
9. Senate Committee on Government Operations, Subcommittee on National

- Security and International Operations, "PPBS and Foreign Affairs," memorandum prepared by Thomas C. Schelling, 90th Congress, 1st sess., 1968.
10. Dr. Alain Enthoven, who played a leading role in introducing systems analysis to the Defense Department, has observed that: "The major changes in strategy, the step-up in production of Minutemen and Polaris and the build-up in our non-nuclear forces including the increase in the Army, the tactical air forces and the air lift . . . are being phased in at the same time that PPBS was being phased in. . . . We speeded up the Polaris and Minuteman programs because we believed it was necessary to have more land forces for limited non-nuclear wars. We speeded up the development of anti-guerrilla forces or special forces because we believed that was necessary for counter-insurgency. Those things would have happened with or without PPBS. PPBS does not make the strategy." Senate Committee on Government Operations, Subcommittee on National Security and International Operations, *Hearings, The Planning-Programming-Budgeting System*, 90th Congress, 1st sess., pt. 2, Sept. 27 and Oct. 18, 1967, p. 141.
 11. *Prospects for Oil Shale Development* (Washington, D.C.: Department of the Interior, May 1968).
 12. The study is presented in *ibid.*, pp. 10–45.
 13. Similar difficulties under similar conditions evidently occur in the business world. It is worth citing Anthony's comments: "Strategic planning [that is, policy analysis] is essentially *irregular*. Problems, opportunities, and 'bright ideas' do not arise according to some set timetable; they have to be dealt with whenever they happen to be perceived. . . . Failure to appreciate the distinction between regular and irregular processes can result in trouble of the following type. A company with a well-developed budgeting process decides to formalize its strategic planning. It prepares a set of forms and accompanying procedures, and has the operating units submit their long-range plans on these forms on one certain date each year. The plans are then supposed to be reviewed and approved in a meeting similar to a budget review meeting. Such a procedure does not work. . . . There simply is not time enough in an annual review meeting for a careful consideration of a whole batch of strategic proposals. . . . It is important that next year's operating budget be examined and approved as an entity so as to ensure that the several pieces are consonant with one another. . . . Except for very general check-lists of essential considerations, the strategic planning process follows no prescribed format or timetable. Each problem is sufficiently different from other problems so that each must be approached differently" (Anthony, *op. cit.*, pp. 38–39).
 14. Joint Economic Committee, *Hearings, The Planning-Programming-Budgeting System: Progress and Potentials*, 90th Congress, 1st sess., September 1967, p. 5.
 15. *Ibid.*, pp. 80–81. One might think that a way out of the dilemma could be had by adopting a number of goals for an area of policy. When Committee Chairman William Proxmire suggested that more goals should be specified, Gorham replied, "I would like to be the one to give the first goal. The first one in is always in the best shape. The more goals you have, essentially the less useful any one is, because the conflict among them becomes so sharp" (p. 83).
 16. *Ibid.*, p. 6
 17. Anthony again supplies a useful comparison from private firms that makes a similar point: "An increasing number of businesses make profit and balance sheet projections for several years ahead, a process which has come to be known by the name 'long-range planning.' . . . A five-year plan usually is a projection of the costs and revenues that are anticipated under policies and programs *already approved*, rather than a device for consideration of, and decision on, new policies and programs. The five-year plan reflects strategic decisions already taken; it is not the essence of the process of making new decisions. . . . In some companies, the so-called five-year plan is nothing more than a mechanical extrapolation of current data, with no reflection of management decisions

- and judgments; such an exercise is virtually worthless" (Anthony, *op. cit.*, pp. 57–58).
18. An excellent discussion of different purposes of budgeting and stages of budgetary development is found in Allen Schick, "The Road to PPB: The Stages of Budget Reform," *Pub. Adm. Rev.* 26 (December 1966): 243–258.
 19. In another paper ("Toward a Radical Incrementalism," *op. cit.*) I have proposed that policy analysis would be facilitated by abolishing the annual budget cycle. One of the great weaknesses of governmental policy making is that policies are formulated a good two years before funds become available. Given the difficulties of devising policies in the first place, the time lag wreaks havoc with the best analysis. Since no one seems disposed to consider this alternative seriously, I mention it merely in passing as a change that would fit in with what has been suggested.
 20. Senate Committee on Government Operations, Subcommittee on National Security and International Operations, "Program Budgeting in Foreign Affairs: Some Reflections," memorandum prepared by Frederick C. Mosher, 90th Congress, 2nd sess., 1968.
 21. Joint Economic Committee, *Hearings, The Planning-Programming-Budgeting System*, pp. 77–78.
 22. "Toward a Radical Incrementalism," *op. cit.*, pp. 27–29.
 23. When Charles Hitch was Controller of the Defense Department, the policy analysis unit reported directly to him, as did the budget unit. One reported result is that the policy unit was able to do its work without being drawn into the daily concerns of the budget men. When policy analysis (called systems analysis) was given separate status, with its own assistant secretary, there was apparently a much greater tendency for its members to insist upon control of immediate budgetary decisions. Hence the distinction between longer-run policy analysis and shorter-run budgeting tended to be obscured. It would be interesting to know whether the participants saw it in this way. Optimal placement of a policy analysis unit is bound to be a source of difficulty and a subject of controversy.
 24. Clay Thomas Whitehead, "Uses and Abuses of Systems Analysis," The RAND Corporation, September 1967.
 25. See Martin Landau, "Redundancy," *Pub. Adm. Rev.*, scheduled for publication in vol. 29 (July–August 1969).
 26. For a fine example of original thought on this question, see Paul Feldman, "Benefits and the Role of Government in a Market Economy," Institute for Defense Analysis, research paper, February 1968, p. 477.

Administrative Decentralization and Political Power

Herbert Kaufman

Curious as it may seem today, bureaucrats in the '30s were regarded by many as heroes in the struggles for better social order. As late as 1945, Paul Appleby, a prominent New Deal official, felt impelled to dedicate a book to "Bill Bureaucrat,"¹ and much of the literature of professional and academic public administration had a confident, approving, consensual tone.

By mid-'50s it was possible to discern emerging conflicts of doctrine and practice among those who previously applauded and defended bureaucrats. A major shift of outlook and values in governmental design seemed to be taking place.

It was not the first such shift to occur in our history. On the contrary, the administrative history of our governmental machinery can be constructed as a succession of shifts of this kind, each brought about by a change in emphasis among three values: representativeness, political neutral competence, and executive leadership.² None of these values was never totally neglected in any of our past modifications of governmental design, but each enjoyed greater emphasis than the others in different periods.

Thus, for example, our earliest political institutions at all levels can be interpreted as reactions against executive dominance in the colonial era. Later on, extreme reliance was placed on representative mechanisms, which made the post-Revolutionary years an interval of great power for legislatures and elective officials

and of comparative weakness for executives in most jurisdictions. By the middle of the 19th century, however, legislative supremacy, the long ballot, and the spoils system resulted in widespread disillusionment with our political institutions, which in turn gave impetus to efforts to take administration out of politics by lodging it in independent boards and commissions and by introducing the merit system to break the hold of parties on the bureaucracies. But the fragmentation of government reduced both efficiency and representativeness, and the search for unification led to the popularly elected chief executives; the 20th century was marked by a rapid growth in their powers.

This is not to say that the values are pursued abstractly, as ends in themselves, or that there is universal agreement on which should be emphasized at any given time. On the contrary, different segments of the population feel differentially disadvantaged by the governmental machinery in operation at any given moment, and agitate for structural changes to improve their position—i.e., to increase their influence—in the system. Discontent on the part of various groups is thus the dynamic force that motivates the quest for new forms. Some groups feel resentful because they consider themselves inadequately represented; some feel frustrated because, though they are influential in forming policy, the policy decisions seem to be dissipated by the political biases or the technical incompetence of the public bureaucracies; some feel thwarted by lack of leadership to weld the numerous parts of government into a coherent, unified team that can get things done. At different points in time, enough people (not necessarily a numerical majority) will be persuaded by one or another of these discontents to support remedial action—increased representatives, better and politically neutral bureaucracies, or stronger chief executives as the case may be. But emphasis on one remedy over a prolonged period merely accumulates the other

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discontents until new remedies gain enough support to be put into effect, and no totally stable solution has been devised. So the constant shift in emphasis goes on.

No matter how vigorous the pursuit of any one value at any given time, the other two are never obliterated. And no matter how determined the quest for one value, it is never realized as fully as its most extreme advocates would like. Even after a century of efforts to strengthen neutral competence and executive leadership, partisan influence still retains great vitality and executive institutions at all levels of government are still remarkably fragmented. And after a century of denigration of “politics,” politicians, and “special interests,” representativeness is still a powerful force in American government. But in that century of building professional bureaucracies and executive capacities for leadership, the need for new modes of representation designed to keep pace with new economic, social, and political developments did not arouse equal concern. Partly for this reason, and partly because the burgeoning of large-scale organizations in every area of life contributes to the sensation of individual helplessness, recent years have witnessed an upsurge of a sense of alienation on the part of many people, to a feeling that they as individuals cannot effectively register their own preferences on the decisions emanating from the organs of government. These people have begun to demand redress of the balance among the three values, with special attention to the deficiencies in representativeness.

Current Dissatisfaction

America is not wanting in arrangements for representation. More than half a million public offices are still elective.³ Legislatures and individual legislatures retain immense powers, and do not hesitate to wield them liberally. Parties are still strong and attentive to the claims of many constituencies. Interest groups are numerous and press their demands through myriad channels. The mass media serve as watchdogs of governmental operations. Administrative agencies incorporate manifold procedures for representation into their decision-making processes, including quasi-judicial

and quasi-legislative hearings, representative or bipartisan administrative boards, and advisory bodies.⁴ Opportunities for participation in political decisions are plentiful. Why, then, is there dissatisfaction with these arrangements?

Fundamentally, because substantial (though minority) segments of the population apparently believe the political, economic, and social systems have not delivered to them fair—even minimally fair—shares of the system’s benefits and rewards, and because they think they cannot win their appropriate shares in those benefits and rewards through the political institutions around the country as these are now constituted. These people are not mollified by assurances that the characteristics of the system thwarting them also thwart selfish and extremist interests; it appears to them that only the powerful get attention, and that the already powerful are helped by the system to deny influence to those who lack it. Thus, the system itself, and not just evil men who abuse it, is discredited.

At least three characteristics of the system contribute heavily to this impression on the part of the deprived: first, existing representative organs are capable of giving only quite general mandates to administrative agencies, yet it is in the day-to-day decisions and actions of officials and employees in the lower levels that individual citizens perceive the policies. There are often gross discrepancies between the promise of the program (as construed by the populace to be served) and performance—sometimes because the expectations of the populace are unrealistically optimistic, sometimes because programs are impeded by difficulties that could not be foreseen, and sometimes because bureaucracies are too bound by habit or timidity to alter their customary behavior in any but the most modest ways.⁵

Second, the pluralistic nature of the political system provides abundant opportunities for vetoes by opponents of change. Each proposed innovation must run a gamut of obstacles, and ends as a product of bargains and compromises. So change usually comes slowly, by small advances, in bits and pieces. Those who regard particular problems as requiring urgent, immediate action are prone to condemn a system that behaves so “sluggishly.”

Third, the scale of organization in our society has grown so large that only through large-scale organization does it seem possible to have a significant impact. This impression alone is enough to make individual people feel helplessly overwhelmed by huge, impersonal machines indifferent to their uniqueness and their humanity. In addition, however, some interests—notably those of Negroes and of youth—have recently begun to develop the organizational skills to mobilize their political resources only to find that it takes time to build channels of access to political structures. Rather than wait for admission to these structures—where, incidentally, they are likely to encounter larger, more experienced, well-entrenched organizations opposed to them—these groups, while continuing to strive for recognition in the older institutions, have adopted a strategy of deriding those institutions and seeking to build new ones in which they can have greater, perhaps dominant, influence.

Thus, the plenitude of traditional modes of representation no longer suffices; the existing methods do not adequately accommodate many of the demands upon them. Just as the adaptation of governmental design during the past century has gravitated toward furnishing expertise and leadership, so it is now under pressure from several quarters to accord a greater role to representativeness.

More Representative Administrative Agencies

The quest for representativeness in this generation centers primarily on administrative agencies. Since administrative agencies have grown dramatically in size, function, and authority in the middle third of this century, this is hardly surprising. Chief executives, legislatures, and courts make more decisions of *sweeping* effect, but the agencies make a far greater number of decisions affecting individual citizens in *intimate* ways. In them lies the source of much present unrest; in them, therefore, the remedies are sought.

One type of proposal for making administrative agencies more representative is traditional in character; situating spokesmen for the

interests affected in strategic positions within the organizations. Often, this means nothing more than filling vacancies on existing boards and commissions with appointees enjoying the confidence of, or perhaps even chosen by, those interests.⁶ In the case of the controversial police review boards, it involves injecting into administrative structures new bodies, dominated by ethnic minority groups or their friends, to survey and constrain bureaucratic behavior. Architecturally, such plans do not require drastic modifications of existing organizations, and their objectives could probably be met by changes in personnel at high organizational levels.

More unorthodox, but swiftly gaining acceptance, is the concept of a centralized governmental complaint bureau, clothed with legal powers of investigation, to look into citizen complaints against administrative agencies and to correct inequities and abuses—the office of “ombudsman.”⁷ Once, it was chiefly through his representative in the appropriate legislative body, or through the local unit of his political party, that a citizen of modest status and means petitioned for a remedy of a grievance. But professionalization of administration and the insulation of bureaucrats from party politics have reduced the ability of the parties to be of real help, and the constituencies of legislators have grown so large that they rarely intervene in more than a *pro forma* fashion on behalf of most individual constituents. Today, some observers contend that only a specialized full-time official, wise in the ways of bureaucracy, having a vested interest in correcting its errors, and supported by adequate staff and authority, can perform this function effectively; apparently, it takes a bureaucrat to control a bureaucrat. Advocates of this proposed new agency defend it on the grounds that it would constitute a channel of representation for people who now have no satisfactory alternative.

The most sweeping expression of the unrest over lack of representativeness is the growing demand for extreme administrative decentralization, frequently coupled with insistence on local clientele domination of the decentralized organizations. Dramatic manifestations of this movement occurred in the antipoverty program and in education.

In the antipoverty program the original legislation included a provision that community action be “developed, conducted, and administered with maximum feasible participation of residents of the areas and members of the groups served.” Initially by interpretation of the Office of Economic Opportunity, and later by statute, the provision was construed to mean that community action boards should try to allot some of their chairs to the poor, so that the poor would have a voice in the highest policy councils of the community programs. Whatever the original intent of the drafters of the phrase (about which there is some disagreement), it has come to mean the program is to be run in substantial degree *by* the poor, not merely *for* the poor.

In public education the new trend is exemplified by recent events in New York City. During 1967, demands for decentralization of the municipal school system gathered force swiftly: Leaders in the state legislature urged it. Three separate public reports recommended it in the strongest possible terms. The mayor endorsed the principle unequivocally. When concrete proposals were introduced into the legislature the following year, however, vehement opposition from the teachers’ union, the school administrators’ association, and the City Board of Education resulted in modification of many of the provisions the objectors found unacceptable. The measure ultimately enacted emerged weaker than the plans favored by the advocates of decentralization, but it was a major step in their direction; the thrust toward decentralization and neighborhood control of schools was slowed but not stopped, and resistance, however determined and forceful, seemed destined to give way over a broad front.

The outcry has not been limited to the war on poverty and to education. It was taken up in public housing when the Secretary of Housing and Urban Development unveiled a program to modernize low-rent projects that included an augmented role for tenants in their operation.⁸ At a meeting of the American Institute of Planners, a dissenting group, calling itself Planners for Equal Opportunity, demanded a larger place for the poor in city planning, and exhorted its members to engage in “advocate planning,” which is to say expert counsel for

neighborhood associations unhappy with official plans for renewal in their areas. New York City recently began experimenting with a process of “affiliating” its public hospitals with voluntary hospitals that would be responsible for their administration, a plan that would presumably include lay boards representing the community served by each institution, and its Police Department is cooperating with experimental community security patrols of locally recruited young people. Similarly, a neighborhood council in Washington, D.C., “asked for more citizen control over police, either in the form of local police aides or resurrection of the auxiliary police force used here in World War II.” The American Assembly, assessing the role of law in a changing society, called for development of “rapid procedures at the neighborhood level . . . to adjudicate disputes of simple transactions.”⁹ In response to the Poor People’s Campaign in Washington, “Five agencies—Health, Education and Welfare, Agriculture, Labor, Housing and Urban Development and the Office of Economic Opportunity—said they would review their plans to involve poor people themselves in local decisions affecting welfare, food, employment, housing and other antipoverty programs.”¹⁰

The movement is not confined to public agencies; it reaches into colleges and universities, where students, often by direct action, have been asserting a claim to participation in the policies of these institutions—one activist reportedly going so far as to predict that American universities will soon resemble Latin American institutions, in which students hire and fire professors and determine the curricula. A sociologist recently suggested establishment of closed-circuit television stations in which the neighborhood listeners might control programming.¹¹ In the Roman Catholic Archdiocese of New York, a committee of priests presented a petition to the archbishop-designate requesting, among other things, a voice in the selection of auxiliary bishops and other high officials, and establishment of a Pastoral Council of priests, nuns, and laymen to be consulted in advance of projected programs and budgets, a request to which he partially acceded on taking office. Later, priests formed a national organization, the National Federation of Priests Councils, to

seek a stronger voice in church affairs. In Washington, D.C., classes at a high school were suspended in the face of a boycott by students demanding “a real say on what goes on inside the school.”

But it is the government sphere that the tendency has been winning widest endorsement. Indeed, some of our general forms of government, as well as specific agencies, have come under attack. The president of the American Political Science Association, for example, in his 1967 presidential address,¹² raised questions about the compatibility of large units of government—national, state, and urban—with the principles of democracy. Searching for a unit large enough to avoid triviality yet “small enough so that citizens can participate extensively,” he suggested 50,000 to 200,000 as the optimum size range for democratic city governments. Moreover, he concluded that even in polities of this size, “participation is reduced for most people to nothing more than voting in elections,” and he therefore commended experimentation to decentralize power and authority still further in order to discover viable “smaller units within which citizens can from time to time formulate and express their desires, consult with officials, and in some cases participate even more fully in decisions.”

Similarly, the Advisory Commission on Intergovernmental Relations in Washington, at almost the same time, was recommending that “Neighborhood initiative and self-respect be fostered by authorizing counties and large cities to establish, and at their discretion to abolish, neighborhood subunits endowed with limited powers of taxation and local self-government.”¹³ At Ithaca, N.Y., the Office of Regional Resources and Development concluded that larger metropolitan centers should be decentralized because they have reached a point at which “it is almost impossible to deal with human problems on a human scale,” and called for investigation of strategies for more effective use of cities with 50,000 to 500,000 residents—proposals that won the editorial plaudits of *The Washington Post*.¹⁴

A meeting of Americans for Democratic Action was warned by Daniel P. Moynihan, an outspoken liberal, that “Liberals must divest themselves of the notion that the nation,

especially the cities of the nation, can be run from agencies in Washington.”¹⁵ Senator Robert F. Kennedy, campaigning for the Democratic presidential nomination in Los Angeles, promised audiences a revolution in the distribution of political power that would, among other things, reduce the authority of the federal bureaucracy in Washington. “I want,” he said, “the control over your destinies to be decided by the people in Watts, not by those of us who are in Washington.”¹⁶ Richard M. Nixon similarly urged the federal government to relinquish some of its powers to state and local governments, voluntary associations, and individuals, saying, “One reason people are shouting so loudly today is that it’s far from where they are to where the power is,” and that power should be brought closer to them rather than exercised from remote centers. In important respects, the Heller-Pechman plan rests partly on the premise that federal surpluses should be shared with states and cities in time of peace because they can be more effectively spent by the smaller units of government than by Washington directly.¹⁷

In short, “decentralization” of administration is in the air everywhere.¹⁸ While it is sometimes defended on grounds of efficiency, it is more frequently justified in terms of effective popular participation in government. Reformers of earlier generations succeeded in raising the level of expertise and professionalism in the bureaucracies, and to a lesser extent, in improving capacity of chief executives to control the administrative arms of government. Now, people are once again turning their attention to representativeness, and are trying to elevate it to a more prominent place in the governmental scheme of things.

The Continuing Search for Leadership

Public bureaucracies are under fire not only from critics outside the machinery of government, but also from inside. Chief executives who once championed measures to insulate the bureaucracies from partisan politics as steps toward enlarging their own control over administrative agencies discovered

that these measures did not make the agencies more responsive to executive direction; rather, they increased agency independence. This independence, in turn, makes it difficult for the executives to secure enthusiastic adoption of new approaches to social problems; money pumped into new programs administered by established agencies tends to be used more for intensification of traditional ways of operating than for inventive departures from familiar patterns. Furthermore, it results in massive problems of coordination of effort, and even in dissipation of energies in inter-bureau rivalries. Consequently, just as segments of the public are upset by the alleged unresponsiveness of administration to their demands, so chief executives have been increasingly concerned about the unresponsiveness of agencies to their leadership.

We may therefore look forward to new waves of administrative reorganization proposals. One principal thrust of the movement will, as in the past, be toward rationalizing, enlarging, and strengthening the executive-office staffs of the heads of governmental units at all levels, and toward building up the staffs of the administrators who report directly to the heads. More and more, chief executives will reach out for new devices to coordinate policy decisions, to work up fresh programs to deal with emergent problems, and to maintain the momentum of innovations adopted.¹⁹ Executive offices will be redesigned; the U.S. Bureau of the Budget, for example, has only recently undergone a major reorganization.²⁰ New vigor will be applied to the exploration of “superdepartments,” with the Department of Defense as a prototype; Major Lindsay, for instance, has expended much political capital on introducing this concept into the government of New York City. Programming-planning-budgeting systems, in many variants, will continue to spread.²¹ There will be a new burst of literature calling attention to the relative powerlessness of our highest public executives.²²

Another stream of recommendations will urge strengthening executive leadership through what its advocates will call “decentralization,” but which, in fact, is better characterized as organization by area as opposed to the present almost exclusive organization by functional

departments and bureaus.²³ The justification for it will be couched in terms of efficiency—the need to speed decisions in the field without referral to headquarters and without loss of coordination among field personnel in different bureaus. The consequences will extend further, however, because real officers in the field would give top executives lines of communication and control alternative to existing functional channels, thus actually strengthening central authority. At the federal level, this will mean renewed attempts to set up much stronger regional representatives of the heads of cabinet departments than any we have had in the past. It will also mean intensified efforts to establish regional presidential representatives in the field.²⁴ Similarly, we may anticipate governors and their department heads will follow the same strategies with respect to regions within the states. At the local level, Major Lindsay has already sought—with very limited success—to win approval for “little city halls” throughout New York. Distinctively American versions of the European prefect may yet make an appearance. In short, dissatisfaction with public bureaucracies will furnish ammunition for the defenders of executive leadership as well as for the proponents of increased representation of the consumers of public services. The bureaucracies will be pressed from both above and below.

Conflict and Coalition

Sources of Conflict It has long been recognized that much public policy is shaped largely by clusters of bureaus, their organized clienteles, and legislative committees and legislators specializing in each public function²⁵—health, education, welfare, etc. The arguments for strengthening chief executives and their department heads *vis-à-vis* the clusters are based chiefly on the need to offset the resulting fragmentation of government by introducing sufficient central direction to unify the policies and administration of these separate centers of power. The arguments for new modes of participation by the public in these centers rest on the conviction that hitherto excluded and unorganized interests have little to say about decisions that affect them profoundly. But it is most

unlikely that the arguments of either kind will be warmly received by those already in key positions in each decision center.

They will resist not simply out of abstract jealousy of their own power or stubborn unwillingness to share their influence with each other, though these motives will doubtless not be absent. They will oppose because, in addition, the proposed reforms threaten those values which present arrangements protect. Bureau chiefs and the organized bureaucracies perceive intervention by political executives as the intrusion of partisan politics into fields from which doctrine has for many years held that politics should be excluded; they see jeopardy for the competence nurtured so carefully and painfully against political distortion or extinction. Similarly, opening the system to lay members of local communities looks like a negation of the expertise built up by the specialist. Legislators regard strong regional officials responsive to chief executives and their cabinets as executive attempts to invade legislative districts and usurp the representative function of legislative bodies. In like fashion, local control of administrative programs could conceivably weaken the representative basis of legislative institutions, a development that men of goodwill may fear for quite public-spirited reasons.

So the champions of executive leadership and the evangelists of expanded representativeness have many obstacles to overcome before they have their respective ways. For example, Congress has been cautious about presidential recommendations of added funds and personnel for the heads of cabinet departments, and has always looked with suspicion on so relatively innocuous an innovation as field offices for the Bureau of the Budget.²⁶ The Office of Economic Opportunity in the Executive Office of the President always operated chiefly through established bureaus and engaged in independent administration only in limited ways; gradually, through delegations, it has been relinquishing its control over programs to the bureaus and the future of even those few programs it manages directly is uncertain. Moreover, its community-action program aroused resentment among both congressmen and local executives, to whom the action agencies appeared as springboards for political

rivals; consequently, legislation in 1967 authorized greater control of the agencies by local governments. In New York City, the mayor's "little city halls," which he presented as a device for bringing the people and their government closer together, were soundly defeated by a City Council (dominated by the opposite party) denouncing the plan as a strategy for establishing political clubhouses throughout the city at public expense.²⁷ And, when the plan for school decentralization appeared, the largest teachers' union and the Board of Education—which not long before had been at each other's throats in labor disputes—each took a similar firm stand against it. In Board-sponsored experiments with community control of schools in Harlem and in Brooklyn, the community leaders and the head of the same teachers' union engaged in acrimonious battles with each other. The reformers are not having an easy time of it.

A Coalition of Executives To advance their cause, troubled chief executives at all levels, all suffering similar frustrations, could conceivably make common cause with one another. Thus, the President may well find it strategically advantageous to build closer ties with governors and big-city mayors than was ever the case before. Congress would find it more uncomfortable to resist presidential demands for creation of strong field representatives with jurisdiction over bureau field personnel if state and local officials in their own home areas support the demands than if the President alone advances them. And these state and local officials may be receptive to such an association because the fragmentation of the system is as vexing to them as it is to the President himself.

Gubernatorial and big city mayoral vexations spring from three sources. First, procedures in many intergovernmental programs are irritatingly slow; it often takes months—sometimes more than a year, in fact—to get decisions on projects and financing from federal agencies, partly because so much business is referred to Washington for approval.²⁸ To be sure, state and municipal executives have no wish to speed negative decisions on their requests, but hanging decisions are even worse; they can neither plan programs nor try to get the decisions reversed. They can only wait while

dangerous pressures build up in their jurisdictions, and whole networks of interrelated programs are slowed or brought to a halt.

Second, procedures are often labyrinthine and uncoordinated,²⁹ so that it takes specialists to keep track of terminal dates, filing of applications for renewal of grants, compliance with accounting requirements, meshing of separate grants in individual projects, and explanations of variations in allowances (such as differences in relocation allowances for businesses and individual tenants moved for highway construction on the one hand and urban renewal on the other), that bewilder and annoy the public. These intricacies almost paralyze action at the grassroots, and divert needed manpower from substantive program operations to administrative routine.

Third, federal grants for very specific purposes encourage a tendency toward what the 1955 Commission on Intergovernmental Relations referred to as “a more or less independent government of their own” on the part of functional specialists at all levels of government who are only nominally under the control of their respective chief executives.³⁰ In point of fact, the chief executives are apparently reduced in many instances to virtually ceremonial ratification of the intergovernmental arrangements worked out by such specialists, and to the most superficial oversight of the administration of the arrangements.

So governors and big-city mayors have reason to applaud the introduction of federal regional officers with authority to rationalize the actions of federal field personnel in the bureaus. For reasons of their own, they may well find the “prefectoral” pattern of organization, which, as we have seen, will suggest itself ever more insistently to the President, coincides with their own preferences.

The congruence of presidential, gubernatorial, and mayoral interests is not entirely speculative; indications of it have already appeared. Late in 1966, for example, President Johnson sent to a number of his top officials a memorandum³¹ directing that federal assistance programs “be worked out and planned in a cooperative spirit with those chief officials of State, county and local governments who are answerable to the citizens. To the fullest

practical extent, I want you to take steps to afford representatives of the Chief Executives of State and local governments the opportunity to advise and consult in the development and execution of programs which directly affect the conduct of State and local affairs.” A few months later, to implement the President’s memorandum, the Bureau of the Budget issued a circular³² spelling out procedures for consultation, and identifying as one of its central policies the requirement that “The central coordinating role of heads of State and local governments, including their role of initiating and developing State and local programs, will be supported and strengthened.” Meanwhile, former Florida Governor Farris Bryant, director of the Office of Emergency Planning in the Executive Office of the President, was leading teams of federal officials to 40 state capitals for discussions with governors and other state administrators;³³ Vice President Humphrey was conducting a program of visits and discussions with mayors, county officers, and other local executives;³⁴ and the President was formulating and announcing a plan to assign each member of his cabinet responsibility for liaison with four or five states, “with instructions to maintain personal contact between the Governors and the White House.”³⁵ And in early 1968, the Advisory Commission on Intergovernmental Relations recommended that:

1. Coordination of Federal grant programs being administered by a variety of Federal departments and agencies be strengthened through the Executive Office of the President;
2. The authority to review and approve plans developed as a condition of Federal formula type grants to State and local governments be decentralized to Federal regional offices and wide variations in boundaries of Federal administrative regions be reduced.³⁶

An alliance of public chief executives is already taking shape.

Confluence of Leadership and Representativeness At the same time, groups clamoring for local control of administrative programs, confronted with the suspicion and resentment

of bureaucracies and their legislative and interest-group allies, will probably discover that they get their most sympathetic hearings from chief executives, especially from big-city mayors. For such groups can provide the executive with the counterweights to bureaucracies; they constitute an alternative channel of information about administrative performance, reducing executive dependence on the bureaucracies on the one hand and on the mass media (with their bias toward the sensation) on the other. The groups are a constituency that can be mobilized to help exert leverage on bureaucracies resistant to executive leadership. They furnish a direct conduit to localities from the executive mansions. They can serve as the nuclei of discrete, executive-oriented campaign organizations. Chief executives probably could not create the groups if they set out deliberately to do so, but it would be surprising if they did not eventually perceive the advantages of collaborating with them now that a variety of complaints has brought the groups spontaneously into being.

It will be an uneasy, mutually wary relationship. To neighborhood and community associations, the paradox of turning to remote chief executives in a quest for local control will be disturbing. To chief executives, the risk of opening a Pandora's box and releasing uncontrollable disintegrative forces will give pause. Yet each can gain so much from an alliance with the other that it is hard to avoid the feeling the attractions will overcome the anxieties. I do not mean to imply the alliance will be formal or structured. I mean only to suggest each side will turn to the other as appropriate occasions arise, and that the occasions will arise with increasing frequency in the years ahead. In this way, the new voices of representatives and the more familiar voices of executive leadership will be joined in a common challenge to those who speak for neutral competence and for older institutions of representation.

The Subsequent Phase of the Cycle

So it seems reasonable to anticipate that "decentralization" of two types will indeed occur: concessions will be made to the demands for

greater local influence on public programs, and there will be some headway toward establishing territorial officers with at least limited authority over field personnel of the functional bureaus.

It will not take long for the price of these changes to make itself felt. Decentralization will soon be followed by disparities in practice among the numerous small units, brought on by differences in human and financial resources, that will engender demands for central intervention to restore equality and balance and concerted action; the factors underlying the movement toward metropolitan units of government and toward conditional federal grants in-aid will, in other words, reassert themselves. Decentralization will stand in the way of other goals, such as school integration (as did "states' rights" doctrines in other times). It will give rise to competition among the units that will be disastrous for many of them, which will find it more difficult to attract talent and money than others that start from a more advantageous position. In some units, strong factions may well succeed in reviving a new spoils system, thus lowering the quality of some vital services. Decentralization of public administration will not necessarily be accompanied by decentralization of the other institutions with which public units deal, such as unions of public employees, so that the local units may find themselves at a serious disadvantage in negotiations and unable to resist the pressures of special interests. Economies of scale, which are admittedly overstated very frequently, nevertheless do exist, and the multiplication of overhead costs in local units will divert some resources from substantive programs to administrative housekeeping. Initially, all these costs will be regarded by those concerned with representativeness as well worth paying, but the accumulation of such grievances over time will inspire a clamor for unification and consolidation.³⁷

Similarly, area officials reporting directly to chief executives will soon develop autonomous bases of political power in the regions to which they are assigned. Rapid rotation from area to area will help to reduce their independence, but the rate of rotation will decline because each new assignment will necessitate a period of familiarization with the new territory during

which actions and decisions are held in abeyance, and because of local interests, having established comparatively stable relationships with their regional officers, will protest and resist frequent transfers. As the regional officers get more and more involved in regional complexes, they will become more and more ambassadors from the regions to the chief executives instead of the executives' men in the regions.³⁸ Regional differences and competition will become sources of irritation and controversy. Moreover, regional posts may become convenient and effective springboards to elective office. At first these dangers will seem remote and therefore less important than the immediate gains, but time is likely to reverse the balance.

So the wave of reform after the one now in progress will rally under a banner of earlier days: Take administration out of politics and politics out of administration. Disappointed partisans of the current movement on behalf of representativeness, having won some of their points, will acquiesce in the efforts of a new generation of idealists to elevate the quality, the consistency, the impartiality, the morale, and the devotion to duty of bureaucrats by strengthening and broadening central control and supervision. Chief executives anxious to regain command of the administrative field forces in each of their regions will rediscover the virtues of strong central directions of those forces by functional administrative agencies whose chiefs identify with the executives,³⁹ and whose standards can be applied evenhandedly everywhere. From above and below, to escape the distortions of purpose inflicted by the vigorous factional politics of localities and regions (as they once sought to free themselves from the toils of self-seeking factions in state and congressional district politics), the apostles of good government will turn back to insulating the bureaucracies against such political heat. The neutrality and independence of the civil service will again be extolled.

It should not be inferred that the process is fruitless because the succession of values is repetitive. Wheels turning on their own axes do advance. Each time the balance among the values is redressed, only to require redress again,

some new accommodation among the myriad interests in the society is reached.

Precisely what shape the subsequent resurgence of neutral competence will take in the years beyond, it is impossible to prophesy now. But if the hypothesized cycle of values is at all valid, then strange as it may seem to this generation of reformers, innovators of tomorrow will defend many of the very institutions (as transformed in the course of current controversies) under attack today. And many a forgotten tome and obscure article on public administration, long gathering dust on unpatronized shelves and in unopened files, will be resurrected and praised for its prescience, only to subside again into temporary limbo when another turn of the wheel ends its brief moment of revived relevance.

NOTES

1. Paul H. Appleby, *Big Democracy* (New York: Alfred A. Knopf, 1946). Actually, the dedication was "To John Citizen and Bill Bureaucrat."
2. Herbert Kaufman, "Emerging Conflicts in the Doctrines of Public Administration," *Am. Pol. Sci. Rev.* 50, no. 4 (December 1956): 1073.
3. U.S. Bureau of the Census, *1967 Census of Governments*, vol. 6, *Popularly Elected Officials of State and Local Governments*, p. 1 ff.
4. Avery Leiserson, *Administrative Regulation: A Study of Representation of Group Interests* (Chicago: University of Chicago Press, 1942).
5. See, for instance, the criticism of professional bureaucracy and the demand for "public participation" in resource management decisions by Yale Law School Professor Charles A. Reich in his *Bureaucracy and the Forests* (Santa Barbara, Calif.: Center for the Study of Democratic Institutions, 1962).
6. For example, *The New York Times* reported on November 29, 1967, that "A [New York City] citizen group demanded yesterday that a Negro and a Puerto Rican be named to the city's nine-man Community Mental Health Board." And a high-ranking city antipoverty administrator (suspended for failing to file tax returns) went on a hunger strike to

- dramatize his demand that Puerto Ricans be named to the Board of Education, the State Board of Regents, the citywide Model Cities Advisory Committee, the Civil Service Commission, and the City Housing Authority (*The New York Times*, June 29, 1968).
7. Walter Gellhorn, *When Americans Complain* (Cambridge, Mass.: Harvard University Press, 1966); idem, *Ombudsmen and Others* (Cambridge, Mass.: Harvard University Press, 1966); Stanley Anderson, ed., *Ombudsmen for American Government* (Englewood Cliffs, N.J.: Prentice Hall, 1968).
 8. *The New York Times*, November 18, 1967. John W. Gardner, former Secretary of Health, Education, and Welfare, and currently chairman of the Urban Coalition, went even further and urged a larger role for Negroes in helping solve the urban crisis generally (*The New York Times*, May 6, 1968).
 9. *Report of the American Assembly on Law and the Changing Society* (Chicago: Center for Continuing Education, University of Chicago, March 14–17, 1968).
 10. *The New York Times*, June 30, 1968.
 11. Seymour J. Mandelbaum, “Spatial and Temporal Perspectives in the U.S. City” (University of Pennsylvania, 1968, mimeographed).
 12. Robert A. Dahl, “The City in the Future of Democracy,” *Am. Pol. Sci. Rev.* 61 (December 1967): 967, 969.
 13. Advisory Commission on Intergovernmental Relations, *Ninth Annual Report* (Washington, D.C.: the Commission, 1968) p. 21.
 14. *The Washington Post*, October 10, 1967.
 15. *The New York Times*, September 24, 1967. But he criticized school decentralization a short time later (*The New York Times*, June 5, 1968).
 16. *The Washington Post*, March 26, 1968. See also the arguments of a former foreign service officer for “dismantling the present overgrown bureaucratic apparatus” in Washington, Gordon Tullock, *The Politics of Bureaucracy* (Washington, D.C.: Public Affairs Press, 1965), chap. 25. That liberals have thus adopted a position taken by conservatives in New Deal days is an irony to which attention has been drawn by James Q. Wilson, “The Bureaucracy Problem,” *The Public Interest* (winter 1967), pp. 3–4. Note the similarities between the new liberal language and the position of former Governor George C. Wallace of Alabama: “I would,” he said, “bring all those briefcase-toting bureaucrats in the Department of Health, Education, and Welfare to Washington and throw their briefcases in the Potomac River . . .” (*The New York Times*, February 9, 1968). His attack on bureaucrats is, of course, based on their zeal in defense of civil rights; the liberals’ indictment is constructed on a diametrically opposite appraisal. The impulse toward decentralization thus comes from both the political right and the political left for entirely different reasons—but with combined force.
 17. “Revenue sharing expresses the traditional faith most of us have in pluralism and decentralization . . .” (Walter W. Heller and Joseph A. Pechman, *Questions and Answers in Revenue Sharing* [Washington, D.C.: Brookings Institution, 1967], p. 12).
 18. Like all slogans, it means different things to different people, however. It is a much more complex and ambiguous concept than it seems; see note 24, below.
 19. The Executive Office of the President was created in 1939, when the federal budget was under \$9 billion. It has grown since, but not nearly as much as the budget, now 15 times larger and many hundreds of times more complex. Some reordering seems almost inevitable.
 20. U.S. Bureau of the Budget, “Work of the Steering Group of Evaluation of the Bureau of the Budget: A Staff Study,” July 1967. The reorganization took effect shortly afterwards.
 21. The origins of PPBS are many and varied; see Allen Schick, “The Road to PPB,” *Pub. Adm. Rev.* 26 (December 1966), 243–258. But it was the system’s utility to the Secretary of Defense from 1961 on in gaining control of his own department that gave widespread currency to the idea and induced the President to make it government-wide in 1965; see Senate Committee on Government Operations, Subcommittee on National

- Security and International Operations, *Program-Planning-Budgeting: Official Documents*, pp. 1–6, and *Program-Planning-Budgeting: Hearings, Part 1* (August 23, 1967), 90th Congress, 1st sess. (1967). This new impetus will doubtless lead to adaptive imitation in other governments.
22. Arthur M. Schlesinger, Jr., *A Thousand Days* (Boston: Houghton Mifflin, 1965), pp. 679–680, reports, “he [President Kennedy] had to get the government moving. He came to the White House at a time when the ability of the President to do this had suffered steady constriction. The clichés about the ‘most powerful office on earth’ had concealed the extent to which the mid-century Presidents had much less freedom of action than, say, Jackson or Lincoln or even Franklin Roosevelt. No doubt the mid-century Presidents could blow up the world, but at the same time they were increasingly hemmed in by the growing power of the bureaucracy and of Congress. The President understood this.” Similarly, President Johnson’s assistant for domestic programs, Joseph A. Califano, Jr., recently complained publicly of the limitations of presidential power, observing that the powers of the office have not kept pace with its growing responsibilities (*The Washington Post*, May 6, 1968).
 23. James W. Fesler, *Area and Administration* (University, Ala.: University of Alabama Press, 1949), especially pp. 8–18; idem, “Approaches to the Understanding of Decentralization,” *Journal of Politics* 27 (August 1965): 557–561. See also the essay by John D. Millett, “Field Organization and Staff Supervision,” in *New Horizons in Public Administration: A Symposium* (Tuscaloosa, AL: University of Alabama Press, 1945), pp. 98–118.
 24. Fesler, *Area and Administration*, pp. 88–89. Fesler’s writing on this subject anticipated long in advance the problems that were to engender a more general awareness when programs of the New Frontier and the Great Society overwhelmed the administrative machinery.
 25. See J. Leiper Freeman, *The Political Process: Executive Bureau-Legislative Committee Relations*, rev. ed. (New York: Random House, 1965), and the works therein cited in chap. 1.
 26. Bureau of the Budget field offices were set up in mid-1943 but were eliminated in the early years of the Eisenhower Administration. Recent efforts to revive them, even on a limited basis, ran into stiff opposition; see Senate Committee on Appropriations, Subcommittee, *Hearings on H.R. 7501: Treasury, Post Office and Executive Office Appropriations for Fiscal Year 1968*, 90th Congress, 1st sess. (Washington, D.C.: U.S. Government Printing Office, 1967), pp. 973–990. Note especially the comments of Senator Monroney at p. 981: “The reason the committee cut your request for additional personnel last year was because it did not wish to have field offices established. . . . My impression was that we were afraid they would grow into a 50-state bureaucracy with state and regional offices.”
 27. The mayor proposed 35 local mayor’s offices soon after his inauguration; encountering opposition in the Board of Estimate, he tried to set up five by executive order, but the City Council refused to support him, and the comptroller refused to approve payment of their bills. The mayor tried again in May 1967, but was again rebuffed by the Council and the Board of Estimate. Eventually, four local offices were opened, but they were much weaker than was originally anticipated. For the time being, at least, the plan seems emasculated.
 28. Stephen K. Bailey, “Co-ordinating the Great Society,” *The Reporter* 34 (March 24, 1966): 39.
 29. Ibid.
 30. Commission on Intergovernmental Relations, *The Final Report* (Washington, D.C.: U.S. Government Printing Office, 1955), p. 44. See also Coleman B. Ransone Jr., *The Office of the Governor of the United States* (Tuscaloosa, AL: University of Alabama Press, 1958), p. 249.
 31. “The President’s Memorandum to Heads of Certain Federal Agencies. November 11,

1966. Subject: Advice and Consultation with State and Local Officials.”
32. Bureau of the Budget Circular No. A-85, June 28, 1967.
 33. Commission on Intergovernmental Relations, *Ninth Annual Report*, p. 12.
 34. *Ibid.*, pp. 12–13.
 35. The plan grew out of “Mr. Johnson’s continuing determination to build domestic as well as foreign bridges by working to sort out the tangled Federal-state relations that have been increasingly complicated by the administration of the Great Society Programs” (*The New York Times*, June 8, 1967). See also Terry Sanford, *Storm over the States* (New York: McGraw-Hill, 1967), pp. 164–166; here a former governor calls on the White House to help state and local governments and quotes James Reston’s comment that “He [the President] is reaching out to the governors and mayors of America for a new political, social, and economic partnership.”
 36. Commission on Intergovernmental Relations, *Ninth Annual Report*, p. 22.
 37. Some anxieties about the costs of decentralization have already been voiced in Irving Kristol, “Decentralization for What?” *The Public Interest* 11 (spring 1968): 17, and echoed by Daniel P. Moynihan as he assailed school decentralization as likely to lead to segregated bureaucracies, *The New York Times*, June 5, 1968. Note also the dissents by Governors Rhodes and Rockefeller from a hearty endorsement of neighborhood subunits with limited powers of taxation and local self-government, Commission on Intergovernmental Relations, *Ninth Annual Report*, p. 21.
 38. Herbert Kaufman, *The Forest Ranger* (Baltimore: Johns Hopkins Press, 1960), pp. 75–80.
 39. A hint of what lies ahead is suggested by the experience with regional development commissions. Encouraged by the federal government, their establishment was hailed as a step toward decentralization. But their plans began to conflict and compete with each other, and with the work of other federal and state agencies; moreover, powerful political blocs began to aggregate around them. The President had to direct the Secretary of Commerce to coordinate them, giving strong powers of review over their proposals and the aid of a council of assistant secretaries from ten federal agencies, a measure greeted as a partial recentralization (*The Washington Post*, December 30, 1967). This dilemma was explicitly foreseen by James W. Fesler, *Area and Administration*, especially pp. 100–102.

The End of Liberalism: The Indictment

Theodore J. Lowi

The corruption of modern democratic government began with the emergence of interest-group liberalism as the public philosophy. Its corrupting influence takes at least four important forms, four counts, therefore, of an indictment for which most of the foregoing chapters are mere documentation. Also to be indicted, on at least three counts, is the philosophic component of the ideology, pluralism.

Summation I: Four Counts against the Ideology

1. Interest-group liberalism as public philosophy corrupts democratic government because it deranges and confuses expectations about democratic institutions. Liberalism promotes popular decision-making but derogates from the decisions so made by misapplying the notion to the implementation as well as the formulation of policy. It derogates from the processes by treating all values in the process as equivalent interests. It derogates from democratic rights by allowing their exercise in foreign policy, and by assuming they are being exercised when access is provided. Liberal practices reveal a basic disrespect for democracy. Liberal leaders do not wield the authority of democratic government with the resoluteness of men certain of the legitimacy of their positions, the integrity of their institutions, or the justness of the programs they serve.
2. Interest-group liberalism renders government impotent. Liberal governments cannot plan. Liberals are copious in plans but irresolute in planning. Nineteenth-century liberalism was standards without plans. This was an anachronism in the modern state. But twentieth-century liberalism turned out to be plans without standards. As an anachronism it, too, ought to pass. But doctrines are not organisms. They die only in combat over the minds of men, and no doctrine yet exists capable of doing the job. All the popular alternatives are so very irrelevant, helping to explain the longevity of interest-group liberalism. Barry Goldwater most recently proved the irrelevance of one. The *embourgeoisement* of American unions suggests the irrelevance of others.

The Departments of Agriculture, Commerce, and Labor provide illustrations, but hardly exhaust illustrations, of such impotence. Here clearly one sees how liberalism has become a doctrine whose means are its ends, whose combatants are its clientele, whose standards are not even those of the mob but worse, are those the bargainers can fashion to fit the bargain. Delegation of power has become alienation of public domain—the gift of sovereignty to private satrapies. The political barriers to withdrawal of delegations are high enough. But liberalism reinforces these through the rhetoric of justification and often even permanent legal reinforcement: Public corporations—justified, oddly, as efficient planning instruments—permanently alienate rights of central coordination to the directors and to those who own the corporation bonds. Or, as Walter Adams finds, the “most pervasive method . . . for alienating public domain is the certificate of convenience and necessity, or some variation thereof in the form of an exclusive franchise, license or permit.

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... [G]overnment has become increasingly careless and subservient in issuing them. The net result is a general legalization of private monopoly . . .”¹ While the best examples still are probably the 10 self-governing systems of agriculture policy, these are obviously only a small proportion of all the barriers the interest-group liberal ideology has erected to democratic use of government.

3. Interest group liberalism demoralizes government, because liberal governments cannot achieve justice. The question of justice has engaged the best minds for almost as long as there have been notions of state and politics, certainly ever since Plato defined the ideal as one in which republic and justice were synonymous. And since that time philosophers have been unable to agree on what justice is. But outside the ideal, in the realms of actual government and citizenship, the problem is much simpler. We do not have to define justice at all in order to weight and assess justice in government, because in the case of liberal policies we are prevented by what the law would call a “jurisdictional fact.” In the famous jurisdictional case of *Marbury v. Madison* Chief Justice Marshall held that even if all the Justices hated President Jefferson for refusing to accept Marbury and the other “midnight judges” appointed by Adams, there was nothing they could do. They had no authority to judge President Jefferson’s action one way or another because the Supreme Court did not possess such jurisdiction over the President. In much the same way, there is something about liberalism that prevents us from raising the question of justice at all, no matter what definition of justice is used.

Liberal governments cannot achieve justice because their policies lack the *sine qua non* of justice—that quality without which a consideration of justice cannot even be initiated. Considerations of the just in or achieved by an action cannot be made unless a deliberate and conscious attempt was made by the actor to derive his action from a general rule or moral

principle governing such a class of acts. One can speak personally of good rules and bad rules, but a homily or a sentiment like liberal legislation, is not a rule at all. The best rule is one which is relevant to the decision or action in question and is general in the sense that those involved with it have no direct control over its operation. A general rule is, hence, *a priori*. Any governing regime that makes a virtue of avoiding such rules puts itself totally outside the context of justice.

Take the homely example of the bull and the china shop. Suppose it was an op art shop and that we consider op art worthy only of the junk pile. That being the case, the bull did us a great service, the more so because it was something we always dreamed of doing but were prevented by law from entering and breaking. But however much we may be pleased, we cannot judge the act. We can only like or dislike the consequences. The consequences are haphazard; the bull cannot have intended them. The act was a thoughtless, animal act which bears absolutely no relation to any aesthetic principle. We don’t judge the bull. We only celebrate our good fortune. Without the general rule, the bull can reenact his scenes of creative destruction daily and still not be capable of achieving, in this case, aesthetic justice. The whole idea of justice is absurd.

The general rule ought to be a legislative rule because the United States espouses the ideal of representative democracy. However, that is merely an extrinsic feature of the rule.² All that counts is the character of the rule itself. Without the rule we can only like or dislike the consequences of the governmental action. In the question of whether justice is achieved, a government without good rules, and without acts carefully derived therefrom, is merely a big bull in an immense china shop.

4. Finally, interest-group liberalism corrupts democratic government in the degree to which it weakens the capacity of governments to live by democratic formalisms.³ Liberalism weakens democratic

institutions by opposing formal procedure with informal bargaining. Liberalism derogates from democracy by derogating from all formality in favor of informality. Formalism is constraining; playing it “by the book” is a role often unpopular in American war films and sports films precisely because it can dramatize personal rigidity and the plight of the individual in collective situations. Because of the impersonality of formal procedures, there is inevitably a separation in the real world between the forms and the realities, and this kind of separation gives rise to cynicism, for informality means that some will escape their collective fate better than others. There has as a consequence always been a certain amount of cynicism toward public objects in the United States, and this may be to the good, since a little cynicism is the father of healthy sophistication. However, when the informal is elevated to a positive virtue, and hard-won access becomes a share of official authority, cynicism becomes distrust. It ends in reluctance to submit one’s fate to the governmental process under any condition, as is the case in the United States in the mid-1960’s.

Public officials more and more frequently find their fates paradoxical and their treatment at the hands of the public fickle and unjust when in fact they are only reaping the results of their own behavior, including their direct and informal treatment of the public and the institutions through which they serve the public. The more government operates by the spreading of access, the more public order seems to suffer. The more public men pursue their constituencies, the more they seem to find their constituencies alienated. Liberalism has promoted concentration of democratic authority but deconcentration of democratic power. Liberalism has opposed privilege in policy formulation only to foster it, quite systematically, in the implementation of policy. Liberalism has consistently failed to recognize, in short, that in a democracy forms are important. In a medieval monarchy all formalisms

were at court. Democracy proves, for better or worse, that the masses like that sort of thing too.

Another homely parable may help. In the good old days, everyone in the big city knew the traffic tickets could be fixed. Not everyone could get his ticket fixed, but nonetheless a man who honestly paid his ticket suffered in some degree a dual loss: his money, and his self-esteem for having so little access. Cynicism was widespread, violations were many, but perhaps it did not matter, for there were so few automobiles. Suppose, however, that as the automobile population increased a certain city faced a traffic crisis and the system of ticket fixing came into ill repute. Suppose a mayor, victorious on the Traffic Ticket, decided that, rather than eliminate fixing by universalizing enforcement, he would instead reform the system by universalizing the privileges of ticket fixing. One can imagine how the system would work. One can imagine that some sense of equality would prevail, because everyone could be made almost equally free to bargain with the ticket administrators. But one would find it difficult to imagine how this would make the total city government more legitimate. Meanwhile, the purpose of the ticket would soon have been destroyed.

Traffic regulation, fortunately, was not so reformed. But many other government activities were. The operative principles of interest-group liberalism possess the mentality of a world of universalized ticket fixing: Destroy privilege by universalizing it. Reduce conflict by yielding to it. Redistribute power by the maxim of each according to his claim. Reserve an official place for every major structure of power. Achieve order by worshipping the process (as distinguished from the forms and the procedures) by which order is presumed to be established.

If these operative principles will achieve equilibrium—and such is far from proven—that is all they will achieve. Democracy will have disappeared, because all of these maxims are founded upon

profound lack of confidence in democracy. Democracy fails when it lacks confidence in its own authority.

Democratic forms were supposed to precede and accompany the formulation of policies so that policies could be implemented authoritatively and firmly. Democracy is indeed a form of absolutism, but ours was fairly well contrived to be an absolutist government under the strong control of consent-building prior to taking authoritative action in law. Interest-group liberalism fights the absolutism of democracy but succeeds only in taking away its authoritativeness. Whether it is called “creative federalism” by President Johnson, “cooperation” by the farmers, “local autonomy” by the Republicans, or “participatory democracy” by the New Left, the interest-group liberal effort does not create democratic power but rather negates it.

NOTES

1. Walter S. Adams and Horace Gray, *Monopoly in America* (New York: Macmillan, 1955), pp. 47–48.
2. As argued in Chapter 5, there is a high probability that efforts to make rules will lead to the legislature. A general rule excites continuous efforts at reformulation, which tend to turn combatants toward the levels of highest legitimacy and last appeal. Contrary to the fears of pluralists, the statement of a good rule can produce more flexibility and more competition than the avoidance of the rule. These tendencies are still further developed under proposals for reform.
3. One aspect of this was dealt with at some length at the end of Chapter 3. Another was dealt with at the end of Chapter 6. Here, at the risk of some repetition, the various aspects of it are put together.

Toward a New Public Administration

H. George Frederickson

In full recognition of the risks, this is an essay on new Public Administration. Its first purpose is to present my interpretation and synthesis of new Public Administration as it emerged at the Minnowbrook Conference on New Public Administration. Its second purpose is to describe how this interpretation and synthesis of new Public Administration relates to the wider world of administrative thought and practice. And its third purpose is to interpret what new Public Administration means for organization theory and vice versa.

To affix the label “new” to anything is risky business. The risk is doubled when newness is attributed to ideas, thoughts, concepts, paradigms, theories. Those who claim new thinking tend to regard previous thought as old or jejune or both. In response, the authors of previous thought are defensive and inclined to suggest that, “aside from having packaged earlier thinking in a new vocabulary there is little that is really new in so-called new thinking.” Accept, therefore, this caveat. Parts of new Public Administration would be recognized by Plato, Hobbes, Machiavelli, Hamilton, and Jefferson as well as many modern behavioral theorists. The newness is in the way the fabric is woven, not necessarily in the threads that are used, and in arguments as to the proper use of the fabric—however threadbare.

The threads of the Public Administration fabric are well known. Herbert Kaufman describes them simply as the pursuit of these basic values: representativeness, politically neutral

competence, and executive leadership.¹ In different times, one or the other of these values receives the greatest emphasis. Representativeness was preeminent in the Jacksonian era. The eventual reaction was the reform movement emphasizing neutral competence and executive leadership. Now we are witnessing a revolt against these values accompanied by a search for new modes of representativeness.

Others have argued that changes in Public Administration resemble a zero-sum game between administrative efficiency and political responsiveness. Any increase in efficiency results *a priori* in a decrease in responsiveness. We are simply entering a period during which political responsiveness is to be purchased at a cost in administrative efficiency.

Both the dichotomous and trichotomous value models of Public Administration just described are correct as gross generalizations. But they suffer the weakness of gross generalizations: They fail to account for the wide, often rich, and sometimes subtle variation that rests within. Moreover, the generalization does not explain those parts of Public Administration that are beyond its sweep. Describing what new Public Administration means for organization theory is a process by which these generalizations can be given substance. But first it is necessary to briefly sketch what this student means by new Public Administration.

What Is New Public Administration?

Educators have as their basic objective, and most convenient rationale, expanding and transmitting knowledge. The police are enforcing the law. Public-health agencies lengthen life by fighting disease. Then there are firemen, sanitation men, welfare workers, diplomats, the military, and so forth. All are employed by public agencies and each specialization or profession has its own substantive set of objectives and therefore its rationale.

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What, then, is Public Administration?² What are its objectives and its rationale?

The classic answer has always been the efficient, economical, and coordinated management of the services listed above. The focus has been on top-level management (city management as an example) or the basic auxiliary staff services (budgeting, organization and management, systems analysis, planning, personnel, purchasing). The rationale for Public Administration is almost always better (more efficient or economical) management. New Public Administration adds *social equity* to the classic objectives and rationale. Conventional or classic Public Administration seeks to answer either of these questions: (1) How can we offer more or better services with available resources (efficiency)? or (2) how can we maintain our level of services while spending less money (economy)? New Public Administration adds this question: Does this service enhance social equity?

The phrase social equity is used here to summarize the following set of value premises. Pluralistic government systematically discriminates in favor of established stable bureaucracies and their specialized minority clientele (the Department of Agriculture and large farmers as an example) and against those minorities (farm laborers, both migrant and permanent, as an example) who lack political and economic resources. The continuation of widespread unemployment, poverty, disease, ignorance, and hopelessness in an era of unprecedented economic growth is the result. This condition is morally reprehensible and if left unchanged constitutes a fundamental, if long-range, threat to the viability of this or any political system. Continued deprivation amid plenty breeds widespread militancy. Militancy is followed by repression, which is followed by greater militancy, and so forth. A Public Administration which fails to work for changes which try to redress the deprivation of minorities will likely be eventually used to repress those minorities.

For a variety of reasons—probably the most important being committee legislatures, entrenched bureaucracies, nondemocratized political-party procedures, inequitable revenue-raising capacity in the lesser governments of the federal system—the procedures of representative

democracy presently operate in a way that either fails or only very gradually attempts to reverse systematic discrimination against disadvantaged minorities. Social equity, then, includes activities designed to enhance the political power and economic well-being of these minorities.

A fundamental commitment to social equity means that new Public Administration attempts to come to grips with Dwight Waldo's contention that the field has never satisfactorily accommodated the theoretical implications of involvement in "politics" and policy-making.³ The policy-administration dichotomy lacks an empirical warrant, for it is abundantly clear that administrators both execute and make policy. The policy-administration continuum is more accurate empirically but simply begs the theoretical question. New Public Administration attempts to answer it in this way: *Administrators are not neutral. They should be committed to both good management and social equity as values, things to be achieved, or rationales.*

A fundamental commitment to social equity means that new Public Administration is anxiously engaged in change. *Simply put, new Public Administration seeks to change those policies and structures that systematically inhibit social equity.* This is not seeking change for change's sake nor is it advocating alterations in the relative roles of administrators, executives, legislators, or the courts in our basic constitutional forms. Educators, agriculturists, police, and the like can work for changes which enhance their objectives and resist those that threaten those objectives, all within the framework of our governmental system. New Public Administration works in the same way to seek the changes which would enhance its objectives—good management, efficiency, economy, and social equity.

A commitment to social equity not only involves the pursuit of change but attempts to find organizational and political forms which exhibit a capacity for continued flexibility or routinized change. Traditional bureaucracy has a demonstrated capacity for stability, indeed, ultrastability.⁴ New Public Administration, in its search for changeable structures, tends therefore to experiment with or advocate modified bureaucratic-organizational forms. Decentralization, devolution, projects, contracts, sensitivity training,

organization development, responsibility expansion, confrontation, and client involvement are all essentially counter-bureaucratic notions that characterize new Public Administration. These concepts are designed to enhance both bureaucratic and policy change and thus to increase possibilities for social equity. Indeed, an important faculty member in one of the best-known and largest Master in Public Administration programs in the country described that degree program as “designed to produce change agents or specialists in organizational development.”

Other organizational notions such as programming-planning-budgeting systems, executive inventories, and social indicators can be seen as enhancing change in the direction of social equity. They are almost always presented in terms of good management (witness McNamara and PPB) as a basic strategy, because it is unwise to frontally advocate change.⁵ In point of fact, however, PPB can be used as a basic device for change (in McNamara’s case to attempt to wrest control from the uniformed services, but in the name of efficiency and economy). The executive inventory can be used to alter the character of the top levels of a particular bureaucracy, thereby enhancing change possibilities. Social indicators are designed to show variation in socioeconomic circumstances in the hope that attempts will be made to improve the conditions of those who are shown to be disadvantaged.⁶ All three of these notions have only a surface neutrality or good-management character. Under the surface they are devices by which administrators and executives try to bring about change. It is no wonder they are so widely favored in Public Administration circles. And it should not be surprising that economists and political scientists in the “pluralist” camp regard devices such as PPB as fundamentally threatening to their conception of democratic government.⁷ Although they are more subtle in terms of change, PPB, executive inventories, and social indicators are of the same genre as more frontal change techniques such as sensitivity training, projects, contracts, decentralization, and the like. All enhance change, and *change is basic to new Public Administration.*

New Public Administration’s commitment to social equity implies a strong administrative or executive government—what Hamilton called “energy in the executive.” The policy-making powers of the administrative parts of government are increasingly recognized. In addition, a fundamentally new form of political access and representativeness is now occurring in the administration of government and it may be that this access and representativeness is as critical to major policy decisions as is legislative access or representativeness. *New Public Administration seeks not only to carry out legislative mandates as efficiently and economically as possible, but to both influence and execute policies which more generally improve the quality of life for all.* Forthright policy advocacy on the part of the public servant is essential if administrative agencies are basic policy battlefields. New Public Administrationists are likely to be forthright advocates for social equity and will doubtless seek a supporting clientele.

Classic Public Administration emphasizes developing and strengthening institutions which have been designed to deal with social problems. The Public Administration focus, however, has tended to drift from the problem to the institution. New Public Administration attempts to refocus on the problem and to consider alternative possible institutional approaches to confronting problems. The intractable character of many public problems such as urban poverty, widespread narcotics use, high crime rates, and the like lead Public Administrators to seriously question the investment of ever more money and manpower in institutions which seem only to worsen the problems. They seek, therefore, either to modify these institutions or develop new and more easily changed ones designed to achieve more proximate solutions. *New Public Administration is concerned less with the Defense Department than with defense, less with civil-service commissions than with the manpower needs of administrative agencies on the one hand and the employment needs of the society on the other, less with building institutions and more with designing alternate means of solving public problems. These alternatives will no doubt have some recognizable organizational characteristics and they will need to be built and maintained, but will*

seek to avoid becoming entrenched, nonresponsible bureaucracies that become greater public problems than the social situations they were originally designed to improve.

The movement from an emphasis on institution building and maintenance to an emphasis on social anomalies has an important analogue in the study of Public Administration. The last generation of students of Public Administration generally accept both Simon's logical positivism and his call for an empirically based organization theory. They focus on generic concepts such as decision, role, and group theory to develop a generalizable body of organization theory. The search is for commonalities of behavior in all organizational settings.⁸ The organization and the people within it are the empirical referent. The product is usually description, not prescription, and if it is prescription it prescribes how to better manage the organization internally. The subject matter is first *organization* and second the type of organization—private, public, voluntary.⁹ The two main bodies of theory emerging from this generation of work are decision theory and human-relation theory. Both are regarded as behavioral and positivist. Both are at least as heavily influenced by sociology, social psychology, and economics as they are by political science.

New Public Administration advocates what could be best described as “second-generation behavioralism.” Unlike his progenitor, the second-generation behavioralist emphasizes the *public* part of Public Administration. He accepts the importance of understanding as scientifically as possible how and why organizations behave as they do but he tends to be rather more interested in the impact of that organization on its clientele and vice versa. He is not antipositivist nor antiscientific although he is probably less than sanguine about the applicability of the natural-science model to social phenomena. He is not likely to use his behavioralism as a rationale for simply trying to describe how public organizations behave.¹⁰ Nor is he inclined to use his behavioralism as a facade for so-called neutrality, being more than a little skeptical of the objectivity of those who claim to be doing science. He attempts to use his scientific skills to aid his analysis, experimentation, and evaluation of alternative

policies and administrative modes. *In sum, then, the second-generation behavioralist is less “generic” and more “public” than his forebear, less “descriptive” and more “prescriptive,” less “institution oriented” and more “client-impact oriented,” less “neutral” and more “normative,” and, it is hoped, no less scientific.*

This has been a brief and admittedly surface description of new Public Administration from the perspective of one analyst. If the description is even partially accurate it is patently clear that there are fundamental changes occurring in Public Administration which have salient implications for both its study and practice as well as for the general conduct of government. The final purpose of this chapter is a consideration of the likely impact of new Public Administration on organization theory particularly and the study of administration generally. (The term “theory” is used here in its loose sense, as abstract thought.)

Organization Theory and New Public Administration

Understanding of any phenomenon requires separating that phenomenon into parts and examining each part in detail. In understanding government this separation can reflect institutions such as the traditional “fields” in political science—Public Administration, legislative behavior, public law, and so forth. Or this separation can be primarily conceptual or theoretical such as systems theory, decision theory, role theory, group theory—all of which cut across institutions.

Public Administration has never had either an agreed upon or a satisfactory set of subfields. The “budgeting,” “personnel administration,” “organization and management” categories are too limiting, too “inside-organization” oriented, and too theoretically vacant. The middle-range theories—decisions, roles, groups, and the like—are stronger theoretically and have yielded more empirically, but still tend to focus almost exclusively on the internal dynamics of public organizations. The new Public Administration calls for a different way of subdividing the phenomenon so as to better understand it. This analyst suggests that there are four

basic processes at work in public organizations and further suggests that these processes are suitable for both understanding and improving Public Administration. The four suggested processes are: the distributive process; the integrative process; the boundary-exchange process; and the socio-emotional process.

The Distributive Process New Public Administration is vitally concerned with patterns of distribution. This concern has to do first with the *external* distribution of goods and services to particular categories of persons, in terms of the benefits that result from the operation of publicly administered programs.

Cost-utility, or cost-benefit, analysis is the chief technique for attempting to understand the results of the distributive process. This form of analysis presumes to measure the utility to individuals of particular public programs. Because it attempts to project the likely costs and benefits of alternative programs it is a very central part of new Public Administration. It is central primarily because it provides a scientific or quasi-scientific means for attempting to “get at” the question of equity. It also provides a convenient or classic Public Administration rationale for redistribution. Take, for example, McNamara’s justifications for decisions based on cost-utility analysis in the Department of Defense. These justifications were generally urged on the basis of substantive military criteria.

Because of the emergence of “program-planning-budgeting systems” we are beginning to see, in the policy advocacy of the various bureaus and departments of government, their attempts to demonstrate their impact on society in terms of utility. Wildavsky and Lindblom have argued that rational or cost-utility analysis is difficult if not impossible to do. Further, they contend, rational decision making fundamentally alters or changes our political system by dealing with basic political questions within the arena of the administrator. To date they are essentially correct, empirically. Normatively they are apologists for pluralism. Cost-benefit analysis can be an effective means by which inequities can be demonstrated. It is a tool by which legislatures and entrenched bureaucracies can be caused to defend publicly their distributive decisions. The inference is that a public informed of glaring inequities will demand change.

Like the executive budget, rational or cost benefit decision systems (PPB) enhance the power of executives and administrators and are, again, a part of new Public Administration. Because PPB is being widely adopted in cities and states, as well as the national government, it seems clear that new Public Administration will be highly visible simply by a look at the distributive processes of government over the next decade or two. The extent to which PPB will result in a redistribution which enhances social equity remains to be seen.

Benefit or utility analysis in its less prescriptive and more descriptive form, known in political science as “policy-outcomes analysis,” attempts to determine the basic factors that influence or determine policy variation.¹¹ For example, “outcomes analysts” sketch the relationship between variations in public spending (quantity) and the quality of nonspending policy outcomes. The policy-outcomes analyst attempts to determine the relationship between the levels of spending in education and the IQ’s, employability, college admissibility, and the like of the products of the educational process. This analysis is essentially after the fact, and indeed is commonly based on relatively out-of-date census data. It is, therefore, useful to new Public Administration, but only as a foundation or background.

A newer form of distributive analysis is emerging. This approach focuses on equity in the distribution of government services within a jurisdiction and asks questions such as: Does a school board distribute its funds equitably to schools and to the school children in its jurisdiction, and if not is inequity in the direction of the advantaged or disadvantaged? Are sanitation services distributed equitably to all neighborhoods in the city, and if not in what direction does inequity move and how is it justified? Is state and federal aid distributed equitably, and if not how are inequities justified?¹²

Patterns of internal-organization distribution are a traditional part of organization theory. The internal competition for money, manpower, status, space, and priorities is a staple in organization theory as any reading of the *Administrative Science Quarterly* indicates. We learn from this literature the extent to which many of the functions of government are in essence controlled by particular bodies of professionals—educators, physicians, attorneys,

social workers, and the like. We learn how agencies age and become rigid and devote much of their energies to competing for survival purposes. We learn the extent to which distribution becomes what Wildavsky calls a triangulation between bureaus, legislatures (particularly legislative committees), and elected executives and their auxiliary staffs.¹³ Finally, we have whole volumes of aggregated and disaggregated hypotheses which account for or attempt to explain the decision patterns involved in the internal distributive process.¹⁴

In new Public Administration the internal distributive process is likely to involve somewhat less readiness to make incremental compromises or “bargain” and somewhat more “administrative confrontation.” If new Public Administrators are located in the staff agencies of the executive, which is highly likely, they will doubtless be considerably more tenacious than their predecessors. The spokesman for an established agency might have learned to pad his budget, to overstaff, to control public access to records, and to expand his space in preparation for the compromises he has learned to expect. He might now encounter a zealot armed with data which describe in detail padding, overstaffing, and suppressed records. Therefore an organization theory based primarily on the traditional administrative bargaining process is likely to be woefully inadequate. There is a need to develop a theory which accounts for the presence of public administrators considerably less willing to bargain and more willing to take political and administrative risks.

It is difficult to predict the possible consequences of having generalist public administrators who are prepared to rationalize their positions and decisions on the basis of social equity. Administrative theory explains relatively well the results of the use of efficiency, economy, or good management as rationale. We know, for instance, that these arguments are especially persuasive in years in which legislatures and elected executives do not wish to raise taxes. But we also know that virtually anything can be justified under the rubric “good management.” When public administrators leave the safe harbor of this rhetoric, what might occur? The best guess is a more open conflict on basic issues of goals or purposes. Some administrators will triumph, but the majority will not; for the system

tends to work against the man seeking change and willing to take risks for it. The result is likely to be highly mobile and relatively unstable middle-level civil service. Still, actual withdrawal or removal from the system after a major setback is likely to be preferred by new public administrators to the psychic withdrawal which is now common among administrators.

One can imagine, for instance, a city personnel director prepared to confront the chief of police and the police bureaucracy on the question of eligibility standards for new patrolmen. He might argue, backed with considerable data, that patrolman height and weight regulations are unrealistic and systematically discriminate against deprived minorities. He might also argue that misdemeanor convictions by minors should not prohibit adults from becoming patrolmen. If this were an open conflict, it would likely array deprived minorities against the majority of the city council, possibly against the mayor, and certainly against the chief and his men (and no doubt the Police Benevolent Association). While the new public administrator might be perfectly willing to take the risks involved in such a confrontation, present theory does not accommodate well what this means for the political system generally.

The Integrative Process Authority hierarchies are the primary means by which the work of persons in publicly administered organizations is coordinated. The formal hierarchy is the most obvious and easiest-to-identify part of the permanent and on-going organization. Administrators are seen as persons taking roles in the hierarchy and performing tasks that are integrated through the hierarchies to constitute a cohesive goal-seeking whole. The public administrator has customarily been regarded as the one who builds and maintains the organization through the hierarchy. He attempts to understand formal-informal relationships, status, politics, and power in authority hierarchies. The hierarchy is at once an ideal design and a hospitable environment for the person who wishes to manage, control, or direct the work of large numbers of people.

The counterproductive characteristics of hierarchies are well known.¹⁵ New Public Administration is probably best understood as advocating modified hierarchic systems.

Several means both in theory and practice are utilized to modify traditional hierarchies. The first and perhaps the best known is the project or matrix technique.¹⁶ The project is, by definition, temporary. The project manager and his staff are a team which attempts to utilize the services of regularly established hierarchies in an ongoing organization. For the duration of the project, the manager must get his technical services from the technical hierarchy of the organization, his personnel services from the personnel agency, his budgeting services from the budget department, and so forth. Obviously the project technique would not be effective were it not for considerable top-level support for the project. When there are conflicts between the needs of the project and the survival needs of established hierarchies, top management must consistently decide in favor of the projects. The chief advantage of projects are of course their collapsible nature. While bureaucracies do not disestablish or self-destruct, projects do. The project concept is especially useful when associated with "one time" hardware or research and development, or capital improvement efforts. The concept is highly sophisticated in engineering circles and theoretically could be applied to a large number of less technical and more social problems.¹⁷ The project technique is also useful as a device by which government contracts with industry can be monitored and coordinated.

Other procedures for modifying hierarchies are well known and include the group-decision-making model, the link pin function, and the so-called dialectical organization.¹⁸ And, of course, true decentralization is a fundamental modification hierarchy.¹⁹

Exploration and experimentation with these various techniques is a basic part of new Public Administration. The search for less structured, less formal, and less authoritative integrative techniques in publicly administered organizations is only beginning. The preference for these types of organizational modes implies first a relative tolerance for variation. This includes variations in administrative performance and variations in procedures and applications based upon differences in clients or client groups. It also implies great tolerance for the possibilities of inefficiency and diseconomy.

In a very general sense this preference constitutes a willingness to trade increases in involvement and commitment to the organization for possible decreases in efficiency and economy, particularly in the short run. In the long run, less formal and less authoritative integrative techniques may prove to be more efficient and economical.

There are two serious problems with the advocacy by new Public Administration of less formal integrative processes. First, there may develop a lack of Public Administration specialists who are essentially program builders. The new Public Administration man who is trained as a change agent and an advocate of informal, decentralized, integrative processes may not be capable of building and maintaining large, permanent organizations. This problem may not be serious, however, because administrators in the several professions (education, law enforcement, welfare, and the like) are often capable organization builders, or at least protectors, so a Public Administration specialist can concentrate on the change or modification of hierarchies built by others.

The second problem is in the inherent conflict between higher- and lower-level administrators in less formal, integrative systems. While describing the distributive process in Public Administration it was quite clear that top-level public administrators were to be strong and assertive. In this description of the integrative process there is a marked preference for large degrees of autonomy at the base of the organization. The only way to theoretically accommodate this contradiction is through an organizational design in which top-level public administrators are regarded as policy advocates and general-policy reviewers. If they have a rather high tolerance for the variations in policy application then it can be presumed that intermediate and lower levels in the organization can apply wide interpretive license in program application. This accommodation is a feeble one, to be sure, but higher-lower-level administrative relations are a continuing problem in Public Administration, and the resolution of these problems in the past had tended to be in the direction of the interests of upper levels of the hierarchy in combination with subdivisions of the legislative body and potent interest

groups. New Public Administration searches for a means by which lower levels of the organization and less potent minorities can be favored.

The Boundary-Exchange Process The boundary-exchange process describes the general relationship between the publicly administered organization and its reference groups and clients. These include legislatures, elected executives, auxiliary staff organizations, clients (both organized and individual) and organized interest groups. The boundary-exchange process also accounts for the relationship between levels of government in a federal system. Because publicly administered organizations find themselves in a competitive political, social, and economic environment, they tend to seek support. This is done by first finding a clientele which can play a strong advocacy role with the legislature, then by developing a symbiotic relationship between the agency and key committees or members of the legislature, followed by building and maintaining as permanent an organization as possible.

The distributive and integrative processes which have just been described call for vastly altered concepts of how to conduct boundary exchange in new Public Administration.²⁰ Future organization theory will have to accommodate the following pattern of boundary exchange. First, a considerably higher client involvement is necessary on the part of those minorities who have not heretofore been involved. (It is unfair to assume that minorities are not already involved as clients: farmers, bankers, and heavy industries are minorities and they are highly involved clients. In this sense all public organizations are "client" oriented.) This change probably spells a different kind of involvement. A version of this kind of involvement is now being seen in some of our cities as a result of militancy and community-action programs, and on the campuses of some universities. A preferred form of deprived-minority-client involvement would be routinized patterns of communication with decentralized organizations capable of making distributive decisions that support the interests of deprived minorities, even if these decisions are difficult to justify in terms of either efficiency or economy.

In a very general way, this kind of decision making occurs in time of war with respect to military decision making. It also characterizes decision patterns in the Apollo program of the National Aeronautics and Space Administration. These two examples characterize crash programs designed to solve problems that are viewed as immediate and pressing. They involve a kind of backward budgeting in which large blocks of funds are made available for the project and wide latitude in expenditures is tolerated. The detailed accounting occurs after the spending, not before, hence backward budgeting. Under these conditions what to do and what materials are needed are decided at low levels of the organization. These decisions are made on the presumption that they will be supported and the necessary resources will be made available and accounted for by upper levels of the organization. This same logic could clearly be applied to the ghetto. A temporary project could be established in which the project manager and his staff work with the permanently established bureaucracies in a city in a crash program designed to solve the employment, housing, health, education, and transportation needs of the residents of that ghetto. The decisions and procedures of one project would likely vary widely from those of another, based on the differences in the circumstances of the clientele involved and the political-administrative environments encountered. The central project director would tolerate the variations both in decisions and patterns of expenditures in the same way that the Department of Defense and NASA cover their expenditures in time of crisis.

The danger will be in the tendency of decentralized projects to be taken over by local pluralist elites. The United States Selective Service is an example of this kind of take-over. High levels of disadvantaged-minority-client involvement are necessary to offset this tendency. Still, it will be difficult to prevent the new controlling minorities from systematic discrimination against the old controlling minorities.

From this description of a boundary-exchange relationship, it is probably safe to predict that administrative agencies, particularly those that are decentralized, will increasingly become the primary means by which

particular minorities find their basic form of political representation. This situation exists now in the case of the highly advantaged minorities and may very well become the case with the disadvantaged.

The means by which high client involvement is to be secured is problematic. The maximum-feasible-participation notion, although given a very bad press, was probably more successful than most analysts are prepared to admit. Maximum feasible participation certainly did not enhance the efficiency or economy of OEO activities, but, and perhaps most important, it gave the residents of the ghetto at least the impression that they had the capacity to influence publicly made decisions that affected their well-being. High client involvement probably means, first, the employment of the disadvantaged where feasible; second, the use of client review boards or review agencies; and third, decentralized legislatures such as the kind sought by the Brownhill School District in the New York City Board of Education decentralization controversy.

The development of this pattern of boundary exchange spells the probable development of new forms of intergovernmental relations, particularly fiscal relations. Federal grants-in-aid to states and cities, and state grants-in-aid to cities will no doubt be expanded, and probably better equalized.²¹ In addition, some form of tax sharing is probably called for. The fundamental weakness of the local governments' revenue capacity must be alleviated.

The use of the distributive and integrative processes described above probably also means the development of new means by which administrators relate to their legislatures. The elected official will probably always hold continuance in office as his number-one objective. This means that a Public Administration using less formal integrative processes must find means by which it can enhance the reelection probabilities of supporting incumbents. Established centralized bureaucracies do this in a variety of ways, the best known being building and maintaining of roads or other capital facilities in the legislators' district, establishing high-employment facilities, such as federal office buildings, county courthouses, police precincts,

and the like, and distributing public-relations materials favorable to the incumbent legislator. The decentralized organization seems especially suited for the provision of this kind of service for legislators. As a consequence it is entirely possible to imagine legislators becoming strong spokesmen for less hierarchic and less authoritative bureaucracies.

The Socioemotional Process The Public Administration described herein will require both individual and group characteristics that differ from those presently seen. The widespread use of sensitivity training, T techniques, or "organizational development" is compatible with new Public Administration. These techniques include lowering an individual's reliance on hierarchy, enabling him to tolerate conflict and emotions, and indeed under certain circumstances to welcome them, and to prepare him to take greater risks. From the preceding discussion it is clear that sensitizing techniques are parallel to the distributive, integrative, and boundary-exchange processes just described.

Socioemotional-training techniques are fundamental devices for administrative change. These techniques have thus far been used primarily to strengthen or redirect on-going and established bureaucracies. In the future it is expected that the same techniques will be utilized to aid in the development of decentralized and possibly project-oriented organizational modes.

A recent assessment of the United States Department of State by Chris Argyris is highly illustrative of the possible impact of new Public Administration on organizational socioemotional processes.²² Argyris concluded that "State" is a social system characterized by individual withdrawal from interpersonal difficulties and conflict; minimum interpersonal openness, leveling, and trust; a withdrawal from aggressiveness and fighting; the view that being emotional is being ineffective or irrational; leaders' domination of subordinates; an unawareness of leaders' personal impact on others; and very high levels of conformity coupled with low levels of risk taking or responsibility taking. To correct these organizational "pathologies" Argyris recommended that:

1. A long-range change program should be defined with the target being to change the living system of the State Department.
2. The first stage of the change program should focus on the behavior and leadership style of the most senior participants within the Department of State.
3. Simultaneously with the involvement of the top, similar change activities should be initiated in any subpart which shows signs of being ready for change.
4. The processes of organizational change and development that are created should require the same behavior and attitudes as those we wish to inculcate into the system (take more initiative, enlarge responsibilities, take risks).
5. As the organizational development activities produce a higher level of leadership skills and begin to reduce the system's defenses in the area of interpersonal relations, the participants should be helped to begin to reexamine some of the formal policies and activities of the State Department that presently may act as inhibitors to organizational effectiveness (employee evaluations and ratings, promotion process, inspections). The reexamination should be conducted under the direction of line executives with the help of inside or outside consultants.
6. The similarities and interdependencies between administration and substance need to be made more explicit and more widely accepted.
7. The State Department's internal capacity in the new areas of behavioral-science based knowledge should be increased immediately.
8. Long-range research programs should be developed, exploring the possible value of the behavioral disciplines to the conduct of diplomacy.

The characteristics of the State Department are, sad to say, common in publicly administered organizations. While Argyris' recommendations are particular to "State," they are relevant to all highly authoritative hierarchy-based organizations.

While new Public Administration is committed to wider social equity, the foregoing should make it clear that a more nearly equitable internal organization is also an objective.

Conclusions

The search for social equity provides Public Administration with a real normative base. Like many value premises, social equity has the ring of flag, country, mother, and apple pie. But surely the pursuit of social equity in Public Administration is no more a holy grail than the objectives of educators, medical doctors, and so forth. Still, it appears that new Public Administration is an alignment with good, or possibly God.

What are the likely results for a *practicing* Public Administration working such a normative base? *First*, classic Public Administration on the basis of its expressed objectives commonly had the support of businessmen and the articulate and educated upper and upper-middle classes. The phenomenal success of the municipal-reform movement is testament to this. If new Public Administration attempts to justify or rationalize its stance on the basis of social equity, it might have to trade support from its traditional sources for support from the disadvantaged minorities. It might be possible for new Public Administration to continue to receive support from the educated and articulate if we assume that this social class is becoming increasingly committed to those public programs that are equity enhancing and less committed to those that are not. Nevertheless, it appears that new Public Administration should be prepared to take the risks involved in such a trade, if it is necessary to do so.

Second, new Public Administration, in its quest for social equity, might encounter the kinds of opposition that the Supreme Court has experienced in the last decade. That is to say, substantial opposition from elected officials for its fundamental involvement in shaping social policy. The Court, because of its independence, is less vulnerable than administration. We might expect, therefore, greater legislative controls over administrative agencies and particularly the distributive patterns of such agencies.

Third, new Public Administration might well foster a political system in which elected officials speak basically for the majority and for the privileged minorities while courts and the administrators are spokesmen for disadvantaged minorities. As administrators work in behalf of the equitable distribution of public and private goods, courts are increasingly interpreting the Constitution in the same direction. Legislative hostility to this action might be directed at administration simply because it is most vulnerable.

What of new Public Administration and academia? First, let us consider the theory, then the academy.

Organization theory will be influenced by new Public Administration in a variety of ways. The uniqueness of *public* organization will be stressed. Internal administrative behavior—the forte of the generic administration school and the foundation of much of what is now known as organization theory—will be a part of scholarly Public Administration, but will be less central. Its center position in Public Administration will be taken by a strong emphasis on the distributive and boundary-exchange processes described above.

Quantitatively inclined public organization theorists are likely to drift toward or at least read widely in welfare economics. Indeed it is possible to imagine these theorists executing a model or paradigm of social equity fully as robust as the economist's market model. With social equity elevated to the supreme objective, in much the way profit is treated in economics, model building is relatively simple. We might, for example, develop theories of equity maximization, long- and short-range equity, equity elasticity, and so on. The theory and research being reported in the journal *Public Choice* provides a glimpse of this probable development. This work is presently being done primarily by economists who are, in the main, attempting to develop variations on the market model or notions of individual-utility maximization. Public organization theorists with social—equity commitments could contribute greatly by the creation of models less fixed on market environments or individual utility maximization and more on the equitable distribution of and access to both public and private goods by

different groups or categories of people. If a full-blown equity model were developed it might be possible to assess rather precisely the likely outcomes of alternative policies in terms of whether the alternative does or does not enhance equity. Schemes for guaranteed annual income, negative income tax, Head Start, Job Corps, and the like could be evaluated in terms of their potential for equity maximization.

The less quantitatively but still behaviorally inclined public organization theorists are likely to move in the direction of Kirkhart's "consociated model." They would move in the direction of sociology, anthropology, and psychology, particularly in their existential versions, while the quantitatively inclined will likely move toward economics, as described above. And, of course, many public organization theorists will stay with the middle-range theories—role, group, communications, decisions, and the like—and not step under the roof of the grand theories such as the consociated model, the social-equity model, or the so-called systems model.

What does new Public Administration mean for the academy? One thing is starkly clear: We now know the gigantic difference between "public administration" and "the public service." The former is made up of public management generalists and some auxiliary staff people (systems analysis, budgeting, personnel, and so on) while the latter is made up of the professionals who man the schools, the police, the courts, the military, welfare agencies, and so forth. Progressive Public Administration programs in the academy will build firm and permanent bridges to the professional schools where most public servants are trained. In some schools the notion of Public Administration as the "second profession" for publicly employed attorneys, teachers, welfare workers will become a reality.

Some Public Administration programs will likely get considerably more philosophic and normative while others will move more to quantitative management techniques. Both are needed and both will contribute.

The return of policy analysis is certain in both kinds of schools. Good management for its own sake is less and less important to today's student. Policy analysis, both logically and analytically "hard-nosed," will be the order of the day.

Academic Public Administration programs have not commonly been regarded as especially exciting. New Public Administration has an opportunity to change that. Programs that openly seek to attract and produce “change agents” or “short-haired radicals” are light years away from the POSDCORB image. And many of us are grateful for that.

NOTES

1. Herbert Kaufman, “Administrative Decentralization and Political Power,” *Pub. Adm. Rev.* (January–February, 1969): 3–15.
2. Frederick Mosher and John C. Honey wrestle with the question of the relative role of professional specialists as against the generalist administrator in public organizations. See Frederick Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968), pp. 99–133. See also John C. Honey, “A Report: Higher Education for the Public Service,” *Pub. Adm. Rev.* (November 1967).
3. Dwight Waldo, “Scope of the Theory of Public Administration,” in *Theory and Practice of Public Administration: Scope, Objectives and Methods*, ed. James C. Charlesworth (Philadelphia, Pa.: The American Academy of Political and Social Sciences, October, 1968), pp. 1–26.
4. Anthony Downs, *Inside Bureaucracy* (Boston: Little, Brown, 1967).
5. See especially Charles L. Schultze, *The Politics and Economics of Public Spending* (Washington, D.C.: Brookings Institution, 1969).
6. The general “social equity” concern expressed in the essays in Raymond A. Bauer, *Social Indicators* (Cambridge, Mass.: MIT Press, 1967) is clearly indicative of this.
7. Aaron Wildavsky, *The Politics of the Budgetary Process* (Boston: Little, Brown, 1964); Charles Lindblom, *The Intelligence of Democracy* (New York: Glencoe Free Press, 1966).
8. See especially James March and Herbert Simon, *Organizations* (New York: John Wiley and Sons, 1963).
9. See especially Amitai Etzioni, *A Comparative Analysis of Complex Organizations* (New York: Glencoe Free Press, 1961).
10. An exchange occurring at an informal rump session of the Minnowbrook Conference is especially illustrative of this. Several conferees were discussing errors in strategy and policy in the operations of the United States Office of Economic Opportunity. They were generalizing in an attempt to determine how organizations like OEO could be made more effective. Several plausible causal assertions were advanced and vigorously supported. Then a young but well-established political scientist commented that causal assertions could not be supported by only one case. True correlations of statistical significance required an “N” or “number of cases” of at least thirty. The reply was, “Has Public Administration nothing to suggest until we have had thirty O.E.O.’s? Can we afford thirty O.E.O.’s before we learn what went wrong with the first one? By ducking into our analytical and quantitative shelters aren’t we abdicating our responsibilities to suggest ways to make the second O.E.O. or its equivalent an improvement on the first?”
11. For a good bibliographic essay on this subject see John H. Fenton and Donald W. Chamberlayne, “The Literature Dealing with the Relationships between Political Process, Socioeconomic Conditions and Public Policies in the American States: A Bibliographic Essay,” *Polity* (spring, 1969): 388–404.
12. Equity is now a major question in the courts. Citizens are bringing suit against governments at all levels under the “equal protection of the laws” clause claiming inequities in distribution. Thus far the courts have taken a moderate equity stance in education and welfare. See John E. Coons, William H. Clune, and Stephen D. Sugarman, “Educational Opportunity: A Workable Constitutional Test for State Structures,” *California Law Review* (April 1969): 305–421.
13. Aaron Wildavsky, op. cit.
14. March and Simon, op. cit.; Downs, op. cit.; James L. Price, *Organizational Effectiveness* (Homewood, Ill.: Richard D. Irwin, 1968).

15. See Victor Thompson, *Modern Organization* (New York: Alfred A. Knopf, 1961); Robert V. Presthus, *The Organizational Society* (New York: Alfred A. Knopf, 1962); Downs, op. cit.
16. David I. Cleland and William R. King, *Systems Analysis and Project Management* (New York: McGraw-Hill, 1968); David I. Cleland and William R. King, *Systems, Organizational, Analysis, Management: A Book of Readings* (New York: McGraw-Hill, 1969); George A. Steiner and William G. Ryan, *Industrial Project Management* (New York: Macmillan, 1968); John Stanley Baumgartner, *Project Management* (Homewood, Ill.: Richard D. Irwin, 1963).
17. H. George Frederickson and Henry J. Anna, "Bureaucracy and the Urban Poor," mimeographed.
18. See Rensis Likert, *New Patterns of Management* (New York: McGraw-Hill, 1961); Orion White, "The Dialectical Organization: An Alternative to Bureaucracy," *Pub. Adm. Rev.* (January–February, 1969): 32–42.
19. Kaufman, op. cit.
20. James Thompson, *Organizations in Action* (New York: McGraw-Hill, 1967).
21. Deil S. Wright, *Federal Grants-in-Aid: Perspectives and Alternatives* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1968).
22. Chris Argyris, "Some Causes of Organizational Ineffectiveness within the Department of State," [Center for International Systems Research, Occasional Paper No. 2] (Washington, D.C.: U.S. Government Printing Office, November, 1966).

Dilemmas in a General Theory of Planning¹

Horst W. J. Rittel and Melvin M. Webber

The search for scientific bases for confronting problems of social policy is bound to fail, because of the nature of these problems. They are “wicked” problems, whereas science has developed to deal with “tame” problems. Policy problems cannot be definitively described. Moreover, in a pluralistic society there is nothing like the undisputable public good; there is no objective definition of equity; policies that respond to social problems cannot be meaningfully correct or false; and it makes no sense to talk about “optimal solutions” to social problems unless severe qualifications are imposed first. Even worse, there are no “solutions” in the sense of definitive and objective answers.

George Bernard Shaw diagnosed the case several years ago; in more recent times popular protest may have already become a social movement. Shaw averred that “every profession is a conspiracy against the laity.” The contemporary publics are responding as though they have made the same discovery.

Few of the modern professionals seem to be immune from the popular attack—whether they be social workers, educators, housers, public health officials, policemen, city planners, highway engineers or physicians. Our restive clients have been telling us that they don’t like the educational programs that schoolmen have been offering, the redevelopment projects urban renewal agencies have been proposing, the law-enforcement styles of the police, the

administrative behavior of the welfare agencies, the locations of the highways, and so on. In the courts, the streets, and the political campaigns, we’ve been hearing ever-louder public protests against the professions’ diagnoses of the clients’ problems, against professionally designed governmental programs, against professionally certified standards for the public services.

It does seem odd that this attack should be coming just when professionals in the social services are beginning to acquire professional competencies. It might seem that our publics are being perverse, having condoned professionalism when it was really only dressed-up amateurism and condemning professionalism when we finally seem to be getting good at our jobs. Perverse though the laity may be, surely the professionals themselves have been behind this attack as well.

Some of the generators of the confrontation have been intellectual in origin. The anti-professional movement stems in part from a reconceptualization of the professional’s task. Others are more in the character of historical imperatives, i.e. conditions have been thrown up by the course of societal events that call for different modes of intervention.

The professional’s job was once seen as solving an assortment of problems that appeared to be definable, understandable and consensual. He was hired to eliminate those conditions that predominant opinion judged undesirable. His record has been quite spectacular, of course; the contemporary city and contemporary urban society stand as clean evidences of professional prowess. The streets have been paved, and roads now connect all places; houses shelter virtually everyone; the dread diseases are virtually gone; clean water is piped into nearly every building; sanitary sewers carry wastes from them; schools and hospitals serve virtually every district; and so on. The accomplishments of the past century in these respects have been truly phenomenal, however short of some persons’ aspirations they might have been.

Source: With kind permission from Springer Science+Business Media: Working Papers from the Urban & Regional Development, University of California –Berkeley; also in Policy Sciences 4 (1973), 155–169.

But now that these relatively easy problems have been dealt with, we have been turning our attention to others that are much more stubborn. The tests for efficiency, that were once so useful as measures of accomplishment, are being challenged by a renewed preoccupation with consequences for equity. The seeming consensus, that might once have allowed distributional problems to be dealt with, is being eroded by the growing awareness of the nation's pluralism and of the differentiation of values that accompanies differentiation of publics. The professionalized cognitive and occupational styles that were refined in the first half of this century, based in Newtonian mechanistic physics, are not readily adapted to contemporary conceptions of interacting open systems and to contemporary concerns with equity. A growing sensitivity to the waves of repercussions that ripple through such systemic networks and to the value consequences of those repercussions has generated the recent re-examination of received values and the recent search for national goals. There seems to be a growing realization that a weak strut in the professional's support system lies at the juncture where goal-formulation, problem-definition and equity issues meet. We should like to address these matters in turn.

I. Goal Formulation

The search for explicit goals was initiated in force with the opening of the 1960s. In a 1960 RAND publication, Charles J. Hitch urged that "We must learn to look at *our objectives* as critically and as professionally as we look at our models and our other inputs."² The subsequent work in systems analysis reaffirmed that injunction. Men in a wide array of fields were prompted to redefine the systems they dealt with in the syntax of verbs rather than nouns—to ask "What do the systems *do*?" rather than "What are they made of?"—and then to ask the most difficult question of all: "What *should* these systems do?" Also 1960 was inaugurated with the publication of *Goals for Americans*, the report of President Eisenhower's Commission on National Goals.³ There followed then a wave of similar efforts. The Committee for Economic

Development commissioned a follow-up re-examination. So did the Brookings Institution, the American Academy of Arts and Sciences, and then President Nixon through his National Goals Research Staff. But these may be only the most apparent attempts to clarify the nation's directions.⁴

Perhaps more symptomatic in the U.S. were the efforts to install PPBS, which requires explication of *desired outcomes*; and then the more recent attempts to build systems of social indicators, which are in effect surrogates for statements of desired conditions. As we all now know, it has turned out to be terribly difficult, if not impossible, to make either of these systems operational. Although there are some small success stories recounted in a few civilian agencies, successes are still rare. Goal-finding is turning out to be an extraordinarily obstinate task. Because goal-finding is one of the central functions of planning, we shall shortly want to ask why that must be so.

At the same time that these formalized attempts were being made to discover our latent aims, the nation was buffeted by the revolt of the blacks, then by the revolt of the students, then by the widespread revolt against the war, more recently with a new consumerism and conservatism. All these movements were striking out at the underlying systemic processes of contemporary American society. In a style rather different from those of the systems analysts and the Presidential commissioners, participants in these revolts were seeking to restructure the value and goal systems that affect the distribution of social product and shape the directions of national policy.

Systems analysis, goals commissions, PPBS, social indicators, the several revolts, the poverty program, model cities, the current concerns with environmental quality and with the qualities of urban life, the search for new religions among contemporary youth, and the increasing attractiveness of the planning idea—all seem to be driven by a common quest. Each in its peculiar way is asking for a clarification of purposes, for a redefinition of problems, for a re-ordering of priorities to match stated purposes, for the design of new kinds of goal-directed actions, for a reorientation of the professions to the outputs of professional

activities rather than to the inputs into them, and then for a redistribution of the outputs of governmental programs among the competing publics.

A deep-running current of optimism in American thought seems to have been propelling these diverse searches for direction-finding instruments. But at the same time, the Americans' traditional faith in a guaranteed progress is being eroded by the same waves that are wearing down old beliefs in the social order's inherent goodness and in history's intrinsic benevolence. *Candide* is dead. His place is being occupied by a new conception of future history that, rejecting historicism, is searching for ways of exploiting the intellectual and inventive capabilities of men.

This belief comes in two quite contradictory forms. On the one hand, there is the belief in the "makeability," or unrestricted malleability, of future history by means of the planning intellect—by reasoning, rational discourse, and civilized negotiation. At the same time, there are vocal proponents of the "feeling approach," of compassionate engagement and dramatic action, even of a revival of mysticism, aiming at overcoming *The System* which is seen as the evil source of misery and suffering.

The Enlightenment may be coming to full maturity in the late 20th century, or it may be on its deathbed. Many Americans seem to believe both that we can perfect future history—that we can deliberately shape future outcomes to accord with our wishes—and that there will be no future history. Some have arrived at deep pessimism and some at resignation. To them, planning for large social systems has proved to be impossible without loss of liberty and equity. Hence, for them the ultimate goal of planning should be anarchy, because it should aim at the elimination of government over others. Still another group has arrived at the conclusion that liberty and equity are luxuries which cannot be afforded by a modern society, and that they should be substituted by "cybernetically feasible" values.

Professionalism has been understood to be one of the major instruments for perfectability, an agent sustaining the traditional American optimism. Based in modern science, each of the professions has been conceived as the medium

through which the knowledge of science is applied. In effect, each profession has been seen as a subset of engineering. Planning and the emerging policy sciences are among the more optimistic of those professions. Their representatives refuse to believe that planning for betterment is impossible, however grave their misgivings about the appropriateness of past and present modes of planning. They have not abandoned the hope that the instruments of perfectability can be perfected. It is that view that we want to examine, in an effort to ask whether the social professions are equipped to do what they are expected to do.

II. Problem Definition

During the industrial age, the idea of planning, in common with the idea of professionalism, was dominated by the pervasive idea of *efficiency*. Drawn from 18th century physics, classical economics and the principle of least-means, efficiency was seen as a condition in which a specified task could be performed with low inputs of resources. That has been a powerful idea. It has long been the guiding concept of civil engineering, the scientific management movement, much of contemporary operations research; and it still pervades modern government and industry. When attached to the idea of planning, it became dominating there too. Planning was then seen as a process of designing problem-solutions that might be installed and operated cheaply. Because it was fairly easy to get consensus on the nature of problems during the early industrial period, the task could be assigned to the technically skilled, who in turn could be trusted to accomplish the simplified end-in-view. Or, in the more work-a-day setting, we could rely upon the efficiency expert to diagnose a problem and then solve it, while simultaneously reducing the resource inputs into whatever it was we were doing.

We have come to think about the planning task in very different ways in recent years. We have been learning to ask whether what we are doing is the *right* thing to do. That is to say, we have been learning to ask questions about the *outputs* of actions and to pose problem

statements in valiative frameworks. We have been learning to see social processes as the links tying open systems into large and interconnected networks of systems, such that outputs from one become inputs to others. In that structural framework it has become less apparent where problem centers lie, and less apparent *where* and *how* we should intervene even if we do happen to know what aims we seek. We are now sensitized to the waves of repercussions generated by a problem-solving action directed to any one node in the network, and we are no longer surprised to find it inducing problems of greater severity at some other node. And so we have been forced to expand the boundaries of the systems we deal with, trying to internalize those externalities.

This was the professional style of the systems analysts, who were commonly seen as forebearers of the universal problem-solvers. With arrogant confidence, the early systems analysts pronounced themselves ready to take on anyone's perceived problem, diagnostically to discover its hidden character, and then, having exposed its true nature, skillfully to excise its root causes. Two decades of experience have worn the self-assurances thin. These analysts are coming to realize how valid their model really is, for they themselves have been caught by the very same diagnostic difficulties that troubled their clients.

By now we are all beginning to realize that one of the most intractable problems is that of defining problems (of knowing what distinguishes an observed condition from a desired condition) and of locating problems (finding where in the complex causal networks the trouble really lies). In turn, and equally intractable, is the problem of identifying the actions that might effectively narrow the gap between what is and what-ought-to-be. As we seek to improve the effectiveness of actions in pursuit of valued outcomes, as system boundaries get stretched, and as we become more sophisticated about the complex workings of open societal systems, it becomes ever more difficult to make the planning idea operational.

Many now have an image of *how* an *idealized* planning system would function. It is being seen as an on-going, cybernetic process of governance, incorporating systematic procedures

for continuously searching out goals; identifying problems; forecasting uncontrollable contextual changes; inventing alternative strategies, tactics, and time-sequenced actions; stimulating alternative and plausible action sets and their consequences; evaluating alternatively forecasted outcomes; statistically monitoring those conditions of the publics and of systems that are judged to be germane; feeding back information to the simulation and decision channels so that errors can be corrected—all in a simultaneously functioning governing process. That set of steps is familiar to all of us, for it comprises what is by now the modern-classical model of planning. And yet we all know that such a planning system is unattainable, even as we seek more closely to approximate it. It is even questionable whether such a planning system is desirable.

III. Planning Problems are Wicked Problems

A great many barriers keep us from perfecting such a planning/governing system: theory is inadequate for decent forecasting; our intelligence is insufficient to our tasks; plurality of objectives held by pluralities of politics makes it impossible to pursue unitary aims; and so on. The difficulties attached to rationality are tenacious, and we have so far been unable to get untangled from their web. This is partly because the classical paradigm of science and engineering—the paradigm that has underlain modern professionalism—is not applicable to the problems of open societal systems. One reason the publics have been attacking the social professions, we believe, is that the cognitive and occupational styles of the professions—mimicking the cognitive style of science and the occupational style of engineering—have just not worked on a wide array of social problems. The lay customers are complaining because planners and other professionals have not succeeded in solving the problems they claimed they could solve. We shall want to suggest that the social professions were misled somewhere along the line into assuming they could be applied scientists—that they could solve problems in the ways scientists can solve

their sorts of problems. The error has been a serious one.

The kinds of problems that planners deal with—societal problems—are inherently different from the problems that scientists and perhaps some classes of engineers deal with. Planning problems are inherently wicked.

As distinguished from problems in the natural sciences, which are definable and separable and may have solutions that are findable, the problems of governmental planning—and especially those of social or policy planning—are ill-defined; and they rely upon elusive political judgment for resolution. (Not “solution.” Social problems are never solved. At best they are only re-solved—over and over again.) Permit us to draw a cartoon that will help clarify the distinction we intend.

The problems that scientists and engineers have usually focused upon are mostly “tame” or “benign” ones. As an example, consider a problem of mathematics, such as solving an equation; or the task of an organic chemist in analyzing the structure of some unknown compound; or that of the chessplayer attempting to accomplish checkmate in five moves. For each the mission is clear. It is clear, in turn, whether or not the problems have been solved.

Wicked problems, in contrast, have neither of these clarifying traits; and they include nearly all public policy issues—whether the question concerns the location of a freeway, the adjustment of a tax rate, the modification of school curricula, or the confrontation of crime.

There are at least ten distinguishing properties of planning-type problems, i.e. wicked ones, that planners had better be alert to and which we shall comment upon in turn. As you will see, we are calling them “wicked” not because these properties are themselves ethically deplorable. We use the term “wicked” in a meaning akin to that of “malignant” (in contrast to “benign”) or “vicious” (like a circle) or “tricky” (like a leprechaun) or “aggressive” (like a lion, in contrast to the docility of a lamb). We do not mean to personify these properties of social systems by implying malicious intent. But then, you may agree that it becomes morally objectionable for the planner to treat a wicked problem as though it were a tame one, or to tame a wicked problem prematurely, or to

refuse to recognize the inherent wickedness of social problems.

1. There is no definitive formulation of a wicked problem

For any given tame problem, an exhaustive formulation can be stated containing all the information the problem-solver needs for understanding and solving the problem—provided he knows his “art,” of course.

This is not possible with wicked-problems. The information needed to *understand* the problem depends upon one’s idea for *solving* it. That is to say: in order to *describe* a wicked-problem in sufficient detail, one has to develop an exhaustive inventory of all conceivable *solutions* ahead of time. The reason is that every question asking for additional information depends upon the understanding of the problem—and its resolution—at that time. Problem understanding and problem resolution are concomitant to each other. Therefore, in order to anticipate all questions (in order to anticipate all information required for resolution ahead of time), knowledge of all conceivable solutions is required.

Consider, for example, what would be necessary in identifying the nature of the poverty problem. Does poverty mean low income? Yes, in part. But what are the determinants of low income? Is it deficiency of the national and regional economies, or is it deficiencies of cognitive and occupational skills within the labor force? If the latter, the problem statement and the problem “solution” must encompass the educational processes. But, then, where within the educational system does the real problem lie? What then might it mean to “improve the educational system”? Or does the poverty problem reside in deficient physical and mental health? If so, we must add those etiologies to our information package, and search inside the health services for a plausible cause. Does it include cultural deprivation? spatial dislocation? problems of ego identity? deficient political and social skills?—and so on. If we can formulate the problem by tracing it to some sorts of sources—such that we can say, “Aha! That’s the locus of the difficulty,” i.e. those are the root causes of the differences between the

“is” and the “ought to be” conditions—then we have thereby also formulated a solution. To find the problem is thus the same thing as finding the solution; the problem can’t be defined until the solution has been found.

The formulation of a wicked problem *is* the problem! The process of formulating the problem and of conceiving a solution (or re-solution) are identical, since every specification of the problem is a specification of the direction in which a treatment is considered. Thus, if we recognize deficient mental health services as part of the problem, then—trivially enough—“improvement of mental health services” is a specification of solution. If, as the next step, we declare the lack of community centers one deficiency of the mental health services system, then “procurement of community centers” is the next specification of solution. If it is inadequate treatment within community centers, then improved therapy training of staff may be the locus of solution, and so on.

This property sheds some light on the usefulness of the famed “systems-approach” for treating wicked problems. The classical systems-approach of the military and the space programs is based on the assumption that a planning project can be organized into distinct phases. Every textbook of systems engineering starts with an enumeration of these phases: “understand the problems or the mission,” “gather information,” “analyze information,” “synthesize information and wait for the creative leap,” “work out solution,” or the like. For wicked problems, however, this type of scheme does not work. One cannot understand the problem without knowing about its context; one cannot meaningfully search for information without the orientation of a solution concept; one cannot first understand, then solve. The systems-approach “of the first generation” is inadequate for dealing with wicked-problems. Approaches of the “second generation” should be based on a model of planning as an argumentative process in the course of which an image of the problem and of the solution emerges gradually among the participants, as a product of incessant judgment, subjected to critical argument. The methods of Operations Research play a prominent role in the systems-approach of the first generation; they become operational, however, only

after the most important decisions have already been made, i.e. after the problem has already been tamed.

Take an optimization model. Here the inputs needed include the definition of the solution space, the system of constraints, and the performance measure as a function of the planning and contextual variables. But setting up and constraining the solution space and constructing the measure of performance is the wicked part of the problem. Very likely it is more essential than the remaining steps of searching for a solution which is optimal relative to the measure of performance and the constraint system.

2. Wicked problems have no stopping rule

In solving a chess problem or a mathematical equation, the problem-solver knows when he has done his job. There are criteria that tell when *the* or *a* solution has been found.

Not so with planning problems. Because (according to Proposition 1) the process of solving the problem is identical with the process of understanding its nature, because there are no criteria for sufficient understanding and because there are no ends to the causal chains that link interacting open systems, the would-be planner can always try to do better. Some additional investment of effort might increase the chances of finding a better solution.

The planner terminates work on a wicked problem, not for reasons inherent in the “logic” of the problem. He stops for considerations that are external to the problem: he runs out of time, or money, or patience. He finally says, “That’s good enough,” or “This is the best I can do within the limitations of the project,” or “I like this solution,” etc.

3. Solutions to wicked problems are not true-or-false, but good-or-bad

There are conventionalized criteria for objectively deciding whether the offered solution to an equation or whether the proposed structural formula of a chemical compound is correct or false. They can be independently checked by other qualified persons who are familiar with the established criteria; and the answer will be normally unambiguous.

For wicked planning problems, there are no true or false answers. Normally, many parties are equally equipped, interested, and/or entitled to judge the solutions, although none has the power to set formal decision rules to determine correctness. Their judgments are likely to differ widely to accord with their group or personal interests, their special value-sets, and their ideological predilections. Their assessments of proposed solutions are expressed as “good” or “bad” or, more likely, as “better or worse” or “satisfying” or “good enough.”

4. There is no immediate and no ultimate test of a solution to a wicked problem

For tame-problems one can determine on the spot how good a solution-attempt has been. More accurately, the test of a solution is entirely under the control of the few people who are involved and interested in the problem.

With wicked problems, on the other hand, any solution, after being implemented, will generate waves of consequences over an extended—virtually an unbounded—period of time. Moreover, the next day’s consequences of the solution may yield utterly undesirable repercussions which outweigh the intended advantages or the advantages accomplished hitherto. In such cases, one would have been better off if the plan had never been carried out.

The full consequences cannot be appraised until the waves of repercussions have completely run out, and we have no way of tracing *all* the waves through *all* the affected lives ahead of time or within a limited time span.

5. Every solution to a wicked problem is a “one-shot operation”; because there is no opportunity to learn by trial-and-error, every attempt counts significantly

In the sciences and in fields like mathematics, chess, puzzle-solving or mechanical engineering design, the problem-solver can try various runs without penalty. What ever his outcome on these individual experimental runs, it doesn’t matter much to the subject-system or to the course of societal affairs. A lost chess game is seldom consequential for other chess games or for non-chess-players.

With wicked planning problems, however, *every* implemented solution is consequential. It leaves “traces” that cannot be undone. One cannot build a freeway to see how it works, and then easily correct it after unsatisfactory performance. Large public-works are effectively irreversible, and the consequences they generate have long half-lives. Many people’s lives will have been irreversibly influenced, and large amounts of money will have been spent—another irreversible act. The same happens with most other large-scale public works and with virtually all public-service programs. The effects of an experimental curriculum will follow the pupils into their adult lives.

Whenever actions are effectively irreversible and whenever the half-lives of the consequences are long, *every trial counts*. And every attempt to reverse a decision or to correct for the undesired consequences poses another set of wicked problems, which are in turn subject to the same dilemmas.

6. Wicked problems do not have an enumerable (or an exhaustively describable) set of potential solutions, nor is there a well-described set of permissible operations that may be incorporated into the plan

There are no criteria which enable one to prove that all solutions to a wicked problem have been identified and considered.

It may happen that *no* solution is found, owing to logical inconsistencies in the “picture” of the problem. (For example, the problem-solver may arrive at a problem description requiring that both *A* and not-*A* should happen at the same time.) Or it might result from his failing to develop an idea for solution (which does not mean that someone else might be more successful). But normally, in the pursuit of a wicked planning problem, a host of potential solutions arises; and another host is never thought up. It is then a matter of *judgment* whether one should try to enlarge the available set or not. And it is, of course, a matter of judgment which of these solutions should be pursued and implemented.

Chess has a finite set of rules, accounting for all situations that can occur. In mathematics, the tool chest of operations is also explicit; so, too, although less rigorously, in chemistry.

But not so in the world of social policy. Which strategies-or-moves are permissible in dealing with crime in the streets, for example, have been enumerated nowhere. “Anything goes,” or at least, any new idea for a planning measure may become a serious candidate for a re-solution: What should we do to reduce street crime? Should we disarm the police, as they do in England, since even criminals are less likely to shoot unarmed men? Or repeal the laws that define crime, such as those that make marijuana use a criminal act or those that make car theft a criminal act? That would reduce crime by changing definitions. Try moral rearmament and substitute ethical self-control for police and court control? Shoot all criminals and thus reduce the numbers who commit crime? Give away free loot to would-be-thieves, and so reduce the incentive to crime? And so on.

In such fields of ill-defined problems and hence ill-definable solutions, the set of feasible plans of action relies on realistic judgment, the capability to appraise “exotic” ideas and on the amount of trust and credibility between planner and clientele that will lead to the conclusion, “OK let’s try that.”

7. Every wicked problem is essentially unique

Of course, for any two problems at least one distinguishing property can be found (just as any number of properties can be found which they share in common), and each of them is therefore unique in a trivial sense. But by “*essentially* unique” we mean that, despite long lists of similarities between a current problem and a previous one, there always might be an additional distinguishing property that is of overriding importance. Part of the art of dealing with wicked problems is the art of not knowing too early which type of solution to apply.

There are no *classes* of wicked problems in the sense that principles of solution can be developed to fit *all* members of a class. In mathematics there are rules for classifying families of problems—say, of solving a class of equations—whenever a

certain, quite-well-specified set of characteristics matches the problem. There are explicit characteristics of tame problems that define similarities among them, in such fashion that the same set of techniques is likely to be effective on all of them.

Despite seeming similarities among wicked problems, one can never be *certain* that the particulars of a problem do not override its commonalities with other problems already dealt with.

The conditions in a city constructing a subway may look similar to the conditions in San Francisco, say; but planners would be ill-advised to transfer the San Francisco solutions directly. Differences in commuter habits or residential patterns may far outweigh similarities in subway layout, downtown layout and the rest. In the more complex world of social policy planning, every situation is likely to be one-of-a-kind. If we are right about that, the direct transference of the physical-science and engineering thoughtways into social policy might be dysfunctional, i.e. positively harmful. “Solutions” might be applied to seemingly familiar problems which are quite incompatible with them.

8. Every wicked problem can be considered to be a symptom of another problem

Problems can be described as discrepancies between the state of affairs as it is and the state as it ought to be. The process of resolving the problem starts with the search for causal explanation of the discrepancy. Removal of that cause poses another problem of which the original problem is a “symptom.” In turn, it can be considered the symptom of still another, “higher level” problem. Thus “crime in the streets” can be considered as a symptom of general moral decay, or permissiveness, or deficient opportunity, or wealth, or poverty, or whatever causal explanation you happen to like best. The level at which a problem is settled depends upon the self-confidence of the analyst and cannot be decided on logical grounds. There is nothing like a natural level of a wicked problem. Of course, the higher the level of a problem’s formulation, the broader and more general it becomes: and the more difficult it becomes to do something about it. On the other hand, one should not try to cure

symptoms: and therefore one should try to settle the problem on as high a level as possible.

Here lies a difficulty with incrementalism, as well. This doctrine advertises a policy of small steps, in the hope of contributing systematically to overall improvement. If, however, the problem is attacked on too low a level (an increment), then success of resolution may result in making things worse, because it may become more difficult to deal with the higher problems. Marginal improvement does not guarantee overall improvement. For example, computerization of an administrative process may result in reduced cost, ease of operation, etc. But at the same time it becomes more difficult to incur structural changes in the organization, because technical perfection reinforces organizational patterns and normally increases the cost of change. The newly acquired power of the controllers of information may then deter later modifications of their roles.

Under these circumstances it is not surprising that the members of an organization tend to see the problems on a level below their own level. If you ask a police chief what the problems of the police are, he is likely to demand better hardware.

9. The existence of a discrepancy representing a wicked problem can be explained in numerous ways. The choice of explanation determines the nature of the problem's resolution

"Crime in the streets" can be explained by not enough police, by too many criminals, by inadequate laws, too many police, cultural deprivation, deficient opportunity, too many guns, phrenologic aberrations, etc. Each of these offers a direction for attacking crime in the streets. Which one is right? There is no rule or procedure to determine the "correct" explanation or combination of them. The reason is that in dealing with wicked problems there are several more ways of refuting a hypothesis than there are permissible in the sciences.

The mode of dealing with conflicting evidence that is customary in science is as follows: "Under conditions *C* and assuming the validity of hypothesis *H*, effect *E* must occur. Now, given *C*, *E* does not occur. Consequently *H* is to be

refuted." In the context of wicked problems, however, further modes are admissible: one can deny that the effect *E* has not occurred, or one can explain the nonoccurrence of *E* by intervening processes without having to abandon *H*. Here's an example: Assume that somebody chooses to explain crime in the streets by "not enough police." This is made the basis of a plan, and the size of the police force is increased. Assume further that in the subsequent years there is an increased number of arrests, but an increase of offenses at a rate slightly lower than the increase of GNP. Has the effect *E* occurred? Has crime in the streets been reduced by increasing the police force? If the answer is no, several nonscientific explanations may be tried in order to rescue the hypothesis *H* ("Increasing the police force reduces crime in the streets"): "If we had not increased the number of officers, the increase in crime would have been even greater;" "This case is an exception from rule *H* because there was an irregular influx of criminal elements;" "Time is too short to feel the effects yet;" etc. But also the answer "Yes, *E* has occurred" can be defended: "The number of arrests was increased," etc.

In dealing with wicked problems, the modes of reasoning used in the argument are much richer than those permissible in the scientific discourse. Because of the essential uniqueness of the problem (see Proposition 7) and lacking opportunity for rigorous experimentation (see Proposition 5), it is not possible to put *H* to a crucial test.

That is to say, the choice of explanation is arbitrary in the logical sense. In actuality, attitudinal criteria guide the choice. People choose those explanations which are most plausible to them. Somewhat but not much exaggerated, you might say that everybody picks that explanation of a discrepancy which fits his intentions best and which conforms to the action-prospects that are available to him. The analyst's "world view" is the strongest determining factor in explaining a discrepancy and, therefore, in resolving a wicked problem.

10. The planner has no right to be wrong

As Karl Popper argues in *The Logic of Scientific Discovery*,⁴ it is a principle of science that solutions to problems are only hypotheses offered

for refutation. This habit is based on the insight that there are no proofs to hypotheses, only potential refutations. The more a hypothesis withstands numerous attempts at refutation, the better its “corroboration” is considered to be. Consequently, the scientific community does not blame its members for postulating hypotheses that are later refuted—so long as the author abides by the rules of the game, of course.

In the world of planning and wicked problems no such immunity is tolerated. Here the aim is not to find the truth, but to improve some characteristics of the world where people live. Planners are liable for the consequences of the actions they generate; the effects can matter a great deal to those people that are touched by those actions.

We are thus led to conclude that the problems that planners must deal with are wicked and incorrigible ones, for they defy efforts to delineate their boundaries and to identify their causes, and thus to expose their problematic nature. The planner who works with open systems is caught up in the ambiguity of their causal webs. Moreover, his would-be solutions are confounded by a still further set of dilemmas posed by the growing pluralism of the contemporary publics, whose valuations of his proposals are judged against an array of different and contradicting scales. Let us turn to these dilemmas next.

IV. The Social Context

There was a time during the 'Fifties when the quasi-sociological literature was predicting a Mass Society—foreseen as a rather homogeneously shared culture in which most persons would share values and beliefs, would hold to common aims, would follow similar life-styles, and thus would behave in similar ways. (You will recall the popular literature on suburbia of ten years ago.) It is now apparent that those forecasts were wrong.

Instead, the high-scale societies of the Western world are becoming increasingly heterogeneous. They are becoming increasingly differentiated, comprising thousands of minority groups, *each* joined around common interests, common value systems, and shared

stylistic preferences that differ from those of other groups. As the sheer volume of information and knowledge increases, as technological developments further expand the range of options, and as awareness of the liberty to deviate and differentiate spreads, more variations are *possible*. Rising affluence or, even more, growing desire for at least subcultural identity induces groups to exploit those options and to invent new ones. We almost dare say that irregular cultural permutations are becoming the rule. We have come to realize that the melting pot never worked for large numbers of immigrants to America,⁶ and that the unitary conception of “*The American Way of Life*” is now giving way to a recognition that there are numerous ways of life that are also American.

It was *pre*-industrial society that was culturally homogeneous. The industrial age greatly expanded cultural diversity. Post-industrial society is likely to be far more differentiated than any in all of past history.

It is still too early to know whether the current politicization of subpublics is going to be a long-run phenomenon or not. One could write scenarios that would be equally plausible either way. But one thing is clear: large population size will mean that small minorities can comprise large numbers of people; and, as we have been seeing, even small minorities can swing large political influence.

In a setting in which a plurality of publics is politically pursuing a diversity of goals, how is the larger society to deal with its wicked problems in a planful way? How are goals to be set, when the valuative bases are so diverse? Surely a unitary conception of a unitary “public welfare” is an anachronistic one.

We do not even have a theory that tells us how to find out what might be considered a societally best state. We have no theory that tells us what distribution of the social product is best—whether those outputs are expressed in the coinage of money income, information income, cultural opportunities, or whatever. We have come to realize that the concept of *the* social product is not very meaningful; possibly there is no aggregate measure for the welfare of a highly diversified society, if this measure is claimed to be objective and non-partisan. Social science has simply been unable to uncover a

social-welfare function that would suggest which decisions would contribute to a societally best state. Instead, we have had to rely upon the axioms of individualism that underlie economic and political theory, deducing, in effect, that the *larger-public* welfare derives from summation of individualistic choices. And yet, we know that *this* is not necessarily so, as our current experience with air pollution has dramatized.

We also know that many societal processes have the character of zero-sum games. As the population becomes increasingly pluralistic, inter-group differences are likely to be reflected as inter-group rivalries of the zero-sum sorts. If they do, the prospects for inventing positive non-zero-sum development strategies would become increasingly difficult.

Perhaps we can illustrate. A few years ago there was a nearly universal consensus in America that full-employment, high productivity, and widespread distribution of consumer durables fitted into a development strategy in which all would be winners. That consensus is now being eroded. Now, when substitutes for wages are being disbursed to the poor, the college student, and the retired, as well as to the more traditional recipient of nonwage incomes, our conceptions of “employment” and of a full-employment economy are having to be revised. Now, when it is recognized that raw materials that enter the economy end up as residuals polluting the air mantle and the rivers, many are becoming wary of rising manufacturing production. And, when some of the new middle-class religions are exorcising worldly goods in favor of less tangible communal “goods,” the consumption-oriented society is being challenged—oddly enough, to be sure, by those who were reared in its affluence.

What was once a clear-cut win-win strategy, that had the status of a near-truism, has now become a source of contentious differences among subpublics.

Or, if these illustrations seem to be posed at too high a level of generality, consider the sorts of inter-group conflicts imbedded in urban renewal, roadway construction, or curriculum design in the public schools. Our observation is not only that values are changing. That is true enough, and the probabilities of parametric

changes are large enough to humble even the most perceptive observer of contemporary norms. Our point, rather, is that diverse values are held by different groups of individuals—that what satisfies one may be abhorrent to another, that what comprises problem-solution for one is problem-generation for another. Under such circumstances, and in the absence of an overriding social theory or an overriding social ethic, there is no gainsaying which group is right and which should have its ends served.

One traditional approach to the reconciliation of social values and individual choice is to entrust *de facto* decision-making to the wise and knowledgeable professional experts and politicians. But whether one finds that ethically tolerable or not, we hope we have made it clear that even such a tactic only begs the question, for there are no value-free, true-false answers to any of the wicked problems governments must deal with. To substitute expert professional judgment for those of contending political groups may make the rationales and the repercussions more explicit, but it would not necessarily make the outcomes better. The one-best answer is possible with tame problems, but not with wicked ones.

Another traditional approach to the reconciliation of social values and individual choice is to bias in favor of the latter. Accordingly, one would promote widened differentiation of goods, services, environments, and opportunities, such that individuals might more closely satisfy their individual preferences. Where large-system problems are generated, he would seek to ameliorate the effects that he judges most deleterious. Where latent opportunities become visible, he would seek to exploit them. Where positive non-zero-sum developmental strategies can be designed, he would of course work hard to install them.

Whichever the tactic, though, it should be clear that the expert is also the player in a political game, seeking to promote his private vision of goodness over others'. Planning is a component of politics. There is no escaping that truism.

We are also suggesting that none of these tactics will answer the difficult questions attached to the sorts of wicked problems planners must deal with. We have neither a theory

that can locate societal goodness, nor one that might dispel wickedness, nor one that might resolve the problems of equity that rising pluralism is provoking. We are inclined to think that these theoretic dilemmas may be the most wicked conditions that confront us.

NOTES

1. This is a modification of a paper presented to the Panel on Policy Sciences, American Association for the Advancement of Science, Boston, December 1969.
2. Charles J. Hitch, "On the Choice of Objectives in Systems Studies" (Santa Monica, California: The RAND Corporation, 1960; P-1955), p. 19.
3. The report was published by Spectrum Books, Prentice Hall, 1960.
4. At the same time to be sure—counter voices—uncomfortable to many—were claiming that the "nation's direction" presents no meaningful reference system at all, owing to the worldwide character of the problems and the overspill of crises across national boundaries.
5. Science Editions, New York, 1961.
6. See an early sign of this growing realization in Nathan Glazer and Daniel Patrick Moynihan, *Beyond the Melting Pot* (Cambridge: Harvard and MIT Presses, 1963).

Systematic Thinking for Social Action

Alice M. Rivlin

The two preceding chapters dealt with three strategies for finding more effective methods of producing education, health, and other social services: (1) analysis of the “natural experiment,” (2) random innovation, and (3) systematic experimentation. The major conclusion was that all three strategies should be pursued with increased energy and greater methodological sophistication.

Analysis of the natural experiment has not yet turned up many clues to more effective ways of producing social services. But with time and more refined techniques, there is hope that it will. As a necessary first step to more effective services, all kinds of people should be encouraged to try out new ways of delivering services. But random innovation does not yield knowledge of what works best for whom or under what conditions. This requires systematic experimentation—with new curricula, new training techniques, new ways of delivering medical care. As the last chapter indicated, I believe systematic experimentation must be an important federal activity if we are to achieve breakthroughs in social service delivery.

But finding more effective methods is not enough. How do we know they will be used? What incentives are built into our social service systems to encourage effectiveness?

As the public sector of our economy grows larger, the problem of building incentives to effective performance into public programs becomes more and more crucial. As Schultze pointed out in his Gaither lectures, federal programs have often failed to reach their objectives because no thought was given to incentives:

The failure of performance stems from two related causes. The first of these is “negative failure”—the failure to take account of private incentives that run counter to program objectives, and to provide for appropriate modifications in existing rewards and penalties that thwart social objectives. . . .

The second cause is “positive failure”—the failure to build into federal programs a positive set of incentives to channel the activities of decentralized administrators and program operators toward the program objectives.¹

In the social action area, the problem is both especially acute and especially difficult. Present arrangements for delivering social services provide few rewards for those who produce better education or health service, few penalties for those who fail to produce. School systems are big bureaucracies serving a largely captive clientele. Students and their parents have little freedom to move from one school to another in search of a “better” education, and hardly any information by which to judge the effectiveness of schools. Teachers, principals, and superintendents are rarely rewarded or promoted on the basis of the educational results they achieve. State and federal financing is not designed to reward effective performance of schools or school systems.

The health system *looks* different. There are far more small units—hospitals, clinics, and doctors in private practice—and the consumer seems to have choice. But in fact he has neither the time, the resources, nor the knowledge on which to base an intelligent choice. Moreover, in health as in education, payment mechanisms fail to reward efficiency or effectiveness. On the contrary, the present health insurance systems, both public and private, operate to encourage overuse of hospitals—the most expensive health facilities—and fail to encourage the development and use of less costly alternatives.

Source: Alice M. Rivlin, *Systematic Thinking for Social Action* (Washington, D.C.: The Brookings Institution, 1971). Reprinted with permission.

The diagnosis is clear, but what is the prescription? It is easy to talk loosely about holding producers of education and health services “accountable” for their performance to those who consume the services and to those who pay for them. But it is hard to design a workable set of measures of performance, to decide exactly what accounts are to be rendered to whom and how rewards and penalties are to be meted out.

This chapter will deal with three models for improving the effectiveness with which social services are produced. One is decentralization—breaking up central administrative units, like school systems or federal programs, into more manageable units. The second is community control—a step beyond decentralization in which control of schools or other services is turned over to the community being served, in the hope of making producers more responsive to consumers. The last is the “market model,” perhaps the most extreme form of decentralization. If the market model were applied to education, for one example, students would be given a choice among publicly, or privately, operated schools. Reliance would be placed on competition among schools to spur more effective educational methods.

Decentralization, community control, and a market system have all been advertised as panaceas. One or the other, it has been suggested, would solve the problem of incentives, even eliminate the need for central government efforts to discover and encourage more effective methods. The message of this chapter is that, while all three models hold out some promise, none is a cure-all. In particular, the success of all three depends on two conditions: (1) the development and use of better measures of the effectiveness of social services; and (2) vigorous and systematic attempts to find and test more effective methods and to publicize the results.

Decentralization

Decentralization of decision making, at least down to the state or city level, has always been popular with conservatives—those who generally oppose expansion of the public sector and changes in methods of delivering services.

Rejecting “frills” and “new-fangled” devices in the school and clinging to fee-for-service medicine and traditional health facilities, these groups have always fought for local control and less interference from Washington or the state capital. But the remarkable political development of the last several years has been the conversion of liberals—those who favor more public services and newer methods—to the cause of decentralization. Why the switch?

One element is a new realism about the capacity of a central government to manage social action programs effectively. There was a time when those who believed in broader public commitment to social action pinned their hopes on centralization. Finding themselves stymied by conservatism, rigidity, and lack of resources at the local level, they turned to state government. Finding the states unresponsive, they turned—especially after 1933—to the federal government.

But the last several years have seen a marked shift in the attitude of liberals toward the federal role. I am not referring to the carping criticism of academics or of the party out of power about the “bungling and inefficiency” of federal executives. Those who happen not to be running the government at the moment have always griped, with more or less justification, about the ineptitude of those who were. Rather, I am talking about the change of attitude that occurred during the 1960s among those who helped design federal social action programs and tried to make them work.

I, for one, once thought that the effectiveness of a program like Headstart or Title I of the Elementary and Secondary Education Act could be increased by tighter management from Washington. Something was known about “good practices,” or effective ways of reaching poor children; more could be learned and transmitted to the local level through federal guidelines and regulations and technical assistance. As knowledge accumulated, the guidelines could be tightened up, and programs would become more effective.

This view now seems to be naïve and unrealistic. The country is too big and too diverse, and social action is too complicated. There are over 25,000 school districts, and their needs, problems and capacities differ drastically.

Universal rules are likely to do more harm than good. Nor, given the numbers of people involved, is it possible simply to rely on the judgment or discretion of federal representatives in the field.

Robert Levine, former planning officer for the Office of Economic Opportunity, has given a good description of the new realism:

By and large, those programs which have stressed detailed planning and detailed administration have either not worked, or have worked only on a scale which was very small compared to the size of the problem. . . . The detailed administrative approach does not work for clear enough reasons—which start with the impossibility of writing detailed rules to fit every case, and end with the lack of highly trained people to administer every case, assuming even that an administrative solution is possible. . . . The setbacks of the War on Poverty arise, in part, from the difficulties of applying a specific and administered program to more than 30 million poor individuals. . . . What we might be able to achieve is a long-run redesign of the Poverty Program to reduce the amount of detailed administration, and to provide more incentives for individuals to develop their own programs.²

The new realists are not ready to give up on the federal government and turn social action programs back to state and local governments. One cogent reason is the inequality of state and local resources. The states with the greatest per capita needs for education, health, income maintenance, and other social action programs also have the lowest per capita resources. Even within states, resources are frequently concentrated where the problems are least acute. Central cities find themselves facing mounting needs for public services and falling tax bases, while the resources of the suburbs are far greater in relation to need. The intervention of the federal government is required to channel resources to areas of need, a task that, fortunately, it is well equipped to handle.

Two activities that the federal bureaucracy carries out with great efficiency are collecting taxes and writing checks. For all its faults, the federal tax system is certainly among the most

equitable and efficient in the world. Federal taxation falls largely on income, and hence is more progressive than state and local taxation, which falls largely on property and sales and thus on the poor. The progressivity of the federal system, moreover, makes it more responsive to economic growth than state and local systems. Unless rates are lowered, federal revenues tend to rise faster than the national income—a fortunate fact in an age when the demand for public services is rising more rapidly than income. Finally, income taxes are easier and cheaper to collect than are property and sales taxes, and are far less subject to the whims and errors of individual assessors.

The efficiency with which the federal government collects money is matched by the efficiency with which it disburses it. The social security system, the Veterans Administration, and other federal agencies charged with making payments directly to individuals discharge their responsibilities apparently with a minimum of difficulty and confusion.

Since the federal government is good at collecting and handing out money, but inept at administering service programs, then it might make sense to restrict its role in social action mainly to tax collection and check writing and leave the detailed administration of social action programs to smaller units. This view implies cutting out categorical grants-in-aid with detailed guidelines and expenditure controls. Instead, the major federal domestic activity would be the distribution of funds to individuals and governments on the basis of need and other criteria. The mechanism for distributing funds to individuals would be social security, family assistance, or other forms of income maintenance. Lower levels of government would receive funds through revenue sharing or bloc grants for general purposes like education. The last two federal budgets, with their emphasis on income maintenance and revenue sharing, appear to be moving the federal government in this direction.

But a deep-seated fear that the money will be misused and misdirected has always made the liberals—and, indeed, most of the Congress—leery of turning over federal tax money to lower levels of government without strict guidelines. How does the federal taxpayer know that his

funds will be spent efficiently and effectively? While it may be easier in principle to manage programs at the state or local level than to deal with the vastness and diversity of the nation as a whole, in practice state and local governments have hardly been models of efficiency, effectiveness, or even honesty. Moreover, not sharing national objectives, state and local governments may underfund such programs as higher education or pollution control whose benefits are likely to spill over into other jurisdictions. They may be dominated by a small, local power elite. The federal taxpayer clearly has grounds for insisting that lower levels of government be held “accountable” to the federal government for the uses they make of federal funds.

But stating the accountability in terms of inputs—through detailed guidelines and controls on objects of expenditure—spawns red tape and rigidity without introducing incentives to more outputs. Hence a new approach is in order: State the accountability in terms of outputs, and reward those who produce more efficiently. Free to vary the way they spend the money as long as they accomplish specified results, recipients of federal grants could be rewarded for producing beyond expectations. This procedure would liberate them from the straitjacket of input controls and promote vigorous and imaginative attempts to improve results, just as in large corporations plant managers are free to vary production methods, but are rewarded and promoted according to sales and profits.

This reasoning applies, of course, not just to federal relations with state and local governments, but to the broader question of productivity incentives in any large bureaucratic enterprise. Even in programs run by the federal government itself, productivity could be increased by allowing individual project managers—federal hospital administrators or training center heads, for example—more freedom of action and more incentive to achievement. Similar reasoning has led many to advocate decentralization of big-city school districts into semi-autonomous units that would be freed from rigid restrictions on curriculum, teaching methods, or mix of resources, and rewarded for producing better educational results.

The idea of accountability certainly sounds simple and sensible and right. Implementing it is harder. Most social action programs have vague and diverse goals, and agreement on how to measure their success is far from complete. Little serious work has been done to develop the objective measures of performance that are needed to implement this concept of accountability.

One might think, for example, that performance measures could be readily devised for manpower training programs. Their goals—to increase the employability and improve the earning capacity of trainees—are not esoteric. Success can be measured in rates at which trainees are placed in jobs, and retain and advance in them, and in differentials between what they earn and what they would have earned without the training. Good management practice suggests considerable freedom for project managers in designing programs suited to local conditions and to the needs of their trainees, and in rating the projects according to these objective criteria.

But even in manpower training, performance measures are difficult to devise. One problem is dealing with several different, albeit related, objectives. If manpower training projects were judged only on their success in job placement, there would be pressure to place trainees in jobs as quickly as possible regardless of the wage level, suitability, stability, or possibilities of advancement in the employment. The result would be a lot of placements in low-level, dead-end jobs, and little contribution to productivity. On the other hand, if increases in earnings were the sole criterion, programs would probably concentrate on people whose skills were already well developed and on younger workers with a longer earning life ahead of them. Some kind of weighted average of several success measures (job placements, earnings increases, retention rates, and so forth) would avoid distortion of the objectives of the program.

In addition, success measures have to be related to the difficulty of the problem. It is more difficult to find jobs for trainees if the local unemployment rate is high. It is harder and more expensive to train and place older people than younger people, poorly educated

people than better educated people. Completion rates and wage rates are likely to be higher for men than for women. Such variations have to be taken into consideration in rating the performance of a project, both out of fairness to the project manager and to prevent “creaming,” the tendency to enroll only those who will be easy to train and place. A rating system meeting these criteria was developed for assessing the effectiveness of projects under the Work Experience and Training Program in HEW, but was not used.³

Objectives are less easy to define in other social action areas than in manpower training, and work on performance measures is in an even more primitive stage. Incorporating performance incentives into education programs is intriguing, but a workable mechanism will be hard to design. A simple formula, based, for example, on high reading scores, might do more harm than good, by rewarding districts with easy-to-teach children, or by encouraging instruction solely for results on a specific test and overemphasis on reading at the expense of other educational values. The trick will be to develop measures that reflect the educational achievement of the schools without distorting programs in counterproductive directions.

Unless the effort is made to develop performance measures and use them as incentives, it is hard to see how decentralization by itself will lead to greater effectiveness. Without incentives to produce, small units are not obviously better than large ones.

Moreover, there are some governmental functions that would almost certainly suffer from decentralization. One is research and development. Small units are unlikely to invest in such a risky activity when most of the benefit is likely to go to other units. Moreover, for any hope of success, some problems demand a critical mass of talent and resources that only the federal government can mobilize. The atomic and hydrogen bombs, the lunar landings, and some of the federally sponsored breakthroughs in biomedical research are ample evidence of the federal ability to put the requisite resources to work on a scientific problem. Breakthroughs in social service delivery seem likely to require similar concentrations of effort.

Community Control

The push for decentralization comes at least partly from frustration at the top bred from the realization that very large units cannot manage social action programs effectively. The push for community control comes from frustration at the bottom. The supposed beneficiaries of social action programs, especially the poor and the black, feel themselves objects rather than participants in the process. The demand for community control, especially in the ghetto, reflects the feeling that schools and hospitals and welfare centers are alien institutions run by hostile members of another culture unable to understand the problems of the community they serve or to imagine their solution. If such institutions were controlled by and accountable to the community, the belief runs, they would be more effectively, or at least more sensitively, run. A ghetto community school board would hire teachers who believed in the capacity of black children to learn; it would revamp the curriculum to make it more relevant, and would assign books about black city children rather than about Dick and Jane in their suburban house. The result would be more learning. A ghetto community health board would find ways to reduce waiting times in clinics, hire personnel who did not patronize or insult patients, provide health instruction in the patient's own language. The result would be more effective health care. Moreover, community control of social action programs is also seen as a means of developing self-reliance in the community itself—feelings of competence and confidence and political power that will release energies and reduce despair.

At the moment, the movement for community control focuses on the process of gaining power. The vocal advocates of community control of schools and other social services feel that much of the problem lies in the negativism and hostility of the people who now run these institutions. Once the community assumed control, it could hold the managers accountable in some sense, fire those with hostile attitudes, and significantly improve the level of service. Community control advocates have not yet focused on new methods or organization, nor do they support experimentation or systematic

testing of new models. On the contrary, one senses among ghetto militants a deep antagonism to experimentation, which is often viewed as an instrument of establishment control. “We do not want our children used as guinea pigs” typifies the attitude.

The word “accountability” is used frequently but vaguely by the advocates of community control. One searches the literature and the conversations in vain to learn what accounts are to be rendered and to whom, or how a community will know that its own administrators are doing a better job. So far, only limited attention has been paid to specific performance measures and that only with the view to dramatizing how bad the situation is. In the District of Columbia, for example, Julius W. Hobson induced the school system to publish reading scores by school in an effort to prove to the community that ghetto schools were not teaching children to read.

The vagueness about accountability seems likely to be temporary. If community control in big-city school systems, for example, becomes a reality, two things will probably happen. First, the community and its representatives will have to face up to the question: Now that we have control what shall we do? They will begin to search for proven models of more effective education, to demand the results of systematic experimentation. Second, improved measures of school performance will be called for. After all, no community can run a school directly. It has to elect a board, to appoint managers and teachers. Factions will develop and, along with them, disagreements about how well the school is being managed. One would expect a demand for performance measures to support one position or another, as well as community interest in test score changes, attendance rates, job and college placements, and, eventually, more subtle measures of student development and enthusiasm. But beyond this, there is almost certain to be a demand for performance measures from higher levels of government. In fact, development of reliable criteria may be the only condition on which states and cities will be willing to relinquish control to community boards and still pay the bills from the general tax system.

Those who favor community control of schools in cities, for example, are not arguing

for financing schools out of neighborhood tax revenues. Even if it were practical to collect taxes at a neighborhood level, it would not be desirable to finance schools this way. Areas with low tax collections would often turn out to have high educational needs and vice versa. Ghetto areas with high concentrations of poor children would not have the resources necessary to support even average schools, let alone the more intensive and expensive education these children need. Clearly, school expenditures have to be redistributed in accordance with educational need if poor children are to have a chance at equal education.

But the general city taxpayer is likely to have little enthusiasm for turning over funds to community or neighborhood boards without some assurance that he will get his money’s worth. The community board will have to be in some sense accountable to the central treasury as well as to the members of the community itself. At a minimum, city-wide rules to protect the health and safety of school children will have to be devised. Beyond this, accounts might be rendered in terms of either inputs or outputs. Input rules governing the qualifications of teachers, the hiring and firing of personnel, the duties of teachers, the size of classes, will be favored by teachers’ unions. But these are exactly the kinds of rules that brought about the demand for community control in the first place. Community groups may well argue for shifting to an output or performance measure in rendering their accounts to the city taxpayer, on these grounds: If the children learn, why do you care how we do it? This approach would necessitate the development of test scores and other types of performance measures acceptable both to community boards and to the city administration. In order to retain their right to operate the schools, community boards might be required to meet certain minimum performance standards. In addition, part of the school budget might be used to reward better-than-expected gains in performance measures.

The New York City Board of Education and the Educational Testing Service are designing a system to measure the effectiveness of the city’s teachers and supervisors and to make them accountable. Such a system might even help

reconcile the United Federation of Teachers with the devotees of community control.⁴

The Market Model

The market model is essentially an extreme form of decentralization. It moves the locus of decisions about how services should be produced not simply to the community, but to the individual consumer.

The private sector of the economy relies on the profit motive to bring about improvement in the quality of goods and services offered to the consumer. If businesses want to survive, they have to attract customers by offering better products or lower prices than their competitors'—or both. The sanctions of the system are drastic: If the seller fails to produce what consumers want, he goes out of business. Success is also well rewarded. The firm that makes a “better” can opener or typewriter or lipstick can make millions.

Even economists know that this model does not work perfectly in the private sector. Sometimes there are too few sellers. They collude, overtly or tacitly. They may make profits—jointly—but the consumer loses. Antitrust laws and utility regulation exist to protect consumers against monopoly and oligopoly, but nobody really believes these laws and regulations work very effectively.

Moreover, even—or perhaps especially—when there are many sellers in the market, the level of public dissatisfaction with privately produced services can be high. Television and appliance repair, automobile servicing, laundering and dry cleaning are hardly objects of general consumer enthusiasm, even though they are privately produced by large numbers of competing sellers. True, the dissatisfied consumer can try another laundry, but he has little information to go on and may find the next place just as unsatisfactory as the last.

Despite these problems, some people believe that social services would be produced more effectively by private firms seeking to make a profit by pleasing the consumer. The argument is most frequently heard with respect to education. It runs thus: Children have to go to school and, in general, they have to go to the particular

school in their neighborhood. Given this captive clientele, the school faculty and administration have little incentive to produce the kind of education that children and their parents want. The school management does not make money by producing more effective education, and nobody puts the school system out of business if the children fail to learn.

These observations have led some school reformers to the position that the only way to get effective education is to break the monopoly of public schools. They would not abolish public support of education, but they would channel it through the consumer rather than the producer.⁵ Vouchers would entitle parents to buy education at whatever private or public school they found best for their children.

The voucher idea has attracted a spectrum of proponents that runs from the conservative economist Milton Friedman to liberal writer Christopher S. Jencks. Friedman's proposal was a simple one:

... Governments would continue to administer some schools but parents who chose to send their children to other schools would be paid a sum equal to the estimated cost of educating a child in a government school, provided that at least this sum was spent on education in an approved school.⁶

The plan devised by a team headed by Jencks was a more complex proposal designed to meet some of the objections to the Friedman scheme.⁷

At the same time that they appealed to southern conservatives eager to escape public school integration, vouchers have also been seen as a way of improving the education of black children in the urban ghetto.⁸ The proponents believe that a variety of private schools would spring up in and around the ghetto, many run by blacks for blacks. Since they would compete for students, schools that did not provide attractive facilities, relevant curricula, and teachers who believed in ghetto children and knew how to “turn them on” would not attract students. Many would try, but only those who gave the consumers what they wanted would survive. Ghetto parents, it is argued, want effective education for their children and will, with practice, know when they have found it.

One serious objection to a voucher system is that it might accentuate existing problems of income inequality.⁹ Even if families received vouchers of the same value for each school-age child, schools offering more expensive education to those willing to pay a premium in addition to the voucher are likely to spring up. If experience is any guide, middle- and upper-income families will spend additional sums for what they believe to be superior education. After all, they do this now; some send their children to private schools and a great many more spend money on music lessons, summer camps, or “educational” family trips.

The result of an equal-size voucher system might well be expensive schools in the suburbs offering richer curricula, smaller classes, and more elaborate facilities to the children of the well-heeled, while the poor continued to study outmoded material in crowded classrooms in dismal schools. The suburban schools would be able to pay higher salaries and attract better teachers. Even if inner-city children were not discriminated against through entrance requirements, they would be effectively barred by higher tuition and the cost of commuting.

It would be possible, of course, to give larger vouchers to poor children on the grounds that their educational needs are greater. The differentials would have to be very large, however, to compensate for *both* the disposition of well-to-do families to spend more than their voucher and the greater real costs of teaching low-income children effectively. Such steep differentials in favor of the poor might be politically less palatable to the electorate than more subtle forms of income redistribution.

Under Jencks’s proposal, the value of the voucher to the school would vary inversely with the family income of the student, and schools participating in the system would be prohibited from charging tuition beyond the voucher. Thus schools would have an incentive to enroll low-income children. The more expensive private schools would either have to cut their budgets or cater only to those rich enough to forgo the voucher and pay the full costs themselves. This may sound attractive on paper, but one wonders about the political saleability of a plan that would allow parents to shop around for the “best” school, but prohibit them from spending

any additional funds on their children’s education.

The other major problem with the voucher system is consumer ignorance. Unless he knows what he is buying, a consumer cannot choose rationally. Yet, in the social action area, it is very difficult for him to find out anything about the quality of a service before he uses it. Moreover, the costs of shopping around or sampling the merchandise of a hospital or a school may be prohibitive. In the medical area, they are obviously disastrous; one cannot shop around for a surgeon. But even in education, trial and error may be very costly. Parents cannot move a child around from one school to another until they find one they like, without endangering the child’s educational and social progress. Moreover, even educated parents have trouble judging whether their child is progressing as rapidly as he could in school. How much greater, then, are the barriers to accurate parental judgment in the ghetto, where parents have little experience with books and learning.

If a voucher system is to increase the effectiveness of education, performance measures will have to be developed and made available so that parents can judge how much progress their children are making in school and how much they might make if they went to a different school. Hardly any schools, even private schools, provide anything resembling performance measures now. At best, a family considering alternative high schools may be able to find out where last year’s graduates went to college, but this tells them little about the performance of the school. If a high proportion of graduates go to very selective colleges, it may mean only that the school tends to attract able and highly motivated students.

What kind of measures should schools produce for the information of current and potential consumers? First, a variety of measures, reflecting various objectives of education, should be developed and published. Publication of reading scores, for example, would prompt many parents to ask for evidence of other accomplishments, which might be poorly correlated with reading. What about mathematics and other cognitive skills? What about general ability to reason

and oral expression and ability to get along with other children? What about leadership training and athletics and citizenship? Eventually, a variety of measures should be developed, validated, and published so that students and parents can choose intelligently among schools emphasizing the objectives of education they value most.

Second, to be useful, the measures have to reflect change in the student's performance over time rather than absolute levels of achievement. The absolute levels tell nothing about the effectiveness of the school. High reading scores may reflect only a student body selected for intelligence or verbal facility. The family of a child with a learning problem might well want to select a school with low absolute scores but higher rates of change at that level.

These two criteria raise the specter of constant testing and measurement, and of concentration on measurable skills to the detriment of the more subtle values of education. These are real dangers, but without serious effort to improve measures of education performance and to make them available, it is hard to see how a voucher system can lead to intelligent consumer choice and consumer pressure for effective education.

Moreover, reliance on the market would strengthen, not weaken, the case for public subsidy of research in education and systematic testing of new methods. Individual schools fighting for survival in the marketplace could not take risks with unproved methods or undertake expensive development of new curricula or approaches; nor could market competitors be expected to band together for systematic testing of innovations. Indeed, an atomistic private market for education might produce even less innovation than we have now. In general, in the normally private sectors of the economy, rapid technological change and increases in productivity occur in the large-firm, monopolized industries, not in those characterized by many sellers and intense inter-firm competition.

Perhaps major national manufacturers would invest considerable sums in new educational techniques, hoping that they could be proved more effective and then sold to schools seeking to enhance their attractiveness to students. These companies, however, would tend

to invest in hardware and materials on which they could retain exclusive rights through patents and copyrights. There might be serious neglect of methods and approaches that, while conceivably more effective than hardware, could be easily copied without compensation to the original developer. For this reason, public as well as corporate investment in research and systematic testing of education methods would be necessary.

To sum up, experiments with market mechanisms in education are worth trying; indeed, the Office of Economic Opportunity has announced that it intends to experiment with voucher systems in a number of communities.¹⁰ Nevertheless, the system has serious problems. It may not be possible to design a system that reduces rather than accentuates the differential between educational opportunities for the rich and the poor. Moreover, the problem of accountability remains. If the taxpayer is to provide subsidies for education, he must have some assurance that the money is not wasted, that some minimum standards are met by institutions cashing in the voucher. Beyond these considerations, the system will not work as intended to increase educational effectiveness unless performance measures are developed so that the consumer can choose intelligently, and unless an organized public effort is made to develop and test new and improved methods.

Where Do We Go from Here?

The point of the above discussion is that all the likely scenarios for improving the effectiveness of education, health, and other social services dramatize the need for better performance measures. No matter who makes the decisions, effective functioning of the system depends on measures of achievement. If federal, state, or city governments manage social service delivery directly, they need ways to gauge the success of different methods of delivering services so that they can choose the best ones. If social service management is decentralized, or even turned over to communities, both the community and higher levels of government

will need performance measures on the basis of which to identify and reward more effective management. Even if social services are turned over to the private market in hope of harnessing competition and the profit motive to improvements in performance, consumers, to make wise choices, will need measures of what they are buying or might buy.

It therefore seems to me that analysts who want to help improve social service delivery should give high priority to developing and refining measures of performance. Relatively little effort has gone into devising such measures so far, despite their importance and the apparent intellectual challenge of the task. In education it will be necessary to move beyond standardized tests to more sensitive and less culturally biased measures that reflect not only the intellectual skills of children, but their creativity and faith in themselves and enthusiasm for learning. In health, it will be necessary to move beyond the conventional mortality and hospitalization statistics to more refined measures of health and vigor. Poverty cannot be measured by income alone. Job satisfaction is probably not closely related to earnings or hours of work. Considerable imagination will have to be brought to bear before performance measures can be developed for services like counseling and psychiatric care.

Two general rules can be suggested for the development of performance measures in the social action area. First, *single measures of social service performance should be avoided*. They will always lead to distortion, stultification, cheating to “beat the system,” and other undesirable results. Schools cannot be judged by reading scores alone or mathematics scores alone or college placements alone or retention rates alone. Health service systems cannot be judged simply and solely by the number of patients treated or by the number of patients cured or even by health problems prevented. Manpower training programs cannot be weighted only by job placements or job retention or wage levels. Judging schools by reading scores would mean neglect of other skills and other dimensions of child development; judging a health center by the number of patients treated would encourage assembly line medicine; judging a manpower program on job

placements would lead to hasty placement of trainees in low-level or unsuitable jobs.

Multiple measures are necessary to reflect multiple objectives and to avoid distorting performance. One can imagine schools developing and publishing a variety of measures of skills, knowledge, and satisfaction of students, some immediate and some based on longer-term follow-up. One can imagine health programs developing a variety of measures of health status and satisfaction of patients, also with different time lags. One can imagine manpower programs developing a variety of measures of skills acquired and subsequent job success of trainees.

For some purposes measures without any weights would be sufficient. In a voucher system for education, for example, one could simply make available a variety of performance measures for each school and let parents and students choose among them according to their own weighting systems. On the other hand, in a federal grant program designed to encourage effective manpower training, it would be necessary to assign weights to the various success measures being used. If several are being combined, the weights may not much matter, as long as no one measure is allowed to dominate and distort the reward system.

Second, *performance measures must reflect the difficulty of the problem*. If absolute levels of performance are rewarded, then schools will select the brightest students, training programs will admit only the workers who will be easiest to place in jobs, health centers will turn away or neglect the hopelessly ill. To avoid these distortions, social service effectiveness must always be measured in relation to the difficulty of the task. In general, measures of change are better than measures of absolute level, but even this approach may not solve the problem. It may be easier to bring about significant changes in the performance of bright children than in that of retarded children or to improve the health status of certain classes of patients. In this situation, the success of a social action activity can be measured only in relation to success of other activities with the same kind of student or patient or trainee. A considerable period of time will be necessary to collect experience and delineate above- and below-average performance with particular types of problems.

None of this sounds easy to accomplish. And it isn't. Nevertheless, we are unlikely to get improved social services (or, indeed, to know if we have them) until we make a sustained effort to develop performance measures suitable for judging and rewarding effectiveness. Current efforts to publish test scores or infant mortality rates in the name of "assessment" or "accountability" are only the first halting steps on the long road to better social services.

Performance measures for social services are not, of course, ends in themselves. They are prerequisites to attempts both to find more effective methods of delivering social services and to construct incentives that will encourage their use. But all the strategies for finding better methods discussed in these pages, especially social experimentation, depend for their success on improving performance measures. So do all the models for better incentives. Put more simply, to do better, we must have a way of distinguishing better from worse.

NOTES

1. Charles L. Schultze, *The Politics and Economics of Public Spending* (Brookings Institution, 1968), pp. 104–105.
2. Robert A. Levine, "Rethinking Our Social Strategies," *Public Interest* 10 (winter 1968): 88, 89, 91, 92.
3. Worth Bateman, "Answering Program Effectiveness," U.S. Department of Health, Education, and Welfare, *Welfare In Review* 6 (January/February 1968): 1–10.
4. See *The New York Times*, February 9, 1971.
5. *Harvard Educational Review* 38 (winter 1968), devoted to equal educational opportunity, includes several articles on this subject. See also Theodore R.Sizer, "The Case for a Free Market," *Saturday Review* 52 (January 11, 1969): 34 ff.
6. Milton Friedman, "The Role of Government in Education," in *Economics and the Public Interest*, ed. Robert A. Folo (Rutgers University Press, 1955), p. 130.
7. The plan is described in Center for the Study of Public Policy, "Financing Education by Grants to Parents, A Preliminary Report," prepared for the Office of Economic Opportunity (The Center, March 1970), pp. 50–58.
8. Christopher Jencks, "Private Schools for Black Children," *New York Times Magazine*, November 3, 1968, sec. 6, p. 30 ff.
9. For a good critique of voucher plans, see Henry M. Levin, "The Failure of the Public Schools and the Free Market Remedy," *Urban Review* 2 (June 1968): 32–37 (Brookings Reprint 148).
10. Fred M. Hechinger, "School Vouchers: Can the Plan Work?" *The New York Times*, June 7, 1970; Eric Wentworth, "OEO Plans Test of Education Vouchers," *Washington Post*, December 26, 1970.

The Implementation Game

Eugene Bardach

Whatever else it is, a policy- or program-implementation process is an assembly process. It is as if the original mandate, whether legislative or bureaucratic or judicial, that set the policy or program in motion were a blueprint for a large machine that was to turn out rehabilitated psychotics or healthier old people or better-educated children or more effective airplanes or safer streets. This machine must sometimes be assembled from scratch. It can sometimes be created by overhauling and reconstituting an older, or preexisting, machine. Putting the machine together and making it run is, at one level, what we mean by the “implementation process.” “Implementation problems,” as we said above, are control problems, but they are specific to the assembly activities that constitute some “implementation process.”

What sorts of parts go into this policy machine? Of course, the detailed answer to such a question would depend on a specification of what the machine was supposed to do and where it was to be located. A machine to alleviate mental illness is clearly a different machine than one that distributes agricultural subsidies or one that regulates the price of natural gas. A machine that services the nation as a whole is different from a machine that services Ohio alone or a machine that services Tulsa, Oklahoma, alone. Yet, at an intermediate level of abstraction, one can see that all such machines do look rather similar. One would ordinarily expect to find:

- administrative and financial accountability mechanisms

- the willing participation of presumptive beneficiaries or clients
- private providers of goods and services: professional service workers, developers, landholders
- clearances or permits by public regulatory agencies or elected officials
- innovations in the realm of program conception and design
- sources of funds
- troubleshooters who iron out difficulties and assist in coordinating the more routine activities of the assembly process
- political support that sustains and protects the assembly process

Such a list should be taken as suggestive rather than as definitive. It is certainly not exhaustive. Not all elements are involved in every policy or program. There are other ways of describing some of the inputs that would be equally valid, for example, “budgets and reimbursements” instead of “funds.” What is important, ultimately, is that the implementation process be understood, in part at least, as a process of assembling numerous and diverse program elements.¹

But only in part. The other part of our conception of the “implementation process” is grounded in the fact that these elements are in the hands of many different parties, most of whom are in important ways independent of each other. The only way that such parties can induce others to contribute program elements is through the use of persuasion and bargaining. Some might call the resulting process “politics.” And so it is. Yet, implementation politics is, I believe, a special kind of politics. It is a form of politics in which the very existence of an already defined policy mandate, legally and legitimately authorized in some prior political process, affects the strategy and tactics of the struggle. The dominant effect is to make the politics of the implementation process highly defensive. A great deal of energy goes into

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maneuvering to avoid responsibility, scrutiny, and blame.

This overall conception of the “implementation process” does not differ significantly from the conception found in the previous scholarly literature on the subject. It does differ in certain subtle, and sometimes important, ways, however. Although the previous literature is in fact quite meager—the “implementation problem” having been perceived as an interesting social and political problem only in the last seven or eight years—it has been useful. It has helped me recognize the great importance of arriving at a clear conception of the implementation process before trying to specify the problems that result from it and before trying to speculate about what might be done about those problems. It is worth reviewing the highlights of this literature at this point in order to lead the reader toward my own conclusions about a useful way of conceiving the “implementation process.” By way of both preparation and warning, I once again acknowledge to the reader that, in the end, I shall propose to integrate the “assembly” and the “politics” parts of the process through the idea of “a system of loosely related implementation games.”

Implementation as Pressure Politics

It is widely and correctly realized that the bargaining and maneuvering, the pulling and hauling, of the policy-adoption process carries over into the policy-implementation process. Die-hard opponents of the policy who lost out in the adoption stage seek, and find, means to continue their opposition when, say, administrative regulations and guidelines are being written. Many who supported the original policy proposal did so only because they expected to be able to twist it in the implementation phase to suit purposes never contemplated or desired by others who formed part of the original coalition. They too seek a role in the administrative process. A convenient, albeit somewhat misleading, description of their activities in both stages is “pressure,” a description most aptly provided by David Truman’s classic work, *The Governmental Process*.²

The implementation process as a system of pressures and counter-pressures is the view taken by Jerome T. Murphy in his account of the first seven years of ESEA Title 1.³ The reformist impulse in passing ESEA Title I was “to help eliminate poverty.” Title I attempted to target billions of dollars to schools with large numbers of children from poor families. The impulse of other key actors in the passing coalition, however, was simply to get more money to the nation’s schools. “The educational associations in Washington were . . . primarily interested in general support for ongoing public school activities. They accepted ESEA’s poverty focus as a compromise necessary to achieve passage of ESEA, but their emphasis was on breaking the federal aid logjam, on the ground that this would be a major step toward federal general support later.”⁴ Since the traditional school establishments at the state and local levels, which actually controlled the distribution of funds, saw Title I as general aid too, the result has been a nearly total neglect of the antipoverty objective. In Murphy’s view, “. . . it is not even clear to what extent Title I is expended on eligible disadvantaged children in poverty neighborhoods. Even when it reaches them, it is uncertain that the money buys services in addition to the level provided other school children in each district.”⁵ Why has it worked out this way? Murphy argues that the most important reason has been the absence of “political pressure by poverty groups and their allies, and meaningful participation by such interests in local school district councils or other comparable devices.”⁶ To the extent that there has been any attention to the antipoverty objective of Title I, it has come about because of adverse publicity, lawsuits, or the threat of legal action, which constituted “countervailing power” and thus “political pressure, and sometimes support” for the U.S. Office of Education (USOE) to “act more affirmatively with the states in Title I’s administration.”⁷

Murphy may be right about Title I, but it would be misleading to make the notion of “pressure” into a central concept for understanding the implementation process. What are we to make of implementation failures when everyone is agreed on the principal objectives? In such a case the dialectic of pressure and

counterpressure would presumably not exist and could therefore not shape outcomes. But minor disagreements between just a few actors can cause delays, as can simple standard operating procedures in bureaucracies. A vicious cycle of delay, fear of ultimate failure or high salvage costs, withdrawal of previous commitments, more delay, increased anxieties, and so forth, can also cause implementation failure, as Pressman and Wildavsky have shown in their EDA study.

A possible response might be that pressure on the “system” must be sufficient to push it along in the right directions. If that is the response, then the conceptual problem becomes that of delineating the system and its particularly vulnerable pressure points. In an earlier version of his 1972 paper, Murphy seems to have taken this tack. Explicitly or implicitly he advocated pressure on the USOE by a coalition of the NAACP and the National Welfare Rights Organization. USOE in turn was to bring pressure to bear on the state education agencies, which in turn were to apply pressure to the local districts. Pressure at the local level, coming up from below, could be joined to pressure at the national level to reinforce the pressure at the state level. To protect the whole Title I program from being sabotaged by a Congress suddenly aroused by jittery local education establishments, the organized poor would have had to bring pressure on Congress as well.⁸

It should be obvious that there is a conceptual problem with such an argument, in that “pressure” or its absence can become a catchall phrase that by describing everything describes nothing well. There is also a practical political danger: a prescription for applying pressure virtually everywhere is tantamount to prescribing the application of very weak pressures. Political resources are, after all, limited, and a useful model of the implementation process should suggest more precisely how they should be concentrated and their effects focused on particular points in the governmental system.⁹ It is for these reasons that my own view of the implementation process tries to take account of the particular program elements that are or might be at issue and from there proceeds to the political interactions that would be likely to transpire in the course of assembling them.

Implementation as the Massing of “Assent”

A paper by Douglas R. Bunker, delivered in 1970 at the American Association for the Advancement of Science, is the earliest attempt (that I have found) to conceptualize the “implementation process” as a distinctive social and political phenomenon. In it, Bunker in effect suggests a possible solution to the problem of identifying the system’s particularly significant interaction points by arguing that a simple massing of “assent” is all that is required for successful implementation. Bunker states:

Whether policies, plans, decisions or programs are to be implemented, the essential question is: How are ideas translated into effective collective action? For benefits consistent with the concept or design to be realized, those charged with carrying out the policy, and those to be affected by it, must yield some degree of assent. The requirement varies from passive but tolerant acquiescence on the part of some to scrupulous, informed and intense commitment for others who take responsibility for the guidance and execution of the plan.¹⁰

He then goes on to argue that “all actors potentially involved with the implementation task at issue may be located at some point in a three-dimensional space” defined by vectors of “issue salience,” “power resources,” and “agreement.” Bunker then proposes to assign all such actors interval-level scores on these three dimensions, after which “multiplicative combinations,” summed across actors, “might provide some estimate of the required values for a minimum effective coalition to achieve implementation.”¹¹

There are numerous problems with this theory, at least two of which are instructive for our own efforts. First, it is hard to know which actors ought to be included in the group of those “potentially involved with the implementation task at issue.” In the ESEA Title I case, for instance, Bunker would surely have us include the USOE and the state and local education bureaucracies. Probably the classroom teachers ought to be included as well. But would he have us include the NAACP, angry parents, and the National Welfare Rights Organization?

Congressmen? Justice Department attorneys involved in the application of non-discrimination statutes to the granting of ESEA funds? The judges who might have been called upon by Murphy's lawyers to force state-level compliance with the statutes? The schoolchildren themselves, who may or may not have wished to, or been able to, take advantage of the extra services that might have been made available to them? The relevant set of actors is so open-ended that our own conception of the implementation process will have to reflect this fact.

Another problem with Bunker's view is that it presumes a type of coalition politics familiar to us from studies of the policy-adoption process. In the latter process, the general level of "assent" can realistically be conceptualized as the crucial variable leading to policy adoption. Nor would it be terribly misleading to call those who favor the proposed policy a "coalition."¹² In the implementation process, however, politics appears primarily *defensive*. Actors seem more concerned with what they in particular might lose than with what all in general might gain. This, at least, is the picture that emerges from studies like Derthick's, Pressman's and Wildavsky's, and my own investigation of L-P-S. Since there is considerable differentiation among actors with respect to how they view their possible losses, coalitions do not readily emerge. Rarely is there a broad communality of interest that would form the basis for coalition-building. Actor A is concerned about the possibility of increased workload, B about the presumed competition of a new service agency with his existing agency, C about the difficulty of applying established accounting procedures to the activities envisioned by the new agency, D about the possibility that the program will not get off the ground in any form at all. All might approve of the new program in principle, but all would want to alter the terms of its implementation just slightly to assuage their own particular fears.

The outcome of defensive politics of this sort is delay, a diversion of energies toward highly particularistic program goals, and, often, a flight from administrative or political responsibility. Bunker's version of the implementation process rising or falling on waves of "assent,"

however high or low they may be, misses, and indeed distorts, the more important point that it is *conflict over the terms* on which assent is given or withheld that is crucial to the implementation process. Implementation politics is distinguished from policy-adoption politics by the characteristic absence of coalitions and the characteristic presence of fragmented and isolated maneuvers and countermoves.

The primary reason for this sort of defensive politics in the post-adoption period is that all, or at least many, of the important participants act within a context of expectations that *something will happen* that bears at least a passing resemblance to whatever was mandated by the initial policy decision. A second, if related, reason is that participants who favor the policy goals of the mandate use the existence of the mandate as a moral and sometimes legal weapon in the emerging struggle over the terms on which policy is effected.

Implementation as an Administrative Control Process

If there is one set of actors who can be reckoned as surely relevant to almost any implementation process and who very often play a quite masterful defensive game, it is the bureaucrats. Bureaucrats and bureaucracies are thought to be responsible for many of the problems of implementation. The common perception is that lower-level bureaucrats (or elected officials) do not carry out the instructions and orders of higher-level bureaucrats (or officials). Consider, for example, Allison's and Halperin's hypotheses about the implementation problems confronting a president and other "central players" in the area of foreign and defense policy:

1. Presidential decisions will be faithfully implemented when: a President's involvement is unambiguous, his words are unambiguous, his order is widely publicized, the men who receive it have control of everything needed to carry it out, and those men have no apparent doubt of his authority to issue the decision.
2. Major new departures in foreign policy typically stem from some decision by central players. But the specific details

of the action taken are determined in large part by standard operating procedure and programs existing in the organizations at the time.

3. Ambassadors and field commanders feel less obliged to faithfully implement decisions because they typically have not been involved in the decision game. They feel they know better what actions one should want from another government and how to get those actions.
4. The larger the number of players who can act independently on an issue, the less the government's action will reflect decisions of the government on that issue.
5. Where a decision leaves leeway for the organization that is implementing it, that organization will act so as to maximize its organizational interest within constraints.¹³

The bureaucracy problem afflicts policy areas other than foreign and defense as well. The U.S. Office of Education was a major bureaucratic obstacle in the implementation of ESEA, as were its state and local counterparts.¹⁴ State and local welfare bureaucracies have been blamed for many of the perceived failures of public-assistance programs, particularly Aid to Families with Dependent Children.¹⁵ The U.S. Army Corps of Engineers and the U.S. Bureau of Reclamation are commonly regarded as uncontrollable juggernauts of environmental destruction.

The problem of control and accountability is only one aspect of the “bureaucracy problem,” as James Q. Wilson has commented.¹⁶ It is probably regarded (rightly or wrongly) as the most important aspect, however, and certainly the one most relevant to the implementation process.¹⁷

Why this problem of accountability and control? Anthony Downs has suggested that the “leakage of authority” occurs because individual officials have varying goals, “and each uses his discretion in translating orders from above into commands going downward, [and] the purposes the superior had in mind will not be the precise ones his subordinate’s orders convey to people further down the hierarchy.”¹⁸ Downs has further suggested that the dynamics of recruitment and socialization into an

organization frequently cause the lower and middle echelons of any public organization, or bureau, to be populated by more temperamentally conservative individuals than are the upper echelons of political appointees or elected officials. In such cases the authority from the top does not merely leak, it hemorrhages. Another reason for the “leakage of authority” is that lower-level participants in organizations often have autonomous power bases. Thomas J. Scheff, for instance, has explained the failure of a state mental hospital to bring about an intended reform by reference to the dependence of the ward physicians, the sponsors of the reform, on the ward attendants. Given their short tenure, lack of interest in administration, and heavy workload, the ward physicians typically delegated great responsibility to the attendants. If the physicians wished to withdraw some of this responsibility (in order to institute a reform), the attendants could make their lives difficult in several ways. They could refuse to act as “a barrier between the physician and a ward full of patients demanding attention and recognition.” They could refuse to handle their customary portion of the physician’s paper work and they could undermine his capacity for “making a graceful entrance and departure from the ward.”¹⁹

Management failure also contributes to the “leakage” problem. A recent review of the literature on “planned organizational change” making special reference to “the problem of implementing organizational innovations” concluded that, although there is a “paucity of knowledge” on the subject, “the major explanation” for implementation problems of this sort was failure on the part of management or of some “change agent” to overcome the natural resistance of organization members.²⁰ The authors of this review also concluded that this explanation was inadequate, in that it ignored “obstacles to which members who are not resistant to change may be exposed when they make efforts to implement innovations” and the foolish derelictions of management in permitting, or even inducing, a negative orientation to change during the course of the change process even among members who were initially favorable.²¹ Here I have my own principal objection to Murphy’s pressure-resistance conception

articulated in a slightly more specific context. But this is not the principal objection to focusing on bureaucratic control as the central implementation process. The principal objection is that it is too narrow a focus. Implementation processes are driven at least as much if not more by interorganizational transactions as by intra-organizational transactions. The array of relevant actors in the implementation process is large and diverse, including, in addition to governmental bureaus, their clients, private contractors, professional associations, publicists, and so forth. All of these actors are quite capable of articulating their own special fears and anxieties. It is perhaps this broad focus that distinguishes the study of “implementation,” a subject of fairly recent interest, from the more traditional subject matter of public administration.²²

The Implementation Process as Intergovernmental Bargaining

A particularly important set of interorganizational relations involves agencies of different levels of government joined in an effort to implement programs and policies financed by a grant-in-aid mechanism. In her study of the failure of the New Towns program, Derthick argues that “the single most inclusive and illuminating explanation” is to be found in the “disabilities” of our central (federal) government in the American federal system.²³ Because of the “division of authority among governments in the federal system, the federal government cannot order these governments to do anything. It gets them to carry out its purposes by offering incentives in the form of aid, which they may accept or not, and by attaching conditions to the aid.”²⁴ Because federal officials (especially those in Washington) have limited knowledge of what incentives a community will in fact respond to; because at best “the supply of federal incentives” is quite limited; and because the federal government is unable “to use effectively such incentives as it possesses,” the federal government is destined to fare poorly as an instrument of social activism and broad-scale reform.

In the New Towns program, the principal federal incentive was large tracts of land at bargain prices. Clearly, it was not a strong enough incentive to compensate many of the localities for costs other than the price of the land that they would have had to bear. For instance, the federal government could do little or nothing to compensate the prospective neighbors to the New Towns sites, in a good many of the cities, who feared the influx of low-income, and quite probably black, residents. Furthermore, it was not strong enough to induce local politicians and other elites to push ahead and find ways to turn the federal government’s offer to good advantage. It is important to note, however, that we cannot say that the incentive of low-cost land was in any *absolute* sense weak or strong. Nor can we say that the federal government alone was unable “to use effectively” this particular incentive. Local officials who happened to want to go ahead with the projects were also unable to use this incentive effectively. Furthermore, they too had limited knowledge of what others in their communities would respond to. In a number of the cities surveyed by Derthick it would seem that at least some local officials were just as surprised at the obstacles to implementation as were the federal officials. In view of these facts, why does Derthick argue that the fundamental explanation for the program’s failure lies in the disabilities of the federal government? More important, what bearing has her interpretation on our own efforts to conceptualize the implementation process?

In a revealing footnote Derthick concedes that there were other causes for failure as well: the relative inability of the poor to organize and assert their interests; the relative strength of local opponents of the program; and “the great difficulty of organizing cooperative activity on a large scale” (including the activities of developers, lending institutions, school boards, and myriad federal agencies with at least some control over the surplus land and its disposition).²⁵ Derthick suggests that these, and a few others, were not irrelevant explanations of the problems of program implementation, but for reasons she does not state she nevertheless opts for an explanation that emphasizes the nature of the federal system and in particular “the limits of centralization.”

To a degree, of course, choices among theoretical perspectives are governed by taste and nothing else. In an earlier work entitled *The Influence of Federal Grants: Public Assistance in Massachusetts*, Derthick explored the possibilities and the limits of federal grants-in-aid on shaping state and local welfare policy and administrative organization. Its basic question was the same as that of the study of *New Towns In-Town*: How can the federal government influence policy in jurisdictions (state and local governments) over which it has no formal authority or power? Federalism has evidently been very much on her mind, and since it has informed the way she has posed her questions it is not surprising that it has also shaped the answers.²⁶

Morton Grodzins banished the “layer cake” image of the American federal structure that had sprung from the nineteenth-century judicial theory of “dual federalism.”²⁷ In its stead he offered the “marble cake” metaphor of “cooperative federalism,” of different jurisdictions sharing functions. Derthick has taken this analysis a step further, postulating a creative dialectic between federal and local governments. She has alleged that federal policy planners characteristically think of themselves as innovators with a mission to mount “demonstration” projects, “the intangible benefits of . . . [which] can be distributed universally: everyone can share in the symbolic returns from a showing of what the public good requires.”²⁸ Local governments, on the other hand, are “better organized collectively to execute programs,” and so “help the federal government with administration.”²⁹ The concluding two paragraphs of *New Towns In-Town*, while intended to be no more than suggestive, are worth quoting in full:

In shared programs, both the federal government and local governments have a political function: both play a part in defining the objectives of public action and in responding to differences of value, interest, and opinion. The federal government, being removed from particular and parochial conflicts, is better able to express idealistic and progressive objectives. Local governments, more deeply engaged in these conflicts, are better able to respond to the actual preferences of active political interests.

In this system, the accomplishments of government constantly fall short of the objectives expressed at the federal level, and disillusionment follows among both the public and public officials. Such a system may nevertheless be fairly well adapted to the governing of a very large and diverse society—providing, as it does, for the expression both of abstract ideals and of particular, tangible interests. In the process of governing, the two have to be reconciled. Tension between the federal and local governments in the American system may be one sign that such reconciliation is occurring.³⁰

Thus it appears that *New Towns* may not have been such a failure after all! It did express “abstract ideals” and “progressive objectives,” and this expressive function is, in the last analysis, raised to a position of functional parity with “the actual preferences of active political interests.”

Given these original and provocative ideas about federalism, it is no wonder that Derthick has focused on “the limits of centralization” as the summary of barriers to program implementation. Her insights have more general applicability, however, than merely to governmental jurisdictions in a federal system. It is unfortunate that she did not try to abstract from these particular institutional features to the more general problem of “organizing cooperative activity on a large scale,” as she suggested might be plausible. Local officials tried to manipulate the incentives of federal officials (and of other local officials) in precisely the same way that federal officials tried to manipulate the incentives of the local officials (and of other federal officials). From her case materials it is clear that the manipulation of incentives under conditions of uncertainty about what the other parties might desire or accept is endemic to virtually all relationships among actors in an implementation process.

A second lesson to be learned from Derthick’s analysis concerns the danger of taking a “top down” view of the world of implementation activities. We are led to think too much of the “disabilities” of the federal government and too little of the comparable disabilities of local elites. In large part, this perspective arises from her persistent curiosity about the

influence value of money or the promise of money. Money—as cash, or as a subsidy for land acquisition in the New Towns case—happens to be the program element and the political resource with which federal officials are most abundantly endowed. Hence, even though she strains not to take a “top down” perspective on the federal system as a whole, she is not entirely successful. While she is quite careful to avoid construing federal-state-local relationships as being in any sense hierarchical, she does see money as a sort of *primum mobile*, even though frequently a weak one. In the cases she studied, federal innovators with money or subsidies tried to buy the cooperation of local officials with access to political support and with control over procedural clearances. One could as easily imagine, however, local innovators with ideas or talent or even some money trying to buy the cooperation of federal officials and perhaps the joint financial participation of the federal government. This latter scenario would aptly describe a large number of so-called “pork barrel” projects, university-sponsored scientific research, educational pilot programs, and so on. In this latter scenario, it is the local elites who initiate the project design, assemble some of the necessary inputs (sometimes including cash), and then proceed to extract other needed inputs, like money and certain bureaucratic clearances, from the *federal* government. When failure follows from such a scenario, would it be correct to ascribe it to the disabilities of the federal government? Perhaps it would be—but one’s judgment would certainly depend on the circumstances of the particular case. We would probably be more inclined to point to the failures of entrepreneurship at the local level, where the innovative ideas were first germinated.

A third lesson to be learned here concerns the great variety of program elements needed to produce a desired program output, or outcome, a point already emphasized at the beginning of this chapter. A second point that has already been made as well is that no one person or group contributes more than a few of these needed elements. The rest are contributed by parties who exercise at least some autonomy in deciding whether or not to make a contribution at all, and if so in what amount and under what conditions.

Derthick’s emphasis on the particular disabilities of the federal government vis-à-vis local governments helps us to appreciate a very important but quite narrow portion of the entire spectrum of reciprocal and interacting abilities and disabilities. To the extent that any possible party to such a collective enterprise cannot be coerced to contribute, and that substitutes are found only at some cost, every *other* party to the enterprise has some disabilities vis-à-vis those who cannot be coerced. The implementation process is therefore characterized by the maneuvering of a large number of semi-autonomous actors, each of which tries to gain access to program elements not under its own control while at the same time trying to extract better terms from other actors seeking access to elements that it does control.

Implementation and the Complexity of Joint Action

The explanation favored by Pressman and Wildavsky for the EDA’s failure in Oakland rests on what they call “the complexity of joint action,” another way of describing what Derthick calls “organizing cooperative activity on a large scale.” Thus, the explanation that Derthick rejected in a footnote becomes the cornerstone of their explanation.

The EDA made special efforts in Oakland to avoid “obstacles that were known to have hampered other programs” like “institutional fragmentation, multiple and confusing goals, and inadequate funding . . .” The agency sought to follow a course as simple and as straightforward as possible; but even that course, which was on the surface the best of all possible courses, was “really complex and convoluted.”³¹ According to Pressman and Wildavsky, the “prosaic” problems that give rise to such convolutions are essentially those of “changing actors, diverse perspectives, [and] multiple clearances.”³² They emphasize especially “the geometric growth of interdependencies over time where each negotiation involves a number of participants with decisions to make, whose implications ramify over time.”³³ In a provocative (if somewhat misleading) quantitative rendering of these ramifications, they enumerate thirty “decision points” in the course of implementing the EDA’s

Oakland projects, seventy necessary “agreements” summed over all these decision points, and a .000395 probability of “success” for the program if the probability of each agreement was as high as .95!³⁴

Pressman and Wildavsky emphasize that this calculation is merely an amusing illustration and not to be taken too seriously. The principal problem in the calculation, however, is not in the numbers but in the words. The number of decision points and agreements that one can count in the negotiations are not nearly as significant as the substantive issues that made the negotiations necessary in the first place. To state these issues simply, the EDA wanted more in the way of minority hiring than World (Airways) or the port seemed willing to provide; and the port and World wanted more in the way of financial relief from the estimated cost overruns than EDA was willing to provide. And all parties were more willing to bear the costs of delay than to give up without a fight.

Pressman and Wildavsky clearly have a fine eye for detail and a cultivated taste for irony. Their case materials are the best in print from which to get a full appreciation of the implementation process.³⁵ Their own appreciation of the ironic details, however, diminished their appreciation of the grosser features of the process. In the EDA-Oakland case, they maintain, implementation was not affected by “dramatic elements that are essentially self-explanatory. . . . There was no great conflict. Everyone agreed. There was only minimum publicity. Essential funds were on hand at the right time. The evils that afflicted the EDA program in Oakland were of a prosaic and everyday character.”³⁶ My own interpretation holds, to the contrary, that if there was no “great” conflict there was still sufficient conflict. When millions of dollars are at stake to the private contractors and the reputation of an already politically vulnerable federal agency is jeopardized by the prospect of paying out \$20 to \$30 million for essentially nothing, there are good grounds for conflict. This underlying conflict was, to be sure, greatly exaggerated by the ingrained tendencies of governmental agencies to avoid what might be construed as gross fiscal irresponsibility, by the inability of any of the parties to deliver a credible promise about its future behavior under

conditions envisioned by other parties, and by the anxieties and suspicions that were nurtured by the negotiating process itself. Indeed, it is precisely because Pressman and Wildavsky have identified so many of the numerous features of the process that tend to *aggravate and exaggerate* underlying conflicts that their study is so worthwhile. They lead us to a critical insight about the implementation process: the maneuvers of the several parties both express conflict and create it—and with every maneuver aimed at reducing it there is an associated risk of actually making matters worse. In an important sense, therefore, much of the implementation process moves along “out of control,” driven by complex forces not of any party’s making.

Pressman and Wildavsky are the only scholars whose work we have discussed thus far who have attempted a dynamic interpretation of the implementation process, that is, an interpretation that takes the passage of time into account.³⁷ Consider, for instance, their implied proposition that, under certain conditions, the longer players continue their maneuvering the worse the prospects for program success. Consider also their attempt to quantify what they call “the anatomy of delay”³⁸ by assigning differential clearance times to each separate agreement requirement and summing them. Given seventy clearances and “arbitrarily assigning a value of one week for minimal delay, three weeks for minor delay, and six weeks for moderate delay,” they come up with a total of 233-1/3 weeks. “Under these assumptions the delay thus far would come out to approximately four and a half years, which is not far off the mark.”³⁹ Even when they take into account the expeditious tendency to pursue several clearances simultaneously, they still come out with roughly the same delay—because of the offsetting tendency for negotiations that failed in the first round to go through successive rounds, each of which must be counted as a separate clearance problem.⁴⁰ The authors remark that not all delays are of the same sort. Implicitly, they classify the delay of protracted and frustrating negotiations as one type, which they appear also to refer to as “unplanned, accidental occurrences.”⁴¹ Another major type of delay is “caused intentionally by participants who wanted to stop an undesired action or to step

back and reassess the development of the program.” These are called “blocking delays.” A third type results from “alternative time priorities.” It took eleven months, for instance, for the EDA to grant approval to the Port of Oakland’s request for a cost overrun on its part of the project because the EDA “had hundreds of public works projects to supervise” and the Port of Oakland project had dropped to a position of low priority for the agency.⁴² Implicitly, also, they appear to recognize a fourth type of delay, that which results from delay itself: the more delay that has already occurred “the more time for intensity [of commitment to seeing the program through to completion] to decay.”⁴³

This last type of delay is especially interesting because it arises in part from what might be called the “illogic of collective action,” to adapt a phrase of Mancur Olson, Jr.⁴⁴ The classic case of such illogic is in organizing a labor union or trade association: it is strictly irrational for any particular worker or businessman to join provided all others do it and thereby produce the benefits from which he too will derive advantage; but if everybody feels that way, no organization will come into being, and the benefits will be lost to all. In the case of program implementation the calculus is similar though it starts from slightly more defensive premises: it is strictly irrational not to renege on the terms one has already agreed to provided one is confident that others will meet the new terms demanded; but if others too begin to renege, the resulting turmoil and delay will convince the rest that they ought to cut their losses and pull out altogether. Hence, delay can be taken as an augury of possible collapse, which will induce actors to renege, thereby guaranteeing more delay and substantially increasing the probability of actual collapse. This scenario was played out in the EDA-Oakland case until the federal agency decided finally that it had invested too much to pull out altogether. In the end, the EDA trimmed its objectives, agreed to pick up a number of cost overruns, and heaved a sigh of relief at being able to disengage.

Here again Pressman and Wildavsky have provided us with a critical insight into the nature of the implementation process: it is shot through with gamesmanship. This important conclusion completes our examination of the

highlights in the existing literature and puts us in a position to elaborate our own conception of the implementation process as the playing out of a number of interrelated games.

The Implementation Process as a System of Games

The main problem with the Pressman-Wildavsky approach is that it does not go far enough. It suggests that typologies might be important, for example, their three or four types of delay processes, but stops short of suggesting a conceptual basis for such typologies. It is also limited, when it does discuss typologies, to one specialized topic, delay. It does not explicitly identify and analyze implementation processes that result in the perversion or subversion of policy goals or the processes that lead to excessive financial costs. Nor does it attempt to characterize in a moderately abstract and systematic way the interactions that routinely link the different kinds of institutions or roles normally involved in a process of program assembly.

It is a felt need for a usable typology that has led me to the metaphor of “games.” Games can be classified according to the nature of their stakes. As a simple organizing device, if nothing else, this classification principle is quite effective. This is not the only way one might attempt to classify games, to be sure. Mathematical game theorists have invented, for their own purposes, much more elegant schemes contained in a vast literature that we shall ignore. For our own, basically descriptive, purposes, relying on the idea of stakes appears far more useful. Readers who can think of a better method are encouraged to try their own hands at it. As a description of the basic activities of the implementation process, it is a helpful refinement of the original idea of “control,” which we said in the introduction was at the heart of the “implementation problem.” We have seen that “control” is exercised through bargaining, persuasion, and maneuvering under conditions of uncertainty. “Control,” therefore, resolves into strategies and tactics—hence the appropriateness of “games” as the characterization of the “control” aspects of the process.

The idea of “games,” therefore, will serve principally as a master metaphor that directs

attention and stimulates insight.⁴⁵ It directs us to look at the players, what they regard as the stakes, their strategies and tactics, their resources for playing, the rules of play (which stipulate the conditions for winning), the rules of “fair” play (which stipulate the boundaries beyond which lie fraud or illegitimacy), the nature of the communications (or lack of them) among the players, and the degree of uncertainty surrounding the possible outcomes. The game metaphor also directs our attention to who is not willing to play and for what reasons, and to who insists on changes in some of the game’s parameters as a condition for playing.

By “system” I mean simply a collection of structural elements related to one another through ongoing processes. The elements are games, and their interrelationships are so manifold and convoluted that it is impossible to say much about the system as a whole except that the constituent elements, the games, are on the whole only loosely interrelated.⁴⁶

Consider, for instance, the interrelationships depicted in the case study of the EDA project in Oakland. Within the EDA, the Washington office, the Seattle office, and the Oakland office were all involved in a game among themselves, and the continually changing outcomes of that game affected “the agency’s” resources and strategies in its games with the Port of Oakland and with World Airways. Games that the agency was playing with the U.S. General Accounting Office, the Congress, and the Nixon Administration (beginning, of course, only in 1969), constrained its choices of strategy in dealing with the port and with World. The port was constrained by its ongoing game with the city of Oakland, as World Airways was constrained by its games with its business competitors, its stockholders, its customers, and so on.

These relations exemplify cases where different games do in fact interact with each other. The outcomes of certain games set the conditions for the play of other games. Resources committed to one game, and the maneuvering within its rules, affect a player’s ability to maneuver in other games being played simultaneously. Yet the illustrations above can suggest weak or absent interactions as well, for example, between the General Accounting Office and the competitors of World Airways, or between the

Seattle office of EDA and the Nixon White House. As we list, describe, and analyze the following series of different implementation games, we shall attempt to delineate the plausible interrelationships among them. Of all possible two-way interrelationships, only a minority seem to me plausibly connected with any degree of either strength or regularity, however. The political and institutional relationships in an implementation process on any but the smallest scale are simply too numerous and diverse to admit of our asserting lawlike propositions about them. It is the fragmentary and disjunctive nature of the real world that makes “a general theory of the implementation process” (which has been urged upon me by some readers of the draft manuscript) unattainable and, indeed, unrealistic.

To summarize, then, the “implementation process” is: (1) a process of assembling the elements required to produce a particular programmatic outcome, and (2) the playing out of a number of loosely interrelated games whereby these elements are withheld from or delivered to the program assembly process on particular terms. The next four chapters sketch the most common implementation games and their possible adverse effects. These sketches are intended to serve as a warning to would-be policy designers. Every policy worth its salt is vulnerable to at least a few of these games. Such risks cannot be avoided. The object of describing these games—and, where possible, certain mitigating strategies—is to help designers calculate their risks more accurately and to design policies robust enough to survive them.

NOTES

1. The term “program elements” has had a certain currency in discussion of Planning-Programming-Budgeting Systems (PPBS). No such connection is intended here. Some readers might also think it desirable at this point to distinguish between program and policy and would ask whether policy implementation differs in any way from program implementation. I think it does not. Although a program does not imply a policy, it is hard to think of a policy that would not also imply a program structure, no matter

- that a given policy does not logically entail any *particular* program structure. I shall not distinguish henceforth the process of “program implementation” from that of “policy implementation.”
2. David Truman, *The Governmental Process* (New York: Knopf, 1951).
 3. Jerome T. Murphy, “The Education Bureaucracies Implement Novel Policy: The Politics of Title I of ESEA, 1965–72,” in Allan P. Sindler, ed., *Policy and Politics in America* (Boston: Little, Brown, 1973), pp. 160–198. On ESEA generally, see also Joel S. Berke and Michael W. Kirst, eds., *Federal Aid to Education: Who Benefits? Who Governs?* (Lexington, Mass.: D. C. Heath, 1972); and Stephen K. Bailey and Edith K. Mosher, *ESEA: The Office of Education Administers a Law* (Syracuse: Syracuse University Press, 1968).
 4. Murphy, “Education Bureaucracies,” p. 169.
 5. Murphy, “Education Bureaucracies,” p. 194.
 6. Murphy, “Education Bureaucracies,” pp. 196–197.
 7. Murphy, “Education Bureaucracies,” p. 196. Murphy reports specifically on Massachusetts, but it is clear he believes the pattern is nationwide. A review of seven states in Berke and Kirst, *Federal Aid*, suggests that Massachusetts may be an extreme example of the dilution of antipoverty objectives, but that it is nonetheless highly indicative of the national pattern.
 8. Jerome T. Murphy, “Title I of ESEA: The Politics of Implementing Federal Education Reform,” *Harvard Educational Review* 41 (February 1971): 35–63.
 9. My own interpretation of the problems of Title I gives central place to the formula-grant system of allocating monies to the states and to local districts. Each eligible recipient felt *entitled by law* to receive Title I monies, and the threat to withhold them was correspondingly weak and halfhearted. Given such a massive rent in the federal purse, it would have taken more than “pressure” around the edges to regain control over Title I expenditures. Murphy considers the formula-grant system a serious weakness, too (“Education Bureaucracies,” p. 171). See the discussion of Massive Resistance in Chapter 5.
 10. Douglas R. Bunker, “Policy Sciences Perspectives on Implementation Processes,” *Policy Sciences* 3 (March 1972): 72. Bunker identifies his idea of implementation with Jones’s notion of the application of policy, Dror’s concept of policy execution, Gross’s idea of “the activation of plans,” and Gergen’s phase of “sanction and control.” He also says that his notion of implementation is what “others describe as follow-through or carrying-out of policies” (p. 72). See K. Gergen, “Assessing the Leverage Points in the Process of Policy Formation,” in R. A. Bauer and K. H. Gergen, eds., *The Study of Policy Formation* (New York: Free Press, 1968), Chap. 5; C. O. Jones, *An Introduction to the Study of Public Policy* (Belmont, Calif.: Wadsworth, 1970); Y. Dror, *Public Policymaking Reexamined* (San Francisco: Chandler, 1968); and B. Gross, “Activating National Plans,” in J. R. Lawrence, ed., *Operational Research and the Social Sciences* (London: Tavistock, 1966). See also, Donald S. Van Meter and Carl E. Van Horn, “The Policy Implementation Process: A Conceptual Framework,” *Administration and Society* 6:4 (February 1975): 445–488. They stress as critical determinants of “the execution of public policy” both “the amount of change involved” and “the extent to which there is goal consensus among the participants in the implementation process” (p. 458).
 11. Bunker, “Policy Sciences Perspectives,” pp. 76–77.
 12. In my own efforts to conceptualize the policy-adoption process, I have found it useful to distinguish the causal force of the level of “support” (or “assent” in Bunker’s terms) from the causal force of those political “resources” utilized by an activist coalition. The coalition uses resources to produce support, which in turn produces a legislative decision. See my *The Skill Factor in Politics: Repealing the Mental Commitment Laws in California* (Berkeley: University of California Press, 1972).

13. Graham T. Allison and Morton H. Halperin, "Bureaucratic Politics: A Paradigm and Some Policy Implications," in Raymond Tanter and Richard H. Ullman, eds., *Theory and Policy in International Relations* (Princeton: Princeton University Press, 1972), p. 54. See also the section "Organizational Implementation" in Graham T. Allison, "Conceptual Models and the Cuban Missile Crisis," *American Political Science Review* 63:3 (September 1969): 706–707; and Morton H. Halperin, *Bureaucratic Politics and Foreign Policy* (Washington, D.C.: The Brookings Institution, 1974), esp. Chaps. 13–15.
14. Murphy, "Education Bureaucracies."
15. For a conservative perspective on these failures, see California State Department of Social Welfare, *Welfare Reform in California ... Showing the Way* (December 1972). For a view from the opposite end of the political spectrum, see Frances Fox Piven and Richard A. Cloward, *Regulating the Poor* (New York: Random House, 1971).
16. James Q. Wilson, "The Bureaucracy Problem," *The Public Interest* (Winter 1967), pp. 3–9.
17. The identification of implementation with decisions and activities of government organizations is strongly implied by Thomas B. Smith in "The Policy Implementation Process," *Policy Sciences* 4 (1973): 197–209. He writes: "The implementing organization is responsible for the implementation of the policy. In most instances, the organization is a unit of the governmental bureaucracy." The three "key variables" are the organization's structure and personnel, its leadership, and "the general capacity of the organization to meet the objectives of program implementation" (pp. 204–205). We find the same identification of implementation decisions and decisions by government bureaucracies in Antonio Ugalde, "A Decision Model for the Study of Public Bureaucracies," *Policy Sciences* 4 (1973): 75–84. "Implementation decisions . . . are those made in the process of implementing the formal decision. Frequently several different bureaucracies (ministries, decentralized agencies) make implementation decisions in the process of implementing *one* formal decision" (p. 78, italics in original). Consider also the usage in a representative work from the field of operations research in which the question of "implementing" the OR analysis is often more problematic than the question addressed by the OR researchers in their formal analysis. "Given the confusion that exists about the meaning of the term 'implementation,'" writes Jan H. B. M. Huysmans, it "seems prudent to start out with a provisional working definition of OR implementation. We will say that an operations research recommendation is implemented if the manager or managers affected by the recommendation adopt the research results in essence and continue to use them as long as the conditions underlying the research apply." *The Implementation of Operations Research* (New York: Wiley, 1970), p. 1. A recent draft paper by Martin Rein and Francine Rabinowitz, "Implementation: A Theoretical Perspective," also identifies "implementation" with the actions and decisions of administrators in public organizations.
18. Anthony Downs, *Inside Bureaucracy* (Boston: Little Brown, 1967), p. 134.
19. Thomas J. Scheff, "Control over Policy by Attendants in a Mental Hospital," *Journal of Health and Human Behavior* 2 (1961): 93–105. I have relied on the summary of Scheff's paper in David Mechanic, "Sources of Power in Lower Participants in Complex Organizations," *Administrative Science Quarterly* 7 (December 1962): 356–357.
20. Neal Gross, Joseph B. Giacquinta, and Marilyn Bernstein, *Implementing Organizational Innovations: A Sociological Analysis of Planned Educational Change* (New York: Basic Books, 1971), p. 39.
21. Gross, Giacquinta, and Bernstein, *Implementing Organizational Innovations*, p. 39. They also observe that most studies of planned organizational change were seriously flawed methodologically, and that very few studies focused on the implementation period itself. This period is our central object of concern in this book, and my own review of the literature supports the

- conclusions of these authors. Like them, I too regard the model coming out of the literature on the diffusion and adoption of innovation as of little use, and for the same reason: it takes individuals as the basic units of analysis and has little room for forces arising from organizational structure, like hierarchical domination and subordination (pp. 21–39).
22. Another reason not to identify implementation problems with the “bureaucracy problem,” however the latter is construed, is that bureaucracy is often a solution rather than a problem. Imperfect it may be, but the world might be considerably more problematic without a bureaucratic solution than with it. What appears to be conservatism and inflexibility from one perspective may appear, from a different vantage, as wisdom accumulated through experience and as durability against the many vicissitudes of politics and social transformations.
 23. Martha Derthick, *New Towns In-Town* (Washington, D.C.: The Urban Institute, 1972), p. 83.
 24. Derthick, *New Towns*, p. 84.
 25. Derthick, *New Towns*, p. 83, n1.
 26. See her recent work *Between State and Nation: Regional Organizations of the United States*, with the assistance of Gary Bombardier (Washington, D.C.: The Brookings Institution, 1974).
 27. Morton Grodzins, “The Federal System,” in *Goals for Americans* (Englewood Cliffs, N.J.: Prentice Hall, 1960).
 28. Derthick, *New Towns*, p. 95.
 29. Derthick, *New Towns*, p. 101.
 30. Derthick, *New Towns*, pp. 101–102.
 31. Jeffrey L. Pressman and Aaron Wildavsky, *Implementation* (Berkeley: University of California Press, 1973), p. 93.
 32. Pressman and Wildavsky, *Implementation*, p. 93.
 33. Pressman and Wildavsky, *Implementation*, p. 93.
 34. Pressman and Wildavsky, *Implementation*, pp. 106–107.
 35. I am sorry to say that this work will not surpass the EDA study in this regard. For that reason among others I am particularly grateful to Pressman’s and Wildavsky’s account, which I draw upon frequently throughout the rest of this book.
 36. Pressman and Wildavsky, *Implementation*, p. xii.
 37. Although Bunker writes near the beginning of his paper that “Implementation may be viewed as a set of socio-political processes flowing from and anticipated by early phases of the policy process” (“Policy Sciences Perspectives,” p. 72), the conception his final algorithm suggests is altogether static. Inadvertently, Bunker retreats from this initial view of a dynamic “set of socio-political processes” to a very stationary conception of structure, in which the only conceivable element of action or change is “power resources.” What exactly a “power resource” is, however, remains undefined.
 38. Pressman and Wildavsky, *Implementation*, p. 113.
 39. Pressman and Wildavsky, *Implementation*, p. 118.
 40. Pressman and Wildavsky, *Implementation*, pp. 118–119. These assumptions are arbitrary indeed. One wishes the authors had actually taken the pains to estimate the delay for each of their seventy clearance points, a difficult but not impossible task.
 41. Pressman and Wildavsky, *Implementation*, p. 122.
 42. Pressman and Wildavsky, *Implementation*, p. 122.
 43. Pressman and Wildavsky, *Implementation*, p. 120.
 44. Mancur Olson, Jr., *The Logic of Collective Action* (Cambridge, Mass.: Harvard University Press, 1965).
 45. See Allison’s comparable usage and his justification, “Conceptual Models,” p. 708, esp. fn 79. See also the usage in Norton Long’s classic article, “The Local Community as an Ecology of Games,” *American Sociological Review* 64 (November 1968): 251–261.
 46. As with “game theory,” we shall ignore the large body of literature on “systems theory.”

Watergate: Implications for Responsible Government

Frederick C. Mosher and Others

Overview

Practitioners and scholars in the field of public administration have an extraordinary interest in the quality of governmental institutions. They share with all citizens a concern that the competence and dependability of governments be achieved and secured. But, beyond this, those who have committed most of their lives to public service—advisers on public policy, practitioners sworn to faithful execution of the laws, and educators of present and future administrators—feel a special obligation to preserve the values that have so long contributed to an effective and progressive social order. They particularly appreciate the absolute necessity of integrity of the leaders in every branch of government—legislative, executive, and judicial. Without such integrity, government cannot gain and retain the confidence of the people it serves.

For these reasons, this Panel of the National Academy of Public Administration is gratified and challenged by the invitation of the leaders of the Senate Select Committee on Presidential Campaign Activities to present its views on issues emerging from the Committee's hearings. The revelations, immediately or remotely associated under the umbrella term "Watergate," have had a shattering impact upon American government at all levels. They have played a major role in causing the citizenry to develop, and to give voice to, growing disillusionment, cynicism, and even contempt for government and politics generally. But there is also a potentially favorable side. The very dimensions of the

scandals so far revealed provide an opportunity for reexamination and reform, not of the electoral process alone, but also of other related practices and institutions.

Some of the seeds which grew to Watergate were undoubtedly planted many years and many administrations ago. But the development of these seeds into malpractices seriously injurious to our democratic form of government calls for sober reevaluation of our political and administrative systems and the application of appropriate remedies.

This report is not directed to the identification of individual misdeeds or culprits. Rather it is an effort to identify underlying sources and pitfalls, and to suggest changes in American government and administration which will help make future Watergates less likely, and which will improve the effectiveness and credibility of democratic government over the long range.

Aberration, Extension, or Culmination?

Are the various deviations from proper behavior that are popularly associated with Watergate to be regarded as one-time events, the product of a particular combination of circumstances and of people, mostly at high levels, in a political organization and in the administration? Were they unique in American history and unlikely to recur in the future?

Or was Watergate simply an extension of trends in American politics and government that have been underway for a long time and which could, unless deliberately checked or reversed, be expected to continue, and even worsen, in the future? More profoundly, is it a reflection of developments and deterioration in the very fabric of American society, social, economic, moral, and technological?

Or, finally, was Watergate a cataclysmic shock, a peaking of the trends and forces suggested above, from which society and government may not recover without severe surgery?

It appears to this panel that Watergate permits all three of these interpretations. Surely it

Source: Frederick C. Mosher and Others, *Watergate: Implications for Responsible Government* (Washington, D.C.: National Academy of Public Administration, 1974).

was an aberration in the sense that it resulted from bringing into positions of enormous power a group of people who shared characteristics of personal and ideological loyalty and inexperience in social responsibilities. Surely it will not soon recur—not necessarily because such a collection of people may not again be assembled, but because of the disastrous consequences for many of those involved individually and for the administration generally. Surely it is not the first scandal which sullied American public life. We have had Credit Mobilier, Teapot Dome, political corruption of public relief programs in the 1930s, and Internal Revenue malfeasance in the early 1950s, although none of these had the pervasiveness and shattering impact of Watergate.

On the other hand, one may observe that most of the perpetrators and directors of Watergate misdeeds were reputedly honest and upright persons before they entered the political campaign and/or the administration. Few if any had any record of unethical or dishonest, let alone criminal, activity. This suggests that Watergate was a product of a *system* which shaped and guided the behavior of its participants. (System, as the word is used here, is primarily the product of trends and forces from the past.)

President Nixon, as well as others in his administration, has defended some of his and their actions on the grounds that the same things were done by predecessors in high office. Regardless of the validity of this contention as defensive argument, it is entirely true that many of the actions deplored in this report and elsewhere have precedents in previous administrations of both parties. Indeed, the evidence suggests that most of such practices were growing gradually or sporadically during past decades. They include, for example: (1) use of governmental powers and resources in behalf of friends, against opponents (enemies); (2) politicization of the career services; (3) political espionage on American citizens; (4) excessive secrecy, usually on grounds of national security, whether or not justifiable; (5) use of governmental personnel and resources for partisan purposes, including political campaigns; (6) solicitation of political contributions from private interests with implicit or explicit

assurances of support or favor, or of absence of disfavor; and (7) “dirty tricks.”

Some have argued that Watergate was a logical, if not inevitable, consequence of trends in the larger systems of our society. Thus one reads and hears that its forebears include, among many other things: the weakening of the family unit and with it the sense of responsibility to and for others; the decline of personal and, therefore, of social morality and of the influence of the churches; the growing interdependence of major elements of the society and of the economy, and of the government with both of these; the increasing power of the national government; the growing interrelationships of the national government with other governments in the world; the increasing prevalence in both public and private spheres of huge bureaucracies, in which the individual is submerged; and the growing dominance of technology.

It would be both inappropriate and impossible for this Panel to address these alleged negative trends in the space and time permitted. The Panel does, however, agree that forces such as these may have contributed to Watergate. But it also believes that government, particularly the national government, has been in the past, and should be in the future, strong, beneficent, and flexible enough to influence these forces toward the benefit of the American people. The ethical and effective conduct of government must provide the model and the leadership for American society.

Watergate is thus both an aberration and an extension of earlier trends. It may also be a culmination of some, if not all, of those trends. As suggested earlier, the revelations in the 12 months of 1973 should themselves deter possible future perpetrators from at least the most blatant of such misdeeds. Certainly, these revelations have alerted the American people and their elected representatives to the danger of future Watergates and initiated a search for legal and other means to thwart or minimize them. Many basic reforms of American government, including the framing of the Constitution itself, have been sparked by conspicuous failings, scandals, tragedies, or disasters.

The Watergate revelations have already stimulated a great deal of concern and discourse

about means of political and governmental reform. And there is reason to believe that the Congress and the people whom it represents are more receptive to basic changes than they have been in a long time. The “horrors” which have been, and are still being, exposed have a potentially positive side. They offer an opportunity for corrective actions, many of which should have been taken long ago. If the opportunity is grasped, Watergate will be more than an extension of long term trends; it will be truly a culmination and watershed.

The Watergate Climate Some of the witnesses before the Select Committee spoke about the unique and, it would appear, altogether unpleasant “climate” which pervaded the top levels of the administration and the Committee to Reelect the President during and before the Watergate period. In the words of John Dean, Watergate was an “inevitable outgrowth of a climate of excessive concern over the political impact of demonstrations, excessive concern over leaks, and insatiable appetite for political intelligence all coupled with a do-it-yourself White House staff regardless of the law.”

The Watergate climate, for convenience, may be treated from two perspectives, the political and the administrative, even though the close interrelationship of the two was one of its central and most sinister features. The prime motivating drive behind both political and administrative activities seems to have been Presidential *power*; its enlargement, its exploitation, and its continuation. Power was perhaps sought by some in the Presidential entourage for its own sake, but it seems fair to conclude that most sought to impose upon the government the ideological views of the President. Paradoxically, a part of that ideology as expounded was to limit the powers of the national government; to return more powers to the people and their elected representatives at state and local levels. The zest for power in the Presidential office is a perfectly expectable, normal, and proper behavior of Presidencies, particularly in the current century—but within limits and constraints, many of which are embedded in the Constitution, and always subject to accountability.

The political climate in the months and, to a lesser extent, for several years before the 1972 election was apparently characterized by an obsessive drive for reelection of the President. It seems to have colored, or sought to color, governmental plans, decisions, and behavior during that period, even in fields of activity intended and believed to be politically neutral—administration of the revenue laws, antitrust prosecutions, allocation of grants and contracts, clearance of career service appointments and promotions, and many others.

Synchronized by the White House and its immediate appendage, the Committee to Reelect the President, the program was directed primarily, if not almost exclusively, to the reelection of the President, not to the victory of his party or of other nominees of the same party in the same general election. It is evident that the imperative to reelect was so driving as to override many other considerations, including the public interest and normal ethical and legal constraints.

The President, in explaining the behavior of his subordinates, described them as “people whose zeal exceed their judgment, and who may have done wrong in a cause they deeply believed in to be right.” But some of those whose behavior the President described so mildly readily admitted later that, in their minds and consciences, the demand to reelect was so overwhelming as to justify acts admittedly criminal. John Mitchell, in his testimony before the Select Committee, made it clear that he considered the reelection of President Nixon to be more important than his obligation to tell the President that people around him were involved in perjury and other crimes, even though he could find no Constitutional basis for such a conclusion.

The political environment, both before and following the campaign of 1972, was entirely consonant with that of the campaign itself. The Administration was in a state of siege from its critics, some of whom were seen as threats not only to it alone, but also to the security of the nation itself. Administration proposals were advanced, the potential costs of which so far exceeded their potential benefits, even in strictly political terms, as later to be construed as stupid, even absurd. The White House

became a command post for conduct by the President's staff of near warfare against those whom it considered "enemies."

Following the "mandate" of the 1972 election, the Administration moved to cleanse itself of senior officials in many executive agencies who were considered to be hesitant or doubtful followers of the views and ideology of the President. In terms of top-level political appointees, the transition between the first and second Nixon terms was as extreme as most transitions from one party to the other. Many experienced Republicans in key posts were replaced by others, usually younger, in whom the Administration presumably had greater confidence of personal and ideological loyalty, and who were innocent of prior allegiances to the agency of their appointment or its associated clientele. In this and other ways the Administration undertook to carry out and enforce its electoral "mandate," even before the inauguration in 1973.

The administrative climate was, to some extent, a product of the political climate: aggressive efforts were made to use administrative machinery to carry out political and policy ends, and growing frustration and exasperation developed over alleged bureaucratic impediments. In part, it was a further step in the evolution of a strong Presidency—a movement which had begun generations earlier and which students of American government have generally approved, at least since the report of the President's Committee on Administrative Management (the Brownlow Report) submitted in 1937.

Taken individually, the majority of changes that the Administration instituted or sought were consistent with sound administrative practices; indeed, a good many leaders in public administration had recommended some of them earlier and specifically endorsed them after they were proposed by the President. They included:

- formation of regions with common headquarters and boundaries to encompass many of the domestic field agencies and activities;
- establishment of regional councils to provide better coordination of federal activities in regions and areas;

- delegation of federal powers from Washington to the field;
- unconditional grants to state and local governments (called general revenue sharing);
- broader categories of, and fewer strings on, functional grants to state and local governments (called special revenue sharing);
- formation of a Domestic Council to parallel, in domestic affairs, the National Security Council in foreign affairs;
- strengthening of the managerial role of the Bureau of the Budget (which became the Office of Management and Budget), and vesting of all of its statutory powers in the President;
- consolidation of the activities of most of the domestic departments in four "super-departments," rationally organized according to subject matter areas;
- formation of a "Federal Executive Service" to encompass all super-grade employees whose qualifications would be approved and whose assignments and salaries would be flexible according to managerial needs;
- encouraging the administrative practices associated with the term "management by objective";
- placing postal activities in a quasigovernmental corporation and removing the Postmaster General from the Cabinet; and
- interposing above the specialized, professionalized, "parochial" bureaucracies generalists with a broader perspective.

But these mostly constructive actions and proposals were accompanied by a number of others which students of government, even those with the strongest commitment to Presidential energy and influence, found questionable. These included:

- usurpation by the White House of powers over both policy and day-to-day operations heretofore carried on in the departments and other established agencies;
- enormous growth of the White House staff, accompanied by the establishment of a tight hierarchy within it;

- by-passing of departments and agencies in areas of their assigned responsibilities, first in international and defense matters through the staff director of the National Security Council, and later through the staff director of the Domestic Council;
- veiling of White House activities on grounds of national security or executive privilege;
- negating of substantial majorities of both houses of the Congress on policy and program matters through accelerating use of the veto power and impoundment of funds;
- interposition of White House aides between the President and the official heads of the executive agencies, such aides having been appointed without confirmation or even public knowledge; and
- the abortive attempt to interpose Presidential counselors in the White House with substantial control over established departments.

Considered singly or separately, few of the actions or proposals in the foregoing lists would because for great alarm. However, if all of them had been effectuated, the administrative weather could have become very stormy indeed. The American state then would have approached a monarchy, ruled from the top through a strictly disciplined hierarchical system. It would have become difficult to pin responsibility for decisions or actions upon anyone short of the top man, and he was, for the most part, inaccessible and unaccountable. As some of his appointees have pointed out, the only ultimate means of holding the President answerable following his election or reelection is impeachment.

The administrative and political aspects of the governmental climate were increasingly interlocked, at least until the spring of 1973. Together they constituted a critical threat to many of the values and protections Americans associate with a democratic system of government, including:

- the right to participate or be represented in decisions affecting citizens;
- the right to equal treatment;
- the right to know;
- free and honest elections; assurance of Constitutional protections such as those in the First and Fourth Amendments;
- a balance of countervailing powers to prevent usurpation by any single power—as among the branches of government, the political parties or sectors of parties, interest groups, and geographic sections; and
- ethical conduct of public officials in pursuit of the public interest.

This panel entertains no delusions that these precepts have not been violated or threatened before—well before—the first Nixon administration. It is possible that many of the revelations of the last two years were repetitions of earlier actions never revealed. Indeed, we owe our present knowledge to an obscure and lonely guard in the Watergate Apartments, to the fact that there was an unmarked police car nearby, to a couple of aggressive reporters, to the Senate Select Committee, to the Special Prosecutors, and to some unidentified leaks to the press. The problems we here address are not partisan problems. They are problems for all parties, for all citizens.

Epilogue: Ethics and Public Office

Most of this report has concerned, directly or indirectly, the subject of ethics in the public service. So did most of the hearings before the Senate Select Committee. The investigative power of the Congress may well be a more effective instrument than the criminal procedures of the courts in exposing, and thereby protecting the public from, unethical behavior on the part of its officials.

The only thing that could and can avail the body politic *in extremis* is the charter of the Select Committee, committing it to the investigation of unethical—not just illegal—conduct in the 1972 campaign. The unethical is not necessarily—not even often—the illegal, as Congress attested in separating the two. It was the unethical not the illegal, activities in 1972 that did this country down. . . .¹

Many of the actions associated with Watergate, the burglary of offices, the forgery of a letter, the laundering of money through Mexico, and so on, were clearly criminal. But in their relation to the national interest each by itself was less than crucial. What was important were the attitudes of mind, the modes of conspiring, and the narrow goals of those behind them. Many of these kinds of matters lie beyond the range of criminal law.

Public officials are of course bound by the same criminal laws as apply to other citizens. But their obligations to the public as a whole entail an additional and more rigorous set of standards and constraints associated with the concept of public trust. Many practices which are permissible, even normal, in the private sector are, or should be, forbidden in government: acceptance of certain kinds of gifts, discussion of appointments under certain circumstances, promise or threat of governmental action under some circumstances, carrying and secreting of large amounts of cash, withholding of information to which the public should be alerted, and, conversely, leaking or other disclosure of other kinds of information which should be private.

One of the characteristics of many of those implicated in Watergate was their perception of the roles and responsibilities of government, a perception which was at best simplistic, and at worst venal and dangerous. A democratic government is not a family business, dominated by its patriarch; nor is it a military battalion, or a political campaign headquarters. It is a producing organization which belongs to its members, and it is the only such organization whose members include *all* the citizens within its jurisdiction. Those who work for and are paid by the government are ultimately servants of the whole citizenry, which owns and supports the government.

Complementary to the ingenuousness of the appreciation of the sense of the word “public” in these recent developments was the apparent lack of understanding of “service.” In a society in which sovereignty presumably rests in the people, it is indispensable that its officials be regarded and regard themselves as servants, not masters, of the people. They must have and exercise powers, but their powers are delegated, usually for temporary periods.

A ten-point Code of Ethics for Government Service was adopted by Congress in a concurrent resolution in 1958, and its provisions were subsequently incorporated in the *Federal Personnel Manual*. In May 1961 President Kennedy issued Executive Order 10939 as a Guide on Ethical Standards to government Officials; it was specifically pointed to those occupying positions of highest responsibility. Many federal agencies have issued their own minimal standards of conduct, applying to the specific business of the individual agencies, and most of them have some machinery for guidance and enforcement through legal counsel or inspectorates. Yet Watergate happened.

The Panel has considered a number of possible steps the government might take to strengthen ethical standards, particularly of noncareer officials, and suggests them for the consideration of the Select Committee. They include:

- Improving and making more sophisticated the codes and guidances of ethics in public service;
- Incorporating in the oath of office, sworn to by all new officers and employees, the Code of Ethics, and requiring each at the time to read it and certify in writing that he or she has done so;
- Requiring that new political appointees attend briefing sessions on the ethics of public service; such briefings would cover ethical conduct, accountability, the nature of checks and balances in government, the importance of responsiveness to the public, and the relationships between career and noncareer services;
- Creating a Federal Service Ethics Board, comparable to similar boards that have been established in some state and local governments, to set forth general guidelines for all employees and to investigate particularly important and difficult ethical questions that are brought before it;
- Providing a government-wide ombudsman or one in each major agency to consider complaints of ethical violations in the federal service.

The effectiveness of codes and mechanisms for their enforcement depends first upon

continuing scrutiny of the decisions and actions of public officials: by their fellows in administration, by the other branches of government, by their professional associates in and out of government, by the media, and by the general public. Such scrutiny in turn hinges on openness and accountability. For those who might be tempted to unethical behavior for want of understanding or conscience, the threat of future revelation and scrutiny can be a considerable deterrent.

But there is no “fail-safe” mechanism whereby appropriate ethics of public officers and the public interest may be assured, and whereby the ethics of public employees may be enforced. Ultimately, the assurance of high standards of ethical behavior depends upon the people who aspire to and gain public office, and more particularly upon the system of values they have internalized. The panel reiterates its urging, in the Introduction to this report, that the educational institutions around the

nation, especially those professional schools which provide significant numbers of public officials, focus more attention on public service ethics. A guiding rule of such instruction and of subsequent official decisions should be that propounded many years ago by Thomas Jefferson:

Whenever you are to do a thing, though it can never be known but to yourself, ask yourself how you would act were all the world looking at you, and act accordingly.²

NOTES

1. Milton Meyer, “From Delinquency to Survival—Watergate and Beyond,” *Center Report* (Center for the Study of Democratic Institutions, February 1974): 27.
2. Thomas Jefferson, letter to Peter Carr from Paris, France, August 19, 1785.

Representative Bureaucracy

Samuel Krislov

When this book began to take form, its topic—representative bureaucracy—was, at least in terms of general concern, of remote though hardly inconsequential importance. In recent months it has emerged among those who consider public policy as one of the bitterest and most discussed issues. The questions of quotas, of the merit of “compensatory justice,” or (as I shall argue) of “remedial steps,” have evoked much heated debate.

In many ways the light thrown on the subject has been disproportionately small. The reasons are not hard to find. Both sides feel there is an advantage in exaggeration and strongly stated positions, but these political techniques do tend to blur the fine points of the issues. This is borne out by a refreshingly candid comment by Christopher Jencks:

For analytic purposes, it is therefore useful to distinguish between “equal opportunity” (i.e., treating everyone alike) and “compensatory opportunity” (i.e., helping the neediest). Unfortunately, conceptual clarity is precisely what the advocates of compensatory opportunity (including ourselves) feel they cannot afford. “Compensatory opportunity” is a slogan devoid of political appeal, while “equal opportunity” is still capable of rallying widespread support. Advocates of compensatory opportunity have therefore felt obliged to pretend that “equal opportunity” really implies compensatory opportunity. We see no reason for abandoning this sleight of hand, but it is also useful to recognize that

treating everyone alike is not the same as helping the neediest.¹

Similarly, those who are critical of what they see as a drive toward quotas as the system of selection throughout society tend to argue in terms of extreme examples as though these were the everyday standard. To the argument that these are untypical, such critics answer in terms of Alfred North Whitehead’s “emergents”—the untypical is what is in process of becoming the general.

The issues of equality, merit, and reward are at the heart of current ideological conflict. One is as amused as amazed to read John Kenneth Galbraith’s 1958 observation that “while it continues to have a large ritualistic role in the conventional wisdom of conservatives and liberals, inequality has ceased to preoccupy men’s minds.”² It is precisely as a preoccupation that it has survived. Irving Kristol has suggested that the shibboleths of inequality are used by elite “intellectuals” to attack bourgeois society; the real intention is not to elevate the poor so much as to demean the businessman and thus confirm the position of the snobbish counterculture. So, he argues, the criticism will perversely increase even as actual inequality wanes. Whether or not Kristol has accurately depicted the motives, it is clear that at the core of the ideological unity currently distinguishing the left in western society is the issue of inequality. It is, to employ an overused analogy, something of a secular religion, evoking devotion, sacrifice, and intensity.

The present study deals with these problems in terms of one set of social institutions—the public bureaucracy—and in terms of a single claim—to societal representativeness—offsetting those of “presumed merit” and “job-skill-related” criteria.

Part of the process of obfuscation has been the insistence of partisans that the issues can be clearly drawn on matters such as the above. This volume will acknowledge throughout the

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complexity involved in just such concepts—a complexity outlined in *The Negro in Federal Employment*.³ It is perhaps wise to recapitulate and expand that argument here.

The fundamental fallacy encouraged by the practitioners of public and other “scientific” administration is that job analysis is possible for most if not all of the positions in our society. The implicit models are elemental jobs, e.g., working on an assembly line or such powerful and seductive examples as that of the surgeon who literally can or cannot “cut it.”

Of course it is realized that any particular example of ability—one day’s effort, for example—is subject to error. The reliability of this kind of sample is in addition generally aggravated by the need to pick some surrogate for the requisite ability such as a paper and pencil test. In all of this it is assumed that there is a generally agreed-upon definition of what ideally should be measured.

In fact, the complexity far exceeds these obvious points. Expanding Blau—who in turn builds on Talcott Parsons and Robert F. Bales—I have suggested that merit and the criteria for selection and promotion can be approached as a series of “nesting” concepts with their appropriateness a matter of perspectives. In this sense, there are “multiple realities” in which criteria not only become less precise but encompass wider and wider viewpoints of what is an appropriate consideration.

Thus a surgeon’s ability to diagnose is at least a second dimension of competence. His or her skill at organizing an office and the operating room team is even less esteemed, and yet it may be very consequential. The human relations involved in dealings with nurses may affect both the operation conditions and the aftercare, which is a significant aspect of the entire medical treatment—especially in cases such as the treatment of ulcers where poor attitudes transmitted to the patient can be immediately related to the recurrence of problems. The perennial TV plot involving the extra-operating room activity of the doctor who offends the clinic patron—usually by political or romantic activity—illustrates another set of problems complicating the supposedly simple job analysis. In fact, personal activities well beyond the simple task performance do impinge on

successful operations of an institution. I am aware of an instance where a full-time administrator had to be hired to cope with the many-faceted activities of an inspiring and inspired idea man who didn’t always observe the niceties of university rules before making what sometimes proved to be embarrassing commitments. There are extra costs that may result when one or more other physicians have to give up time that would otherwise be devoted to patients in order to rule on ethical questions, mediate, soothe ruffled feelings, or raise funds to substitute for sums lost through another’s rudeness.

From the patient’s viewpoint, only one set of considerations seems relevant—those that improve his care. From the standpoint of the physician’s colleagues, fair use of nurses’ time and such contributions as improvement of others’ skill through keen analysis and awareness of new literature loom as worthy of consideration. The hospital administrator may value the individual who works well with others; the immediate community may esteem the TV celebrity; and society at large may value most the surgeon whose discoveries lead to further progress. All these perspectives are legitimate within their given context.

The point can be generalized. It is not simply that the physician’s position, nominally the quintessence of a specific skill-oriented job, has complex ramifications. Rather, parallel observations can be made of the typical undergraduate’s view of the professor as classroom teacher, the graduate student’s emphasis on his creative helpfulness, the college’s emphasis on his scholarship and the enhancement of departmental reputation, and his chairman’s concern for his administrative contribution.

It is this multiple perspective that justifies “bumping,” the practice of allowing unneeded employees in one office to displace employees with less seniority in another office. From the standpoint of the larger bureaucratic structure it is seen as a generalized procedure that helps induce everyone, including other members of the unit, adversely affected by the “bumping” to join and stay with the service, and to have some confidence in career lines. Similarly—and in a sense more grandiosely—veteran’s preference is justified on the grounds that the soldier’s defense of the social system is a prerequisite to

the bureaucratic structure, and therefore a logical necessity for maintaining the operation as a whole.

The unfolding of such concepts is rather like an onion or artichoke in its nature. Essentially, taking a broader view is the assimilation of apparently extrinsic standards, which from the new perspective is quite reasonable and very much in order.

In short there is no natural dividing line between intrinsic and extrinsic criteria. And oddly enough, this makes it imperative that a line be drawn. If an institution is to perform its task, it must as a rule exclude external considerations that impinge on its own integrity. Such considerations as “private lives” or “non-job-connected background characteristics” are in modern and most premodern structures rigorously excluded from evaluation on the somewhat specious grounds that they do not affect performance—though they often do—or that they can be regulated through monitoring of performance—though performance is only crudely monitored in fact, and these criteria are realistically most relevant at point of hiring.

The tension between sets of criteria is greatest in connection with public service. On the one hand, the multiple perspectives, the variety of groupings that must be satisfied, is at maximum with respect to societally determined positions. A public office makes for public fuss. The process of preferring one or another set of criteria is one of policy making, of agenda setting, of preference ordering, of cue giving for the other sectors as well. Furthermore, the public sector has explicit need for extrinsic validation. A major task of governance is to gain support for policies. No matter how brilliantly conceived, no matter how artfully contrived, government action usually also requires societal support. And one of the oldest methods of securing such support is to draw a wide segment of society into the government to convey and to merchandise a policy.

Scholars in developmental administration have had to expand their concepts of administrative effectiveness to talk about “penetration,” that is, the degree to which a government is able to move its policies into action outside the government halls. They were led to the concept by examination of former colonial

civil services that continued to maintain their technical internal efficiency, but, having lost external military leverage, were increasingly ignored, isolated, and ineffectual. In most instances this was in part a product of the narrow base from which the colonial powers generally drew their native pen bearers. (The British often deliberately played off segments of society and entrusted bureaucratic power to groups heavily dependent on their foreign masters, for example, the Copts in Egypt. Such minorities were unlikely to seek or achieve independent power.)

All in all then, the pressure on government service to accommodate a wide variety of non-task considerations is great. But the threat of succumbing to the pressures, of sacrificing capacity to act, is also evident. While governments, like all institutions, succumb to pressures and trade off various boons for social peace, they are more vulnerable than many other institutions in that they act more publicly. This is especially true of Western democracies but is in essence true of all governments. The process of political selection is, other factors being equal, more open and deemed more a matter of general concern than, say, industrial recruitment. Special treatment for one group generates demands from other groups. (This is a group analogy with Ambrose Bierce’s definition of patronage as the process of creating nine enemies and one ingrate.) Multiple effects from officially stated public policy can be salutary, or at least can be, as some have argued, the geometric diffusion of mediocrity.

This volume seeks to evaluate and mediate such claims regarding the public service, not in the popular terms of discourse, but in the light of the application of a quite different principle, that of “representative bureaucracy.” That term suggests that administrative structures might be characterized by the presence or absence of such representativeness, and the degree to which the structures have in fact been representative agencies.

In exploring these issues we approach the whole problem of legitimacy and authority in government. In avoiding current cant we can, perhaps, at least avoid falling into popular ruts and old clichés. It is perhaps too much to hope to avoid all the new ones.

It has generally been assumed that the American political system first developed the prototype of a mass bourgeois party. This in turn was widely diffused and also engendered the mass proletarian party (see, e.g., Maurice Duverger.)⁴ It has also been suggested that the American bureaucracy was distinctive in its avoidance of class bias, and that this provides a unique opportunity for the radiating principle of representativeness to prevail.

The current argument has been less over this idealistic end than over means. To supporters of “guidelines” much of the argument is hypocritical or disguised racism; to critics the current effort is “reverse discrimination.” By a more objective examination of the problem, I hope to clarify the issue and perhaps even to reconcile some of the differences among those of good will and fond hope. The sharing of world experience and historical perspective also seems to promise less heat and more light. . . .

V. The Emergence of the Issue in American Society

The issue of representative bureaucracy has, of course, been dramatized by the issue of Black rights in the United States; the Blacks were quickly joined in their demands by Puerto Ricans, Chicanos, and women. For Americans, as well as for foreign observers of the American scene, this has become a seminal challenge to the American dream.

How we solve the problem of Black participation in power and Black sharing of status and goods in American society will have a great effect on our self-image as well as on the image we project abroad. The American dream was built on several major themes, but its dominant one was its ability to cope effectively with diversity in society. The claim of a capacity to deal with inter-group conflicts that were in their native setting irrepressible lay at the heart of the romantic notion of America as the newfound and innocent land that could be a model for the world. Not shackled by the disabilities of the old feudal system, and freed from traditions of conflicts and feuds, American society was to be the paradigm for future societies of promise and worth—a United States of Europe, of Asia, of Africa, of the world itself.

This dream has taken sharply divergent forms without shattering that essential faith. The original notion was the “melting pot” concept made famous by Israel Zangwill.⁵ The “tempest-tossed” and “homeless” were all tossed into the cauldron of American life and their dross thrown off, their character reformed. In this sociological equivalent of America’s political motto of *E Pluribus Unum*, a common life-style and character were the expected result from this tempering process.

Horace Kallen’s more complex program of “cultural pluralism” echoed William James’s plea: “pluralism lets things really exist in the each-form or distributively. Monism thinks that the all-form or collective unit is the only form that is rational.”⁶ Kallen suggested that a polyglot culture would in fact be stronger than any enforced conformity. Kallen’s arguments became the standard claim for unity-in-diversity—tolerating, even celebrating, the distinctiveness of subgroups as contributing to a synthesizing realization of the whole person as an American.⁷

This later version—a product of post-World War I days—had even greater attraction than the earlier program. The melting pot requires not just the taking on of a new identity but rejection of the old. The “cultural pluralistic” notion is not a jealous god, and rather resembles oriental religions that allow continued obeisance to the old, while granting absolution for accepting the new. Throughout the world the claim for social pluralism, perhaps in a politically federal system, has emerged as a potential solution to ethnic, religious, or local animosities, short of “final solutions” of physical or cultural annihilation.

The failure of American society over two centuries to deal with its indigenous Indian and forcibly imported Black populations became salient. In the nineteenth century they were excludable as “the troublesome presence,” as President Grant so gracefully put it.⁸ They were the essence of the problem, the proof of the pudding, in the twentieth century.

Whether it was this externally obvious contradiction, or the inexorable influence of the “American dilemma,” the patent affront to our conscience noted by Gunnar Myrdal, or the changing geographic, political, economic, and educational status of the Negro, this

past quarter-century has been marked by an extensive governmental, private, and morally directed effort to end this profound anomaly in our democratic order.

In this effort, governmental service has been important as both a symbol and a cause. As a major vehicle of social change, the occupation of its positions by minority-group members has been significant in policy outcomes and in the subtle transactions that cumulatively constitute policy. Advances in this area have some of the character of showcase achievements, encouraging changes in career aspirations and patterns among the minority, and inspiring new efforts and goals for majority elites in the private sector.

This new look at the relationship of Blacks to public service has raised for a highly developed and presumably integrated society many of the same questions about government service raised in newly independent and/or less united systems. The questions then seem universal—perhaps, in reality, timeless.

The emergence of new states as a product of dissolution of older more comprehensive ones—from empire to nation, in Rupert Emerson's provocative epigraph—has hidden the need for creation of more comprehensive subunit communities. In this respect the newer states share to a remarkable degree the problems that the more established states have also ignored. The merging of dual societies or dual polities—often a subdominant one merged into partnership with a senior partner—is a continuous fact of modern society, and all too often a painful one. Northern Ireland, Belgium, Canada, and the United States have more in common with and more to learn from polyethnic, polyglot, or polydeist communities like Lebanon, India, and Malaysia than appears on the surface. And the bureaucracy with its manifold significance, its need for variety, and its large sample size is a better microcosm of the total society than more commonly studied

areas such as legislatures and a better laboratory for studying broad political action.

VI. Conclusion and Summary

The concept of representative bureaucracy was originally developed to argue for a less elite, less class-biased civil service. As such it was hardly of great interest in the United States because this country's problem then was to develop a respected administrative structure that could attract elite groups. The bureaucracy has since gained in prestige and power. More significantly, our society now sees other lines of division—race, ethnicity, and sex—as becoming even more relevant than class. These new lines of division in turn have particular relevance to contemporary bureaucratic structures.

NOTES

1. Christopher Jencks, *Inequality* (New York: Basic Books, 1972), p. 75.
2. John K. Galbraith, *The Affluent Society* (Cambridge, Mass.: Houghton Mifflin, 1958), p. 82.
3. Samuel Krislov, *The Negro in Federal Employment* (Minneapolis, Minn.: University of Minnesota Press, 1967).
4. Maurice Duverger, *Political Parties* (New York: John Wiley, 1954).
5. Israel Zangwill, *The Melting Pot* (New York: Macmillan, 1913).
6. William James, *A Pluralistic Universe, Lecture 8* (New York: Longmans, Green and Co., 1909), p. 324.
7. Horace Kallen, *Cultural Pluralism and the American Idea* (Philadelphia, Pa.: University of Pennsylvania Press, 1956).
8. See the book of that name by Eli Ginzberg and Alfred S. Eichner (New York: Free Press, 1964).

Intergovernmental Relations: An Analytical Overview

By Deil S. Wright

William Anderson, one of the intellectual parents of the intergovernmental relations field, once claimed that “intergovernmental relations is, I believe, a term indigenous to the United States, of a relatively recent origin, and still not widely used or understood.”¹ Since Anderson’s assertion in 1960, the phrase intergovernmental relations (IGR) has experienced wider usage, but whether the term is clearly or adequately understood remains questionable. Brief attention to the definition and features of IGR is therefore appropriate if not mandatory.

Gaining Force by Unusualness: The Distinctive Features of IGR

We need look no further than the author quoted above for a starting point in clarifying IGR. Professor Anderson says that IGR is a term intended “to designate an important body of activities or interactions occurring between governmental units of all types and levels within the [United States] federal system.”² It is possible to use his general definition as a starting point to elaborate the concept of IGR.

First and foremost, IGR occurs within the federal system. American federalism is the context, not the totality, of IGR. IGR encompasses more than is usually conveyed by the concept of federalism, where the emphasis is chiefly on national-state relationships with occasional attention to interstate relationships. IGR

recognizes not only national-state and interstate relations, but also national-local, state-local, national-state-local, and interlocal relations. In short, IGR includes as proper objects of study all the permutations and combinations of relations among the units of government in the American system.

Anderson also assists us in making a second important point about IGR. “It is human beings clothed with office who are the real determiners of what the relations between units of government will be. Consequently the concept of intergovernmental relations necessarily has to be formulated largely in terms of human relations and human behavior . . .”³ Strictly speaking, then, there are no intergovernmental relations, there are only relations among officials in different governing units. Individual interactions among public officials is at the core of IGR. In this sense it could be argued that federalism deals with the anatomy of the system, whereas IGR treats its physiology.

A third notion implicit in IGR is that relations are not one-time, occasional occurrences, formally ratified in agreements or rigidly fixed by statutes or court decisions. Rather, IGR is the continuous, day-to-day pattern of contacts, knowledge, and evaluations of government officials. A major concern is with the informal as well as with the formal, the practices as well as the principles, pursued in both competitive and cooperative interjurisdictional patterns. This third facet of IGR reads into the concept those activities—as well as research studies—that have previously gone under the title of cooperative federalism, which the late E. S. Corwin defined as one in which governmental units “are regarded as mutually complementary parts of a single governmental mechanism all of whose powers are intended to realize the current purposes of government according to their applicability to the problem at hand.”⁴ These words from a constitutional law scholar provide the desirable emphasis on the working, problem-oriented informalities of IGR and at

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the same time are a reminder of the formal, legal, institutional context within which those relationships originate and flourish.

It has been shown that IGR recognizes multiple unit relationships, that it respects the primacy of public officials acting in an interjurisdictional context, and that it is concerned with informal working relationships in institutional contexts. A fourth distinguishing characteristic of IGR is its awareness of the role played by all public officials. Automatically assumed as integral and important to IGR are mayors, councilmen, governors, state legislators, members of Congress and others. But in recent years more attention has been paid to the actions, attitudes and roles of appointed administrators. The increased focus on administrators as relevant IGR participants is a natural outgrowth of the increasingly important role played by public bureaucracies in government. The concern for the administrative aspects of IGR also arises, however, from attention to informal working relationships and from the academic leanings of most of the writers who have staked out claims to the IGR field. A majority of these persons have been oriented toward public administration and have also held a strong interest in state and local government.

A fifth and final distinctive feature of IGR is its policy component. Federalism has, to a large extent, translated questions of policy into questions of law and relied upon the courts for their resolution. Economic and political complexities, combined with rapid rates of social and technological change, have greatly reduced the capacity of courts—and legislatures—to deal with continuous pressures for policy change. The secular shift from regulatory politics to distributive and redistributive politics signaled new power relationships and configurations to which the term federalism could be applied only with awkward and ambiguous modifiers, such as direct, private, functional, economic. From its origins in the 1930s, IGR was recognized as anchored in politics and suffused with policy. It retains those features in the 1970s.

IGR cut its teeth on the massive political and policy issues that remained following the Supreme Court decisions on the social welfare legislation of the New Deal. It reached early

adolescence in grappling with federal aid to education, urban development and civil rights. It is now attempting to claim maturity on issues related to citizen participation and effective services delivery systems. Near the policy core of IGR have been fiscal issues. These have been dominated by allocational issues: Who shall raise what amounts by what method from which citizens, and who shall spend how much for whose benefit with what results? This “fiscal fixation” has sometimes skewed diagnoses of and prescriptions for IGR problems, but the main point stands: IGR is centrally concerned with policy. As the Kestnbaum Commission noted in 1955, “The crucial questions now are questions of policy: What level ought to move? Or should both?”⁵ These questions, the commission added, are ones on which the criteria for judgment “are chiefly political, economic, and administrative rather than legal.”⁶

The five distinctive features of IGR are summarized in table 1. These characteristics combine and interact to produce new directions, vectors, and results in the conduct of public affairs in the United States. A new term or phrase to describe these special features therefore seems amply justified. The term IGR alerts one to the multiple, behavioral, continuous and dynamic exchanges occurring between various officials in the political system. It may be compared to a different, novel and visual filter or concept that can be laid on the American political landscape. It permits one to observe, classify and cumulate knowledge without obscuring other relevant data which prior political concepts have provided.

Phases of IGR

“To follow still the changes of the moon,”

Shakespeare

To say that the American political system has evolved and changed is trite. The significant questions in dealing with change are ones centering on the frequency, mechanisms, direction, and effects of change. It is possible, for example, to understand aspects of the solar

| TABLE 1 |

Distinctive Features of Intergovernmental Relations

1. All Units (Multiple Entities)	
National	Municipalities
States	Special districts
Counties	School districts
2. Interactions of Officials (Informal)	
Behavior	Perceptions
Beliefs	Preferences
3. Continuous and Cumulative (Regularities)	
Day-to-day contacts	
Working relationships	
Cumulative patterns	
4. All Public Officials (Administrators)	
Elected officials	Appointed administrators
a. legislators	a. generalists
b. executives	b. functional specialists or program professionals
c. judges	
5. Policy Emphasis (Fiscal Focus)	
Financial issues	
Anchored in politics	
Suffused with policy	

system by studying carefully the phases of the moon. Similarly, a better grasp of the American political system may hopefully be gained by identifying and analyzing five phases of IGR.

In each of the five IGR phases, three main components are considered. First, what were the main problems dominating the public agenda during each phase? Second, what were the perceptions held by the main participants that seemed to guide or direct their behavior in each phase? Third, what mechanisms and techniques were used to implement intergovernmental actions and objectives during each period? Additional elements will help describe each phase, orient the reader, and reveal the effects of changing intergovernmental behavior

patterns. These elements are a one-word descriptor, a metaphoric or graphic characterization, and an indication of the approximate dates in which each IGR phase peaked or climaxed.

The five phase descriptors employed here, together with rough date designations are: (1) conflict (pre-1937); (2) cooperative (1933–1953); (3) concentrated (1945–1960); (4) creative (1958–1968); and (5) competitive (1965–?). A condensed and summary chart of the successive phases is offered in table 2. Added to that overview are verbal and graphic expositions of the phases with important caveats. The phases are clearly indicated as successive ones with some overlapping of dates among

the periods. While the dates have been selected with deliberateness, they are not sharp and arbitrary cutting points. Forces and tendencies bringing one or another phase to its climax were present or had antecedents in prior periods. Also, caution is necessary on terminal dates. None of the phases ends in any exact or literal sense. Each phase produces carryover effects beyond the years designated in table 2. Indeed, it is probably most accurate to think of the current state of intergovernmental affairs as resulting from overlaps of the cumulative and successive effects of each IGR phase.

Conflict (pre-1937)

The chief concern of the conflict phase of IGR was the effort to identify and implement “proper” spheres of governmental jurisdiction and neatly defined boundaries for officials’ actions. This emphasis operated at the state-local level as well as between national and state governments. Dillon’s rule, as a principle for interpreting narrowly the powers of local governments, was not only an assertion of state supremacy but also a consequence of the search for the exact limits of local power. Guiding this search was an expectation of exclusive powers. Public officials’ perceptions reflected these adversary and antagonistic patterns of interaction.

These conceptions and attitudinal postures by participants were anchored in deeper societal values of competition, corporate organizational forms, profit and efficiency. Residual elements of this phase remain today on the urban-metropolitan scene in the so-called market models of metropolitanism and in the search for the political jurisdiction to perform most efficiently a particular function—for example, should an activity be assigned to a city or to an areawide body?

The manner in which problems of jurisdiction were resolved in the conflict model of IGR was through statutes and the courts. Growing social and economic complexity subsequently brought regulatory agencies and commissions into being to referee jurisdictional boundary disputes. The Interstate Commerce Act of 1887 created the first of the great regulatory commissions and was a major breach in the century-old “administrative settlement” between

the national government and the states.⁷ It broke the long-standing presumption against the creation and growth of a national administrative establishment. Attempts to locate the scope of federal regulatory power under the commerce clause and other authority have persisted to the point that under a recent court ruling *all* electric generating and transmission companies fall under the rate-making authority of the Federal Power Commission.

Other illustrations of the continued adversary, conflict-oriented pattern of national-state relations abound. Environmental and health concerns recently precipitated a jurisdictional dispute over the spheres of national and state power to regulate the safety levels of a nuclear generating plant in Minnesota. National standards set by the Atomic Energy Commission (AEC) specified one level of allowable millirems of radiation escaping from the reactor into the atmosphere. The Minnesota Pollution Control Agency set the permissible level of millirems at only two percent of that sanctioned by the AEC. The Northern States Power Company brought suit in the federal court challenging the state standards and requesting permission to construct the nuclear power plant without regard for the Minnesota regulations. At issue in the case was the application and intent of federal statutes dealing with atomic energy. The court ruled in favor of the exclusive jurisdiction of the national government and invalidated the more restrictive state regulations.⁸

These recent court decisions probably come as close to reflecting current economic realities, social interdependencies, and technological necessity as pre-1937 courts and legislatures thought they were reflecting economic, social and technological separatism. That supposed separatism—however limited, qualified or restricted in practice—gave credence to the metaphor of “layer cake federalism” as a crude means of describing national, state and local disconnectedness.

Cooperation (1933–1953)

Several authors have ably argued and amply demonstrated that intergovernmental collaboration in the United States existed throughout the 19th and 20th centuries.⁹ That

| TABLE 2 |

Phases of Intergovernmental Relations (IGR)

PHASE DESCRIPTOR	MAIN PROBLEMS	PARTICIPANTS PERCEPTIONS	IGR MECHANISMS	FEDERALISM METAPHOR	APPROXIMATE CLIMAX PERIOD
Conflict	Defining boundaries Proper spheres	Antagonistic Adversary Controversy Exclusivity	Statutes Courts Regulations	Layer cake federalism	pre-1937
Cooperative	Economic stress International threat	Collaboration Complementary Mutuality Supportive	Policy planning Broad formula grants Open-ended grants Tax credit	Marble cake federalism	1933–1953
Concentrated	Program needs Capital works	Professionalism Objectivity Neutrality Functionalism	Categorical grants Service standards	Focused or channelled federalism (water taps)	1945–1960
Creative	Urban-metropolitan Disadvantaged clients	National goals Great Society Grantsmanship	Program planning Project grants Participation	Fused-foliated federalism (proliferated)	1958–1968
Competitive	Coordination Program effectiveness Delivery systems Citizen-access	Disagreement Tension Rivalry	Revenue sharing Reorganization Regionalization Grant consolidation	Picket fence federalism (fragmented)	1965- ?

such collaboration was of major significance or the dominant fact of our political history is less clear. It does seem possible, however, to point to one period in which complementary and supportive relationships were most prominent and had high political significance. That period is the cooperative phase from 1933–1953. The prime elements of national concern during those two decades were the alleviation of widespread economic distress and response to international threats. It seems logical and natural that internal and external challenges to national survival would bring us closer together.

The means by which increased collaboration occurred were several and varied. Most pertinent for our concerns were such approaches as national policy planning, tax credits, and categorical grants-in-aid. Most of

the dozen or so grant programs enacted during the depression period were broad formula grants, with a few being open-ended. Special emergency funding arrangements were instituted during the depression years and repeated in selected federally-impacted areas in wartime. As one observer noted in 1943:

Cooperative government by federal-state-local authorities has become a byword in the prodigious effort to administer civilian defense, rationing, and other war-time programs.... Intergovernmental administration, while it is a part of all levels of government, is turning into something quite distinct from them all.¹⁰

The IGR collaboration that persisted during these years was present on such unusual

occasions as the 1952 steel seizure confrontation; prior to his seizure effort, President Truman polled state governors for their views.

The prime IGR mechanism, as well as the major legacy of this cooperative period, was fiscal. Substantial and significant fiscal links were firmly established. These established conduits were harbingers of more to come. They also served as important illustrations of a new and differently textured model of intergovernmental patterns, the well-publicized “marble cake” metaphor. The marble cake characterization appears to have been coined by Professor Joseph McLean of Princeton University in the early 1940s for the visual or contrast effect with the layer cake conception. Professor Morton Grodzins probably had the greatest impact in popularizing and elaborating the marble cake concept.

Concentrated (1945–1960)

The descriptor employed for this IGR phase stands for the specific, functional, highly focused nature of intergovernmental interaction that evolved and dominated the Truman-Eisenhower years. From 1946 to 1960, twenty-nine major new grant-in-aid programs were established, a number that doubled the total number of programs enacted before and during the depression and wartime eras. The expanded use of categorical grant programs was accompanied by increased attention to service standards and program measurement.

Guiding this growing functional emphasis were corps of program professionals in each of the specialized grant fields, such as airport construction, hospital construction, slum clearance and urban renewal, urban planning, waste treatment facilities, library construction, and so on. The pervasiveness of professionalism enhanced the service standards emphasis by covering the domain with a cloak of objectivity and neutrality. These fit comfortably into Professor Herbert Kaufman’s conception of the autonomy accompanying “neutral competence” in public administration contrasted with the control over policy by a strong executive leader.¹¹ The professionalism, specialized grants and growing insulation also coincided neatly in time, as well as thematically, with Professor Frederick Mosher’s view that the 1950s

confirmed the triumph of the “professional state” in the public service.¹²

What aims or ends guided and provided the rationale for this surge of activity? Two appear to be most prominent. One was a capital works, public construction push. Between 1946 and 1960, state and local capital outlays increased twelvefold while current operating expenses rose by a multiple of four. Federal grants for highways, hospitals, sewage plants, and airports underwrote much of the state-local effort to meet deferred wartime needs and respond to changing technology and population configurations, especially its suburbanization.

A second motive force propelling intergovernmental action in this period was the political realization that government generally, and IGR especially, was capable of responding to particularistic middle class needs. The New Deal may have had its most telling political effect in making the American middle class acutely aware of the positive and program-specific capabilities of governmental action. Effective political action based on this awareness came after World War II and was reinforced by several conditions.

One condition already mentioned was suburbanization. It constituted the urban frontier and reinforced the myth of Jeffersonian ward republics. Another was the predisposition for using intergovernmental mechanisms because they also meshed with the historical political tradition of localism. In addition, IGR techniques fitted middle class values of professionalism, objectivity and neutrality. It appeared that objective program needs rather than politics were being served. Like reform at the turn of the century, IGR appeared to take a program out of politics.

Those political values coincided with an important structural change at the national level: the legislative reorganization of Congress in 1946. The most significant result of this event for IGR was the creation and stabilization of standing committees with an explicit program emphasis. These congressional committee patterns soon became the leverage points and channels through which influence on program-specific grants flowed. Furthermore, the committees developed their own cadre of professional staff members with functional and programmatic inclinations.

The flow of influence combined with the concentrated or focused flow of funds in the 1946–1960 period prompts one to employ a hydraulic metaphor in depicting this phase of IGR. The national government had become an established reservoir of fiscal resources to which a rapidly increasing number of water taps were being connected. The functional flows of funds could be facilitated by those knowledgeable at turning on the numerous spigots, that is, the program professionals. Cooperation was prominent during this period, but it occurred in more concentrated and selectively channeled ways.

A crude effort to express the water tap phase of IGR is made in figure 1. The intergovernmental flow of funds for 1950 is shown by the lines connecting the national-state and state-local spending sectors. This phase of IGR confirmed the interconnected and interdependent nature of national-state-local relations.

Creative (1958–1968)

The foundations for the creative phase of IGR were formed and filled in the cooperative and concentrated periods. The dates delimiting this phase are again somewhat arbitrary, but they mark a decade of moves toward decisiveness rather than drift in American politics and public policy. The election of a heavily Democratic Congress in 1958 and the 1964 presidential results were the political pegs to which this phase of IGR was attached. An added input that contributed to direction and cohesiveness, if not decisiveness, was the report of the Eisenhower-appointed President's Commission on National Goals. The commission, appointed partially in response to the Russian challenge of Sputnik, was created in 1959 and reported in 1961.¹³

The term Creative Federalism is applied to this decade because of presidential usage and because of the novel and numerous initiatives in IGR during the period. Three mechanisms are prominent: (1) program planning, (2) project grants, and (3) popular participation. The sheer number of grant programs alone is sufficient to set this decade apart from the preceding periods. In 1961 the Advisory Commission on Intergovernmental Relations (ACIR) identified approximately 40 major grant programs in

existence that had been enacted prior to 1958. By 1969 there were an estimated 160 major programs, 500 specific legislative authorizations, and 1,315 different federal assistance activities, for which money figures, application deadlines, agency contacts, and use restrictions could be identified. Federal grants jumped in dollar magnitude from \$4.9 billion in 1958 to \$23.9 billion in 1970. At the state-local level, state aid to local governments rose from \$8.0 billion to \$28.9 billion over the 1958–1970 span.

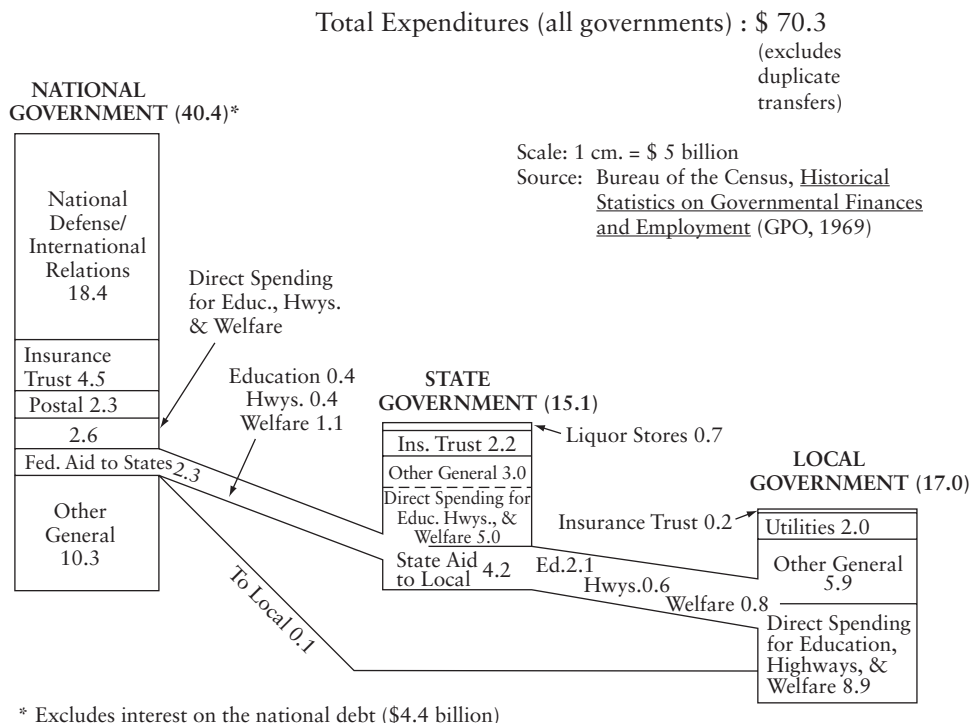
Numbers and dollars alone are insufficient to distinguish the creative phase. Planning requirements, for example, were attached to 61 of the new grant programs enacted between 1961 and 1966. The tremendous growth in project grants as contrasted with formula grants increased the diversity of activities supported by federal funds and increased further the autonomy and discretion of program professionals. Project grant authorizations grew from 107 to 280 between 1962 and 1967, while formula grants rose from 53 to 99 in the same period. Finally, the public participation requirements tied to some grants increased the complexity, the calculations, and occasionally the chagrin of officials charged with grant allocation choices.

To what ends or aims were these federal initiatives directed? What were the chief problems addressed by this activism? At the risk of great oversimplification, two major policy themes are identified: (1) an urban-metropolitan emphasis and (2) attention to disadvantaged persons in the society through the anti-poverty programs and aid to education funds. The latter problem needs little documentation. Only one supporting item is mentioned for the former. Between 1961 and 1969 the percentage of all federal aid that went to urban areas increased from 55 percent to 70 percent, as total dollar amount so allocated went from \$3.9 billion to \$14.0 billion.¹⁴

Supporting the urban and disadvantaged emphases of this phase were selective but significant views held by important actors. President Johnson's speech first mentioning Creative Federalism also contained a phrase of larger and more popular political importance, that is, "The Great Society." As one observer has noted: "The Great Society was, by definition, one society; the phrase was singular, not plural."¹⁵ How much this consensus politics push owed to the

| FIGURE 1 |

**PUBLIC EXPENDITURES BY TYPE AND BY LEVEL OF GOVERNMENT
AND THE INTERGOVERNMENTAL FLOW OF FUNDS, FISCAL YEAR 1950
(in billions of dollars)**



popularity of national goals efforts in the late 1950s and early 1960s is unknown. The unitary emphasis was evident, however. The president's preference on the need for centralized objective-setting made his 1965 moves toward planning-programming-budgeting a natural offshoot of views which held that our governmental system was a single system. Indeed, the basis for such revisionary thinking had been spelled out in a 1961 speech by Senator Joseph Clark entitled "Toward National Federalism."¹⁶

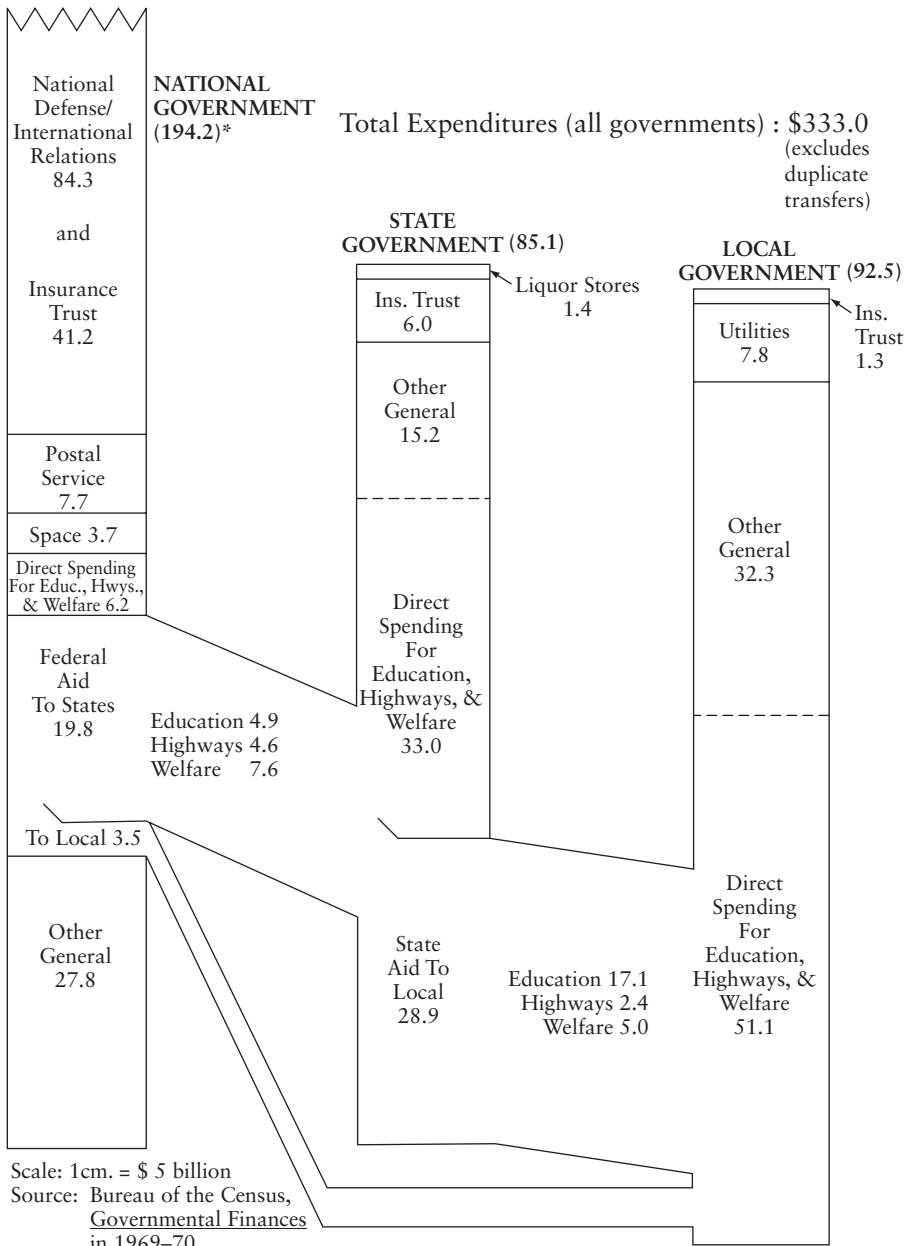
Accompanying these national and unitary sets of participants' perspectives was a subsidiary theme. It grew out of the expansion and proliferation of federal grants. This was the grantsmanship perspective that formed around the poverty and project grant programs. Playing the federal grant game became a well-known

but time-consuming activity for mayors, managers, governors, universities, and, of course, for the program professionals.

This creative phase of IGR contains a paradox. Federal grants expanded massively in number, scope, and dollar magnitudes. The diversity that accentuated grantsmanship tendencies, however, moved from political and policy assumptions that were common—if not unitary—in their conception about the aims of society. The paradox is one of proliferation, participation, and pluralism amid convergence, consent, and concord. The prominence of the latter set suggests that "fused" is an appropriate metaphor by which this IGR phase can be characterized. An effort to show visually the coalesced character of IGR at the end of the creative period is provided in figure 2. The ties

| FIGURE 2 |

PUBLIC EXPENDITURES BY TYPE AND BY LEVEL OF GOVERNMENT AND THE INTERGOVERNMENTAL FLOW OF FUNDS, FY 1970



* Excludes interest on the national debt (\$ 14.0 billion)

between national-state and state-local sectors are broad and weld the segments into a closely linked system. The visual contrast between figures 1 and 2 helps confirm the shift from a focused to a fused model of the IGR system.

The contrasting component present in this creative phase has not yet been noted. Figure 2 conveys the impression of intense interconnectiveness and interdependence. What it does not convey is the diversity, proliferation, and fragmentation of the national-state fiscal links. There may be a superficial appearance of fusion, but the scores of specific and discrete categorical grants require additional adjectives to describe this period, such as the fused-foliated or proliferated phase.

Other, more crude metaphors that could be used are flowering federalism and spaghetti federalism. Both terms attempt to capture the elaborate, complex, and intricate features of IGR that developed in this phase.

Competitive (1965–?)

The proliferation of grants, the clash between professionals and participation-minded clients, the gap between program promises and proven performance, plus the intractability of domestic urban and international problems, formed a malaise in which IGR entered a new phase.

A different statement of central problems emerged when the administrative consequences of prior legislative whirlwinds became the center of attention. Issues associated with bureaucratic behavior and competence came to the forefront. One talisman earnestly sought was coordination. Others in close association were program accomplishment, effective service delivery systems and citizen access. Attention shifted to administrative performance and to organizational structures and relationships that either hindered or helped the effective delivery of public goods and services.

A sharply different tack was taken regarding appropriate IGR mechanisms. Pressure grew to alter and even reverse previous grant trends. Grant consolidation and revenue sharing were mentioned, popularized, and ultimately proposed by a Republican president on the basis of both program effectiveness and strengthening state and local governments. Some progress was

made in the grant consolidation sphere, but as of 1973 the ACIR reported 69 formula grants and 312 project grants in existence. On the federal administrative scene, moves were made toward regionalization and reorganization. With the strong support of mayors, governors and county officials, general revenue sharing slipped through a divided Congress.

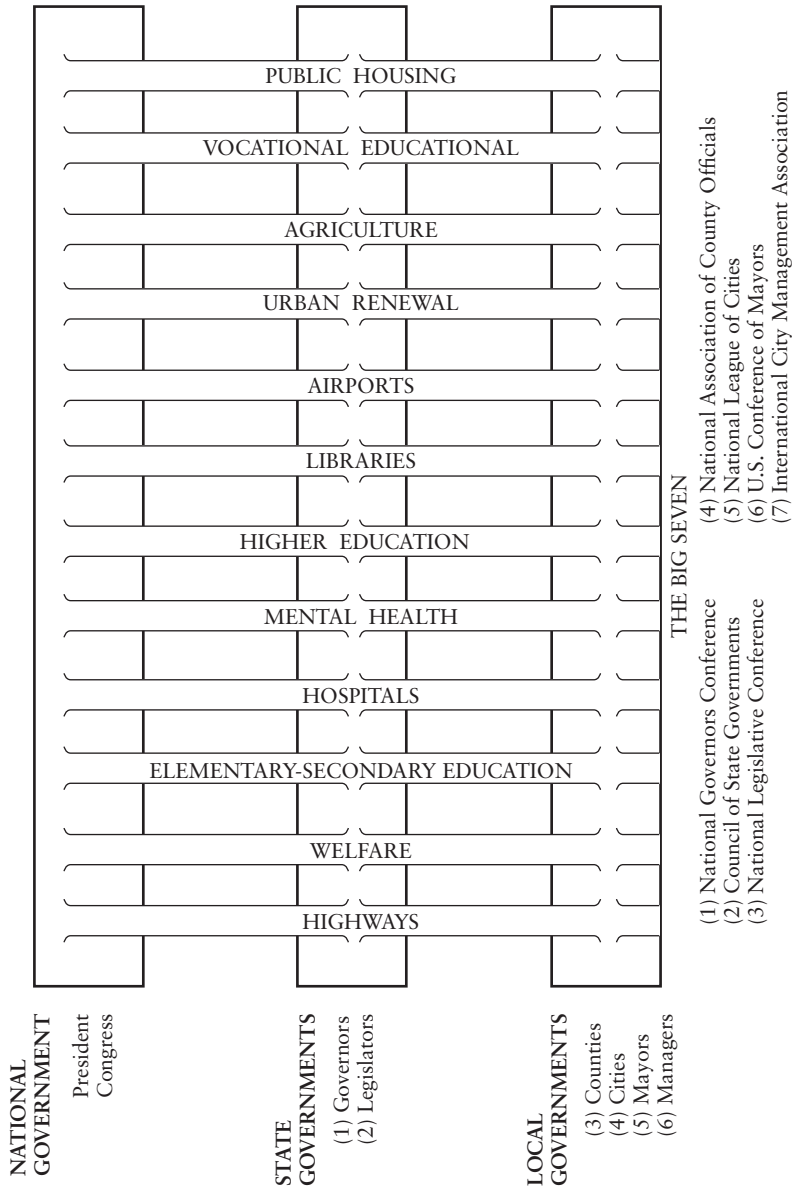
A flood of other developments in the late 1960s and early 1970s underscored the competition present in the system and also signaled efforts to reduce it. Perhaps the more visible actions and initiatives came at the national level, but in numerical terms and potential significance, important policy shifts occurred at the state and local levels. It is impossible to compress the numerous trends that were competition-inducing and to acknowledge some that eased competitive tendencies. Only three policy patterns will be mentioned as illustrations of tension-promoting developments: (1) economic opportunity programs and their chief implementation mechanisms—community action agencies; (2) “white flight” and the polarization of central city-suburban relationships, especially along racial lines; and (3) elimination or funding reductions in several grant programs by the Nixon administration in 1973—some of which were achieved by the impounding of funds.

Countervailing tendencies in the direction of reduced tensions and increased cooperation appeared during this competition-dominated phase. At the local level, prompted and supported by national action, councils of governments sprang into existence in large numbers. One major aim was to foster metropolitan and regional coordination, especially through the A-95 grant review process. At the state level, herculean tax efforts were made to: (1) expand state services, (2) greatly increase state aid to local governments, and (3) meet the enlarged state-level funding requirements to match the vastly expanded federal grant monies.¹⁷ Tension-reducing aims can also be attributed to such national-level actions as new departures with interstate compacts, the Partnership for Health Act (P.L.89-749), the Intergovernmental Cooperation Act of 1968 (P.L.90-577) and the Intergovernmental Personnel Act of 1970 (P.L.91-648).

The developments noted above reflected contrasting sets of perspectives that old as well as new participants brought to IGR. A statement by Senator Edmund Muskie—Democrat, Maine—in 1966 will serve as one example: “The picture, then, is one of too much tension and conflict rather than coordination and cooperation all along the line of

administration—from top Federal policymakers and administrators to the state and local professional administrators and elected officials.”¹⁸ Similar views about the unwarranted degree of disagreement, tension, and rivalry among and between officials prompt the use of “competitive” for this phase of IGR.

FIGURE 3 | PICKET FENCE FEDERALISM: A SCHEMATIC REPRESENTATION



The competition, however, is different in degree, emphasis, and configuration from the interlevel conflict of the older, layer cake phase. It is more modulated, and it acknowledges the lessons learned from the intervening periods of cooperation, concentration and creativity. For example, the current competitive phase appears reasonably realistic about the interdependencies within the system and the inability to turn the clock back in IGR. The three statutory enactments cited above bear witness to reasoned and reality-oriented approaches to IGR.

The nature of the competition in the present IGR phase is indicated in part by Senator Muskie's remarks. He mentions professional program administrators and state-local elected officials. It is the tension between the policy generalist, whether elected or appointed, and the program-professional-specialists that currently produces great static and friction in IGR. This cleavage is another reason for describing this phase of IGR as competitive. A visual representation of the fractures and rivalry characterizing this phase is offered in figure 3. The metaphor of the picket fence, referred to in former Governor Sanford's book, *Storm Over the States*,¹⁹ was the original stimulus for this formulation. The seven public interest groups, often called the Big Seven, have parted ways from the functional specialists. Their common interest in revenue sharing, grant consolidation and similar proposals represents a reassertion of the executive leadership doctrine and a challenge to the program professionals' doctrine of neutral competence.

A second type of competition can also be discerned from figure 3: the competition between the several functional program areas. Each vertical picket represents an alliance among like-minded program specialists or professionals, regardless of the level of government in which they serve. As early as the mid-1950s these interlevel linkages of loyalties were identified and criticized as "vertical functional autocracies."²⁰ Other epithets used against these patterns are: balkanized bureaucracies, feudal federalisms and autonomous autocracies. These terms emphasize not only the degree of autonomy that the program specialists have from policy control by political generalists, but also the separateness and

independence that one program area has from another. This lack of horizontal linkage prompts interprogram, interprofessional and interagency competition. The cross-program competition combined with the generalist-specialist split helps confirm the contention that the competition depicted by the picket fence model best describes the current and most recent phase of IGR.

Both competitive patterns were captured in the words of local officials as quoted by James Sundquist. Speaking in the late 1960s, the director of a local model cities program contended that "Our city is a battleground among federal Cabinet agencies."²¹ Similar sentiments came from mayors and city managers whose limited control and coordination powers over federal programs caused them to feel like spectators of the governmental process in their own cities. If, in fact, this competitive model is applicable to IGR today, then a recognition of these tensions and cleavages would seem to be the first-order task of those seeking changes and improvements in IGR.

Concluding Comment

IGR has become a distinctive dimension of activities in the American political system. It refers to a significant domain of political, policy and administrative actions by public officials. An acknowledged emphasis was made in this discussion on the meaning, features and trends in IGR (as a term or phrase). Concept explication and clarification have their uses; but they also have limits. There is much more to be said about the realities, practices and problems of IGR. Subsequent articles are appropriately addressed to these types of concerns.

One concluding comment on this exposition is offered in anticipation of the analyses that follow. This is an era when the *management* of IGR is a matter of major moment. James Sundquist observes that "The federal system is too important to be left to chance."²² His book can be seen as an effort to critique and reconstruct the organizational philosophy undergirding effective intergovernmental action. Sundquist's treatment and the mood of this essay move toward a similar conclusion: intergovernmental achievements hinge on

coping successfully with complexity. Complexity is an inherent and persistent characteristic of the several features of IGR. Accomplishments in the intergovernmental arena therefore depend on the successful management of complexity.

NOTES

1. William Anderson, *Intergovernmental Relations in Review* (Minneapolis, Minn.: University of Minnesota Press, 1960), p. 3.
2. *Ibid.*, p. 3.
3. *Ibid.*, p. 4.
4. E. S. Corwin, *The Passing of Dual Federalism*, *Virginia Law Review* 36 (February 1950), p. 19.
5. Commission on Intergovernmental Relations, *A Report to the President for Transmittal to the Congress* (Washington, D.C., June 1955), p. 33.
6. *Ibid.*, p. 33.
7. Leonard D. White, *The States and The Nation* (Baton Rouge: Louisiana State University Press, 1953), pp. 9–10.
8. *Northern States Power Co. v. State of Minnesota*, 447 F.2d 1143 (1971); *see also*, *Science* 171 (8 January 1971), p. 45, and Harry Foreman, ed., *Nuclear Power and the Public* (Minneapolis, Minn.: University of Minnesota Press, 1970).
9. Morton Grodzins, *The American System: A New View of Government in the United States* (Chicago: Rand McNally, 1966); Daniel J. Elazar, *The American Partnership: Intergovernmental Cooperation in the Nineteenth Century United States* (Chicago: University of Chicago Press, 1962).
10. Arthur W. Bromage, “Federal-State-Local Relations,” *American Political Science Review* 37, no. 1 (February 1943), p. 35.
11. Herbert Kaufman, “Emerging Conflicts in the Doctrines of Public Administration,” *American Political Science Review* 50, no. 4 (December 1956), pp. 1057–1073.
12. Frederick Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968), esp. ch. 4, “The Professional State.”
13. Report of the President’s Commission on National Goals, *Goals for Americans* (Englewood Cliffs, N.J.: Prentice Hall, Spectrum Series and the American Assembly of Columbia University, 1960).
14. *Special Analyses, Budget of the United-States, Fiscal Year 1971* (Washington, D.C., 1970), pp. 228–229.
15. James L. Sundquist, *Making Federalism Work: A Study of Program Coordination at the Community Level* (Washington, D.C.: The Brookings Institution, 1969), p. 12.
16. George Washington University, *The Federal Government and the Cities: A Symposium* (Washington, D.C.: George Washington University, 1961), pp. 39–49.
17. For example, state funds to match federal aid increased from \$5.1 billion in 1964 to an estimated \$18.4 billion in 1972; *see*, Deil S. Wright and David E. Stephenson, “The States as Middlemen: Five Fiscal Dilemmas,” *State Government* 47, no. 2 (Spring 1974), pp. 101–107.
18. U.S., Congress, Senate, *Congressional Record*, 89th Cong., 2nd sess., 1966, 112, p. 6834.
19. Terry Sanford, *Storm Over the States* (New York: McGraw-Hill, 1967), p. 80.
20. Advisory Committee on Local Government, *An Advisory Committee Report on Local Government* (submitted to the Commission on Intergovernmental Relations, Washington, D.C., June 1955), p. 7.
21. Sundquist, *Making Federalism Work*, p. 27.
22. *Ibid.*, p. 31.

The 1980s ushered in another period of sweeping change, this time representing a major shift in political and economic values in the United States. Beginning with the election of President Ronald Reagan, a new path was charted at the federal level based on more conservative philosophies of less government and less regulation, new federalism, strength through defense, supply-side economics, and the realignment of public-sector and private-sector roles through “privatization.” Some politically elected executives in previous decades had clamored for a more businesslike government, but this period of conservative activism would see much more decisive action. Fittingly, it was initiated by the Reagan administration’s promise of a series of tax cuts and expenditure reductions that would lead to increased pressure to contract out increasingly more government functions and thus promote privatization of the public sector. Planned contractions in the domestic spending side within the federal sector were also designed to place more responsibilities on state and local governments.

By the end of the twentieth century, a remarkable string of political and economic events would occur. Internationally, the Cold War ended with the collapse of the Soviet Union, replaced with now independent republics. The Berlin Wall fell and Germany reunited. The Eastern European states became independent republics pursuing free-market economic policies aimed ultimately at being included in the European Union. Apartheid was ended in South Africa after the release of Nelson Mandela and open elections in a transformation to a black majority government.

Politically, it seems also inconceivable that President George H. W. Bush, after an overwhelming Allied victory in the 1991 Gulf War ousting Iraq from Kuwait, could lose his 1992 reelection to a then little-known Southern governor, Democratic candidate Bill Clinton. Even more improbable, the Democrats in control of the legislature for most of the preceding several decades would lose both houses of the Congress to the Republicans in 1994.

RETHINKING THE ROLE AND SIZE OF GOVERNMENT

While the Reagan administration’s political agenda was self-derived, it coincided with a period of new thought in public administration. In response to an economic philosophy generally called “public choice,” public administration examined its own political values, assumptions, and limitations.¹ Essentially, public choice theory challenged two fundamental and influential theories that had long dominated thinking about government and the economy. First, it rejected the concept of welfare economics that emerged out of the Great Depression of the 1930s. This approach held that when private markets fail, the government must step in to effectively carry out the public interest. Welfare economics also posited that the governmental level best suited to do this was the federal one. Second, public choice also rebutted pluralist political science, which advocated that competition among interest groups was the most effective process for ensuring that government adopted policy solutions that were best for the public good.²

Public choice means just what it says: more choice for the public. As a theoretical approach in both economics and politics, it is inherently reactive—almost reactionary. It is a reaction to large government and high taxation (to pay for it), which calls for less government and concomitant lower taxes. It harkens back to the ideal of self-reliance, the notion that citizens should take care of their own

economic needs and not be dependent on the government for the necessities of life. This was President Herbert Hoover's philosophy of "rugged individualism" which called for economic freedom and opposed paternalistic government welfare programs—which he thought undermined character.

As an approach to public administration and politics, public choice economics is based on micro-economic theory that views the citizen as a consumer of government goods and services. It attempts to maximize administrative responsiveness to citizen demands by creating a market system for government activities in which public agencies (and sometimes private corporations) compete to provide citizens with goods and services. This might replace a portion of the current system, under which most administrative agencies in effect act as monopolies under the influence of organized pressure groups, which, public choice economists argue, are institutionally incapable of representing the demands of individual citizens.

Public choice in its infinite variety of policy prescriptions (school vouchers, privately managed pensions, outsourcing of public services, etc.) is viewed as the avowed doctrine—the teaching and belief—of the Republican Party in the United States and of conservative parties throughout the world. It is also the foundation of the "third way"—the acceptance by the political left in the United States and Great Britain (the Democratic and Labour Parties, respectively) of many of the public choice policy prescriptions initially espoused by the political right. So public choice, which was once right-wing doctrine, has become mainstream.

Public choice theory seriously questioned whether decisions made in a traditional way really represented the wishes of the majority of citizens. But more emphatically, public choice denounced governments as being basically inefficient and completely lacking in incentives to perform well unless the expansion of their own programs and the increase of their budgets were involved.³ The better solution, public choice advocates urged, was to place as much governmental action (and expenditures) at the lowest possible levels—that is, local governments. The argument here was that local governments would provide more experimentation, true competition, and innovation. At the local level, citizens could "vote with their feet"—that is, if citizens had access to appropriate information, they would be able to readily compare the levels of taxation to the quality of services they received. They could then reject inefficient or unresponsive governments by voting down budgets, by voting out of office budgetary "big spenders," or even by moving elsewhere or choosing not to reside there.

Another tactic possible at the state and local levels was tax and expenditure limitations in which tax rates or expenditure levels were frozen at existing levels, rates of increase were curbed, or, in some cases involving property taxes, assessment rates were actually rolled back to previous levels. Tax and expenditure limitations became prominent following California's successful passage in 1978 of the now famous Proposition 13.⁴ Much of the impetus for taxpayers' revolts was caused by inflation, which drove up property values (and taxes) and put people in higher tax brackets in jurisdictions with progressive income tax rate structures.⁵ The Reagan administration's adoption of supply-side economics was premised on readjusting the role of government by cutting government expenditures and cutting taxes at the federal level to reduce the public sector's competition for scarce economic resources. This would free resources for private-sector investment and promote growth in the economy. The resulting growth, the supply-siders argued, would produce a trickle-down effect⁶ that would benefit everyone (and even provide increasing resources for governments).⁷ Accompanying this new economic picture of the role of governments was the reshaping of the boundary between the public and private sector.

Ironically, many public administration theorists had already noted by the 1980s that the role of government was changing.⁸ But what was even more fundamental about the 1980s was the graying or blurring of distinctions between the public and private sector. This theme was addressed continuously during this period both by the federal government by design, with its movement toward contracting out and privatization, and by state and local governments by necessity, because they were increasingly hard pressed by fiscal crises and taxpayers' revolts.

Graham Allison's comparative work on public and private management captured perfectly the new themes for the era. Allison played off of an influential concept developed by Wallace S. Sayre who

asserted that business administration and public administration were “fundamentally alike in all unimportant aspects.” Allison⁹ of Harvard University’s Kennedy School of Government turned Sayre’s assertion into a question and tried to answer it. In his paper, “Public and Private Management: Are They Fundamentally Alike in All Unimportant Aspects?,” reprinted here, presented at a public management research conference he provided one of the most influential reviews of this proposition.

An often-voiced concern of the 1980s was to make government more businesslike or to use the most modern business techniques and theories to run government. Allison recognized that the gap between the private and public sector had narrowed and that the interactions between public managers and private managers had increased. In fact, many top politically appointed executives were basically top-level private-sector managers. In his paper, Allison compared the context and environments of public- and private-sector management. Then he assessed the perspectives of private-sector and public sector top managers—how were they different, how did the orientation of one sector affect that person’s management effectiveness and style?

Allison examined the implications of running government as a business as well as the interface between political executives and their administrative organizations. But even more fundamentally, he set the stage for understanding what public management is by examining the distinctive characteristics of public managers and the characteristics of their environments. Others, such as Laurence Lynn,¹⁰ Hal Rainey,¹¹ Douglas Yates,¹² and Barry Bozeman and Jeffrey Straussman,¹³ would tackle other dimensions of the difficult task of defining public management, a task that Harlan Cleveland once described as being as difficult as “nailing Jell-O to a tree.”¹⁴

The implications are quite critical, as James Perry and Kenneth Kramer noted in the preface to an edited volume of articles on public management (one of the first readers on the subject). Perry and Kramer argued that from public administration’s origins with Woodrow Wilson, a major goal was to help make the business of government “less unbusinesslike.” Of course, public administration has to be able to see its differences from business administration. But at the same time it must understand how private-sector management ideas “have been imposed on public administration and how this process affects what is actually done in public organizations; . . . how appropriate are these ideas, and how well has the transfer worked?”¹⁵

Privatization of services usually is implemented in order to take advantage of one or more hoped for benefits: reduced costs, improved services, short-term access to expensive specialized services, avoidance of service start-up costs, greater flexibility in service policy (through reduced inflexibility of labor and equipment), increased responsiveness to consumer demand, and improved control. In addition, privatization sometimes is pursued on the ideological grounds that government should not provide goods and services that firms in the private for-profit or nonprofit sector are able and willing to provide. Government should limit itself to activities that firms in the private sector cannot or will not provide.

The debate over public and private-sector roles and comparable performance remained a major theme throughout the 1980s. Ronald Moe’s 1987 *Public Administration Review* article, “Exploring the Limits of Privatization,”¹⁶ was a good assessment of using private means to obtain public ends. Moe examined the limitations to privatization from a legal context as distinct from a managerial and economic perspective. The concept of sovereignty, he argued, must be considered in the privatization decision. Finally, he believed that public administration may be disregarding its “intellectual roots” in not presenting a legal perspective (based largely on the sovereignty argument) as opposed to a managerial or cost argument in determining the separation between public ends and public or private means.

Another excellent assessment about privatization was provided by John Donahue in his 1989 book entitled *The Privatization Decision*. Donahue declared that privatization brought good news and bad news. The good news was that while privatization was not a “universal corrective,” it did present some real opportunities to make public undertakings more efficient and accountable by enlisting the private sector.¹⁷ The bad news was that political pressures could just as easily “tend to retain for the public sector functions where privatization would make sense, and to privatize tasks that would be better left to government.”

But the debate over “privatization” was not really new. Contracting or competitive sourcing in the federal government dated back to federal agencies using the commercial sector to purchase goods and services as early as 1955. The management issue has always created a division between the responsibility for creating a service or function (i.e., provision) and means for creating the service or function (i.e., production). However, the never simple but at least somewhat understandable process of comparing costs between public and private sector production of goods and services became more heated as it followed a more political and convoluted path under Reagan. The Reagan administration promoted competitive sourcing through the OMB A-76 process as a means towards privatization—namely to outsource federal programs and services to business. With the Clinton administration, A-76 was also a vehicle, but to be primarily used in reaching downsizing goals for reducing the size of the federal workforce. In 1998, Congress passed and Clinton signed the FAIR Act (Federal Activities Inventory Reform Act – PL 105-270) which required every federal agency to publish a list of their activities and the number of employees attached that were “not inherently government functions.” More “competitions” would be staged as federal agencies would pit internal bids by their own workforces against commercial bids by contractors to perform work.

At the heart of these competitions was the dynamic relationship between the government jurisdiction and the business community and the need for growth and innovation. This is perhaps why the Department of Defense and NASA are so often cited as benchmarks for federal competitive sourcing—their use of private contracts is so extensive that they often are seen as basically contract management organizations. It is also important to note that the federal processes were not the only model for introducing competition into government production process. State and local governments have an even longer history of using commercial goods/services for the public. Local governments also have a proven track record, especially in using non-profit organizations extensively, in producing a range of social, economic development, and health services.¹⁸

By the end of the 1990s, “privatization” debate had run its course. Divested now of some of the political ideology and rhetoric it accumulated in the early part of the 1980s under a Republican President, “privatization” or “competitive sourcing” as it was called in the late 1990s under a Democratic President was increasingly viewed as a policy choice or management decision. A 2005 Report by OECD—*Modernizing Government*—devotes an entire section to “The Use of Market Type Mechanisms to Provide Government Services.” Citing substantial evidence that using market mechanisms can secure greater efficiencies and thus the delivery of higher quality and more services for lower costs, it reduces privatization to three types of mechanisms:

1. Outsourcing, where government contracts with another entity (public, private, or non-profit) to provide services;
2. Public-private partnerships, where the public sector underwrites a private or non-profit enterprise to design, finance, produce, and deliver the services through rents, user charges, or loan, or other means; and
3. Vouchers, where the public sector provides funding in the form of grants or payments to individuals and gives them some level of choice in “purchasing” their services directly from other entities.¹⁹

It also strips privatization of its philosophical overtones and combative rhetoric, and in doing so, actually reframes the closely related but much bigger question of how large government budgets should be.

REASSESSING THE POLITICS OF BUDGETING

As the nation struggled politically to define public-, private-, and nonprofit-sector roles, a battle raged within the budgeting process for almost the entire two-decade period. (Indeed, it would continue even in the waning years of the Clinton administration, when the deficit turned to budget

surpluses.) The first skirmish came with the acceptance of President Reagan's agenda when Congress passed a major tax cut to be implemented over a three-year period. President Reagan then began to push cutting domestic expenditures while increasing defense spending. At first the split Congress (Democratic House and Republican Senate) did little to resist, but gradually disputes intensified. The president threatened federal employee furloughs and announced a willingness to shut down the government by refusing to sign the various appropriation bills sent forward by the Congress. Reagan ridiculed the entire budget process, calling it "Mickey Mouse."²⁰ During the decade, the president and Congress would fight over spending cuts, increasing deficits, a deficit reduction act (the Gramm-Rudman-Hollings Act),²¹ and repeated calls for either constitutional amendments to require balancing the federal budget or the adoption of a line-item veto that would allow the president to reject any proposed congressionally passed appropriation that exceeded the president's initial recommendations.

Of course, struggles between legislatures and executives over budgetary control are a constant theme in governance, but budget theorists recognized that something was different this time. Works by Naomi Caiden,²² Lance LeLoup,²³ Irene Rubin,²⁴ and Alan Schick²⁵ set out to examine how budget theory and budget reform were being affected by the very different political and economic environment of the 1980s. Naomi Caiden's lead article in the first volume of a new journal, *Public Budgeting and Finance* (dedicated to the increased specialization and importance of public budgeting and its critical accounting-oriented counterpart, financial management), was one of the first significant efforts to interpret these developments. In "Public Budgeting amid Uncertainty and Instability," reprinted here, she noted that the budget environment was changing—its future was likely to (and would) be dominated by conditions of fiscal stress and political uncertainty.

The old debate between budget reformers (who stressed budget systems and rational decision making) and incrementalists (who stressed budget consensus through incremental decision making) was increasingly inappropriate.²⁶ Useful in times when budget increases could be taken for granted and resource-raising capabilities were an assumed constant, neither would suffice in the new political milieu dominated by a lack of political consensus and growing federal budget deficits. For all of the Reagan administration's political economic conservatism, its principal budgeting legacy was huge federal budget deficits,²⁷ reaching record heights in the 1980s—increasing from an average of 1.3 percent of the gross domestic product (GDP) during the period 1950 to 1980 to 5 percent of the GDP at the height of the U.S. recession in 1984 to 1985. The federal budget deficit would subside somewhat in the last half of the 1980s, but its vulnerability to recession and increasingly larger and larger percentages of spending on "uncontrollable entitlements" would return with a vengeance both in the 1990s and after 2001 and the Great Recession.

The mounting red ink of the federal debt and the federal deficit triggered a flurry of activities to control federal spending. Thus the second round of the budget battles began in 1990 with the Budget Enforcement Act agreed to by President George H. W. Bush and the Democratic Congress. This act blended some tax increases and spending cuts to produce \$500 billion of deficit reduction. The problem, however, was that the economy was mired in recession so that the budget continued to bleed red ink. The Budget Enforcement Act also amended the infamous Gramm-Rudman-Hollings budget provisions of the late 1980s and created a number of procedural requirements such as "Paygo" (short for "pay as you go"), which meant that any new spending approved by the Congress and the president, such as disaster relief or extension of unemployment benefits, after the budget had been passed had to be compensated for by new sources of revenues or other spending reductions. In 1990, other important budget legislation was passed to include the Credit Reform Act, which tightened requirements on federal lending and loan guarantees (this largely in response to the massive federal bailout of the savings and loan industry failures in the unregulated 1980s), and the Chief Financial Officers Act, which added new financial management responsibilities for federal agencies including creating a CFO position to oversee agency financial practices.

However, the deficit was the central story. By the time President Clinton, who had campaigned under a pledge for middle-class tax relief, presented his first budget, the deficit stood at over 5 percent

of GDP. Clinton canceled his campaign-promised middle-class tax cut plans and crafted with the Democratic Congress another \$500 billion deficit-reduction plan under the Omnibus Budget Reconciliation Act. This plan included major reductions in defense spending (the peace dividend) and tax increases for upper-income groups, and, of course, no tax cuts for the middle class. The Clinton budget plan passed the Congress by the closest margins in history: one vote in the House and the vice president's tie-breaking vote in the Senate. The deficit subsided after that, but largely because the economy came out of recession and high growth levels put the deficit back at more normal levels (back under 4 percent of national gross domestic product levels). But there was a political cost as the Republicans successfully used the 1992 tax increase deal to upset the Democratic majorities in the Congress and take control of both the House and Senate in the elections in 1994.

The next stage came with the Republican Congress and a Democratic president squabbling over a seven-year plan to reach a balanced budget by 2002. Republican plans called for major policy changes in entitlement and regulatory spending, a significant tax cut, and increases in defense spending. Democratic plans, at least those championed by President Clinton, demanded very minor cuts in entitlement spending with strong federal guarantees on policy aspects of Medicare and Medicaid, minor tax cuts, mostly for families, and level defense spending. While the differences in actual dollars between the \$0.9 and \$1.2 trillion of deficit reduction over seven years were modest, the policy dimensions were not trivial.

Everything came to loggerheads with the attempted passage of the fiscal year 1996 budget. Fiscal year 1996 may well be remembered as the most difficult budget year in federal history. The federal government was shut down once for a week in late October 1995, and then over a third of the federal government was shut down a second time for almost a month beginning in December 1995. Both sides sought political leverage to show the American public that their view of the federal budget was the most appropriate one, while government agencies were held hostage, employees furloughed (both times with pay, but without any certainty that they would be paid), and costs in terms of late work and payments to contractors skyrocketed.

In the end, the Republicans lost the battle of public opinion and caved in. When the budget shut-down started to threaten assistance payments, processing of passports, and other highly visible federal services, the public blamed the Republicans. When President Clinton was reelected in 1996, it was clear that there were going to be some new limits on how budgeting war games would be played in the future. Congressional leaders and the President were going to have to compromise and they were going to have to learn how to keep the government open by using continuous spending resolutions. Ironically, the final years of the 1990s played out more tranquilly than anyone might have envisioned, given the budget history of these two decades. The budget prescriptions of the 1990 and 1993 budget agreements and the economic boom created major federal budget surpluses and both parties clamored to take credit for having balanced the federal budget for the first time in a half century and for actually reducing the overall federal debt.

Ironically, in terms of public budgeting management reform, the most significant development may have been the one event that had true bipartisan approval; namely, the passage of the Government Performance Results Act (GPRA) in 1993. For several years, Senators William Roth (R-Del.) and John Glenn (D-Ohio) had pushed for reform in how agencies justify their spending requests. Most agencies focused on their work activities and workloads—higher outputs demanding high levels of funding. Roth and Glenn, with the active support of the public administration community, pushed through GPRA, which has been hailed as the first major budget systems reform since PPBS in the 1960s. GPRA, the federal version, or Performance Results Budgeting (PRB) as it is known in several states, demanded a new level of systems thinking about government programs; that is, what results or outcomes do they produce, and are these outcomes appropriate to the policy goals and strategic plans of government?

GPRA came with a five-year implementation period, one of those rare instances when reformers recognized that it would take time for agency program managers and budgeting staff to transform their budget and reporting processes. In that ensuing period, federal agencies grappled with creating

five-year strategic plans, performance assessments, and new “metrics”—the term of choice to describe new program outcome measurements. Perhaps the best early assessment of GPRA in the 1990s came fittingly enough from the Congressional Budget Office. Philip Joyce, a major budget theorist but then a principal researcher later reprised the CBO study of performance results management in an article for *Public Budgeting and Finance* (Winter 1993).²⁸ Reprinted here is the first chapter of the report—which provides a superb overview of the concept, aims, and methodologies of performance results budgeting. It amply illustrates the differences between conventional output/productivity measures and the new outcomes-focused performance metric. Finally the report warns of the challenges (read difficulties, obstacles, and likely sources of resistance) lying in wait for the next systems reform of budgeting.

These transformation challenges were not trivial. For example, the U.S. Department of the Interior with 70,000 employees has eight major bureaus or agencies with hundreds of programs that vary in terms of how they are connected and related to each other. Should Interior write one overarching strategic plan that aligns and connects all of these programs and their objectives (and the budget options behind them), or should it have each bureau and each major agency write its own distinct strategic plan?

The real impact of GPRA would be felt in the next decade as public managers and policy evaluators combined efforts to determine measurable outcomes for government programs and use that information to make choices.²⁹ One thing was apparent though: most budget theorists saw performance results management more as an evolution of the earlier 1960s-style PPBS budget reform (in the manner of Alan Schick’s description) than a major reform breaking new ground. As the 1990s progressed with the first budget surplus in decades, performance results budgeting was not tested with the shifting of resources across programs or agencies to meet hard fiscal choices.

CHANGE AND CONFLICT IN PERSONNEL—CHALLENGES IN LABOR RELATIONS AND EQUAL OPPORTUNITY

Turmoil in the budgeting arena was matched by conflict and confrontation in the personnel area. Personnel management was increasingly being renamed “human resources management” to reflect its new behavioral science orientation. New research appeared that emphasized equal opportunity, comparable worth, productivity (first) and (later) quality management, pay for performance and gain sharing, as well as developments in the basic elements of personnel management: classification, selection and examination, appraisal, compensation and benefits, and training and development. Playing a key role in delivering much of this new research was a new journal, *The Review of Public Personnel Administration*, which nicely complemented the International Personnel Management Association’s long-standing *Public Personnel Management*. At the federal level, much of the new impetus for changes in personnel management or human resources management came from the Civil Service Reform Act of 1978 and the newly formed Office of Personnel Management (OPM).

Actual implementation of civil service reform had come in the waning months of the Carter administration.³⁰ Major changes included creation of the Senior Executive Service; delegation of many personnel regulatory responsibilities to the agencies themselves; and establishment of a new three-headed system for managing federal personnel: the U.S. Merit Systems Protection Board for adjudicating grievances and claims, the Federal Labor Relations Authority for working with unions and overseeing collective bargaining issues, and OPM itself for managing and working with agencies to affect modern human resources management.³¹

But the overall effects of privatization and the anti-public-service mood of the Reagan administration generated considerable conflict within the personnel community as a whole. Added to this was a major strike by air traffic controllers, who miscalculated their levels of support.³² The Reagan administration broke both the strike and the air traffic controllers’ union by firing and replacing the striking

controllers and thus dealing a serious blow to public sector union movements. Public sector unionism had been strongly on the rise until that period.

After the ill-fated strike, many personnel theorists began to reexamine the relationship between collective bargaining principles and merit principles inherent in a civil service system. Public sector unions continued to grow, both in numbers and influence among public sector workforces, despite the decline of unions in the private sector. Perhaps the most persuasive and eloquent analysis of this conflicting and often tempestuous relationship can be found in Frederick C. Mosher's (1913–1990) *Democracy and the Public Service*. This book, originally published in 1968 and revised in 1982, is regarded as a classic in its own right. Mosher's history of the periods of development of the public service is standard recitation material for almost all graduate students in public administration.

His overview of merit systems and equity issues is also important and frequently referenced. But his comparison of merit and collective systems in his chapter on “The Collective Services” still provides one of the best foundations for understanding how this relationship must develop to advance the principles of democracy and public service in order to serve the public. Taking just a few examples (see below) Mosher contrasts some of the basic dimensions and conflicts that make public sector employee relations so complex. His table does not even include strikes and work stoppages which in the 1960s had not even unfolded yet.

	COLLECTIVE BARGAINING	MERIT PRINCIPLES
Pay	Negotiated with Union	Pay Plan & Job Analysis
Recruitment	Union Membership Entry Level Only	Based on Merit (often exams) Entry Level Only
Promotion	Based on Seniority	Based on Merit & Experience
Working Hours and Conditions	Negotiable with Union	Organizational Need
Grievances	Represented by Union Arbitration	Legal Process Organization Appeal- Civil Service Agency

Adapted from Frederick Mosher, *Democracy and the Public Service* 1982 Oxford University Press 2nd edition.

As part of his National Performance Review, President Clinton issued Executive Order 12871 (October 1, 1993); a new era in labor management relations was promised. The new Democratic administration considered the major federal employee unions allies and sought to include their advice for change from the outset. It should be said, though, that the first Bush administration had made some strides in improving the state of labor relations in the federal government since the nadir of the Reagan administration's firing of the air traffic controllers in the 1981 PATCO strike. Bush's Director of OPM Constance Newman had created several advisory committees on personnel issues and worked hard to include union representation and participation. Still, a key measure of the labor relations climate, namely the number of unfair labor practice charges and grievances, had almost doubled from 1986 to 1992.

Executive Order 12871 intended to create a new order as well as a new name for federal labor relations—namely partnership. Agencies were required to create labor-management committees or councils at appropriate levels and to see union representatives as full partners in organizational problem-solving and performance improvement. The scope of bargaining was extended to include performance appraisal issues, organizational restructuring, technology impacts, and work assignments. Last, a National Partnership Council (NPC) was established to oversee the development of partnerships and provide advice to the administration. Partnerships were created. At the midpoint of the Clinton administration, the NPC reported that the vast majority (over 70 percent) of federal bargaining units

had labor management partnership councils and agreements. Furthermore, the numbers of unfair labor practice charges would be cut almost in half. While outcomes were harder to evaluate, the partnership effort certainly reversed the tide with the Clinton administration's effort to create "a partnership of equals" as opposed to a "struggle between adversaries."

Events in labor relations were not the only major personnel themes in the 1980s. Equal opportunity, which was highlighted by the Supreme Court's actions in the 1971 *Griggs* decision³³ and had been strongly supported throughout the 1970s, was also influenced by the new federal mood of conservatism. As more and more conservative judges were appointed during the eight years of the Reagan administration, the courts at the federal level slowly turned aside more and more equal opportunity challenges. The culmination was a series of Supreme Court rulings in the late 1980s, most specifically the *Wards Cove Packing* case of 1989, where a five-to-four divided Court basically set aside the long-standing burden-of-proof rule that had been established in the 1970s.³⁴ That rule held that if an organization's employment statistics showed that it was significantly out of line with regional percentages of minorities, the burden of proof was on the organization to show that its personnel practices were not discriminatory. By striking down this arrangement, the Court made it much more difficult for individuals to win discrimination cases. Congressional response was swift with the passage in 1990 of new civil rights legislation that basically incorporated some of the language of the *Griggs* case into law. However, President George H. W. Bush vetoed the bill, calling it a "jobs quota bill," and his veto was upheld. Two years later, President Bush signed a revised and bipartisan civil rights reform act that did effectively reverse these later Court decisions.³⁵ The 1980s, for the most part, sounded a harshly unsympathetic note for equal employment opportunity and portended more aggressive challenges yet to come.³⁶

The other major personnel equity issue of the era was the attention given to women and organizational barriers to their advancement, termed the "glass ceiling."³⁷ Simply put, by the end of the 1980s, while women comprised 48 percent of all employees in the federal government, they held only 11 percent of the top management senior executive service positions. This caused a number of voices to argue that there was a glass ceiling preventing women from getting to the top.³⁸ Similar statistics for state and local governments showed that women were equally behind in obtaining equitable representation in the upper ranks.³⁹ In 1990, Canada released a study from a national commission on the status of women in government, "Beneath the Veneer,"⁴⁰ which found that there were a number of factors, some institutional and some caused by organizational, cultural, and attitudinal factors, that had created a barrier preventing women from getting to the top. In 1992, the U.S. federal government would follow suit with the issuance of a special Merit Systems Protection Board Study; "A Question of Equity" confirmed the impediments faced by women trying to move into the management ranks, including stereotypes and outmoded workplace expectations and organizational cultural factors that work to the detriment of women.⁴¹

In 1995, The Federal Glass Ceiling Commission (which was established as part of the 1991 Civil Rights Act) produced its report, "Good for Business," documenting the lack of representation in upper management ranks of women and minorities in the private sector at levels far above anything in the public sector.⁴² Now two decades later, women are making some progress: while they now hold 43 percent of all federal jobs, they hold 34 percent of senior paying jobs in the federal government. More importantly, among supervisors and managers between the ages of 25–34, women now constitute 43%—indicating that women entering the federal workforce "are now more likely to be on the management track than they were a decade ago."⁴³ Progress for minorities didn't quite match gains for women; even now (2015) they hold 19 percent of all senior pay-level jobs while making up 34 percent of General Schedule (GS) federal jobs. Federal Employment lags furthest for Hispanics—who in 2015 made up 15% of the labor force but only 8% of federal jobs and less than 4% of the senior pay levels.

Perhaps more important, within both the public and private sector a basic transformation was taking place. Equal opportunity was important, but affirmative action no longer seemed the best vehicle to get there. R. Roosevelt Thomas, a former Harvard Business School professor, is often credited for creating the term "managing diversity." That heralded a new approach, or perhaps it might be called

the development of a new phase. Thomas's 1990 article in the *Harvard Business Review* (which is reprinted here) began with the prediction that, "Sooner or later, affirmative action will die a natural death. Its achievements have been stupendous, but if we look at the premises that underlie it, we find assumptions and priorities that look increasingly shopworn." In his article, he instead advocated, "The goal is to manage diversity in such a way as to get from a diverse work force the same productivity we once got from a homogenous work force, and do it without artificial programs, standards—or barriers."

This article signaled more than a simple name change. It was extraordinarily influential in shaping new research and establishing a new literature on diversity that followed Thomas's lead in charting a path distinct from Equal Employment Opportunity (EEO) and affirmative action. Thomas also drew a distinction between his methods and traditional approaches to EEO and affirmative action. He did so by defining "diversity" as focusing not just on race, ethnicity, gender, and so on but rather on all of the ways in which individuals may differ from one another, including age, background, education, and personality traits. Thomas's notion of diversity as including a wide variety of differences was widely adopted, in part because it helped avoid the image of "us versus them" that many believe had undermined the acceptance of traditional EEO and affirmative action programs.

By the 1990s, most of the action in equal opportunity had shifted away from the executive branch. The Supreme Court became more conservative even though two of the four newly appointed justices (Souter, Thomas, Breyer, and Ginsburg) were appointed by Clinton. In 1995, the Supreme Court decided a case involving a minority set-aside program overseen by a federal agency. In that decision, *Adarand v. Peña*, the Court did not completely preclude the use of affirmative action measures, but for the first time it required the federal government to meet a higher threshold of justification for establishing such programs. The Clinton administration undertook a review of affirmative action programs at the federal level and declared the administration's commitment "to mend it, not end it." Congressional committees considered proposing legislation to terminate federally supported affirmative action programs, but these bills were eventually withdrawn.

Meanwhile, the issue was gaining traction at the state and local level. In California, a statewide voters' referendum, Proposition 209, was passed in 1996, eliminating all race-based considerations in hiring, contracting, and selection processes, including university admissions. Other states—Washington and Michigan—would follow, although one proposal to end affirmative action in Houston, Texas, was defeated. In the next decade, the courts would address all of the aforementioned affirmative action issues and more.

REDISCOVERING PUBLIC ADMINISTRATION'S LEGAL FOUNDATION AND ETHICS

Another major theme sounded in the 1980s was the concern for law and accountability. In the 1970s, the experiences of Watergate started a basic reexamination of the role of public administration in government. John Rohr's 1978 work argued forcefully for a contemporary literature on ethics in the public service. David Rosenbloom (b. 1943), one of public administration's leading theorists, carried this concern a step further in his 1983 *Public Administration Review* article entitled "Public Administration Theory and the Separation of Powers," reprinted here. Rosenbloom challenged the dominance of the managerial model in modern conceptualizations of public administration. Traditionally, Rosenbloom argued, managerial theory was tied to the executive branch, political theory to the legislative branch, and legal theory to the judicial branch. But what happens when an administrative agency has responsibility for executive, legislative, and adjudicative decision powers? Rosenbloom's article compared managerial, political, and legal approaches to public administration and showed how each has separate values, origins, and structures. These three distinctly different approaches have become especially significant with the final development of the modern administrative state, whose

chief characteristic seems to be the collapse of the classical separation of powers. Rosenbloom later developed the full integration of his three-part theory in an influential textbook appropriately entitled *Public Administration: Understanding Management, Politics, and Law in the Public Sector*.⁴⁴

Attesting to the increasing significance of public administration's legal dimension were a number of other important works. Marshall E. Dimock wrote *Law and Dynamic Administration* in 1980 to evaluate the increasing influence of lawyers on governmental administrations.⁴⁵ Phillip J. Cooper provided one of the first major textbooks in 1988, *Public Law and Public Administration*, which analyzed in depth the regulatory aspects of administrative action and detailed the legal foundations and framework surrounding public administration.⁴⁶

Yet the most extensive developments in public administration's legal dimension came in the area of ethics. Both the American Society for Public Administration and the International City Management Association developed or revised codes of ethics during the 1980s. Many civilian government agencies now have standards of conduct—formal guidelines—for ethical behavior. Their objective is to ensure that employees refrain from using their official positions for private gain. Typically, a variety of prohibited activities seek to ensure that employees conduct themselves in a manner that would not offer the slightest suggestion they will extract private advantage from public employment. All too frequently, standards of conduct are used to say the obvious. For example, the British Cabinet Office created a document meant to be helpful to new cabinet ministers. Paragraph 55 of “Questions of Procedure for Ministers” offers the unsurprising advice that ministers “have a duty to refrain from asking or instructing civil servants to do things they should not do.”

Standards are often part of a state's formal legal code; thus, violations can carry severe penalties. While standards of conduct are always related to a specific organization, codes of ethics are wide in scope and encompass a whole profession or occupational category. A code of ethics is a statement of professional standards of conduct to which the practitioners of a profession say they subscribe. Codes of ethics are usually not legally binding, so they may not be taken too seriously as constraints on behavior. They sometimes become significant factors in political campaigns when questionable behavior by one side or the other is attacked or defended as being within or without a professional code. Professional groups also hide behind codes as a way of protecting (or criticizing) a member subject to public attack. President Ronald Reagan took the attitude “that people should not require a code of ethics if they're going to be in government. They should determine, themselves, that their conduct is going to be beyond reproach.” Nevertheless, the problem remains that some people need help in determining just what constitutes ethical behavior. So while codes are useful, standards have the kind of teeth that can put people in jail.

Major attention was now being given to ethics in the public administration literature. Indeed, it can fairly be said that there was an ethics explosion in terms of the volume of books and articles that appeared on the subject in the 1980s.⁴⁷ Dennis F. Thompson (b. 1940) in his *Public Administration Review* article, “The Possibility of Administrative Ethics,” reprinted here, raised the radical and fundamental question of whether there is such a thing as administrative ethics at all. According to Thompson there are two commonly accepted administrative theories that undercut the possibility of ethics in government. The “ethic of neutrality” holds that administrators make their decisions on behalf of others and must remain morally neutral in doing so, if representative government is to work at all. But if administrators are indeed morally neutral when they make representative decisions, then it is not possible to hold them ethically accountable. Likewise, the “ethic of structure” claims that organizations and not individuals are responsible for the design, development, and implementation of public policies. Hence we cannot and should not cast moral judgments about government officials who merely find themselves somewhere in that structure. It would seem to follow that administrative accountability is a chimera if either of these two theories is completely valid. Administrators would not be liable for their actions. Administrative ethics that would seek to make moral judgments of those actions would be an impossibility. The only way to maintain the possibility of administrative ethics would be to demonstrate that these two theories are somehow mistaken. This is the task that Thompson set for himself.

By the early 1990s, public administration was well on its way in developing a true literature of ethics and public accountability. Carol W. Lewis's *The Ethics Challenge in Public Service*, published in 1991, was a benchmark work in what was regarded as practical ethics. The reasoning of the practical ethics movement invoked the sense that public administration (and public employees) had to actually understand how to do the right thing in even the small, seemingly trivial situations. Codes of ethics and case study insights are all well and good, but Lewis argued that a higher level of ethical reasoning is required to cope where, "The public manager must act quickly in a gray marginal area where laws are silent or confusing, circumstances are ambiguous and complex, and the manager is responsible, well-meaning, and perplexed."⁴⁸

In the same vein, Lewis deconstructed larger headline-making situations like the Gerald Ford pardon of Richard Nixon, showing how ethical problems are inherent in most forms of specialized problem solving. The public employee—whether at the lowest level on the line doing the public's business or the highest, managing the agency and the myriad of interests and policy dilemmas that must be faced—is at the forefront whenever administrative discretion is involved. Describing the ethics challenge in the early days of the 1990s, Lewis also predicted that ethical problems would become more intricate and difficult in a future dominated by network relationships, matrix organizations, and inter-governmental and intersector collaborative relationships that she called the emerging "web like administrative environment." This prediction will be revisited in the closing section later in the discussion of the transformation of public administration from government to governance.

THE RISE OF PUBLIC POLICY ANALYSIS AND IGR

The most explosive growth in public administration as a field of academic study in the 1980s was in the area of public policy and analysis. Many schools of public affairs, following the example of the University of California at Berkeley, created or reoriented all or part of their programs toward a public policy focus. A spate of works appeared during the decade on all aspects of public policy, including the politics of policy formulation; techniques of policy analysis; and policy implementation, planning, and evaluation. Attention was finally paid equally to the complementary issues of policy formulation (policy making) and policy content (policy analysis). Signs of the vitality of the policy field were the driving force behind excellent journals dedicated to policy matters, such as the *Journal of Policy Analysis and Management*, *Policy Studies Journal*, *Policy Studies Review*, and *Policy Sciences*.

In his 1984 book *Agendas, Alternatives, and Public Policies* (a chapter from the second edition is reprinted here), John Kingdon makes many important contributions to the policy field. Kingdon explores how ideas find their way onto policy agendas and looks at how and why agendas change over time. Two categories that affect agenda setting and related policy alternatives include "the participants who are active, and the processes by which agenda items and alternatives come into prominence."

Kingdon uses an adjusted version of the "Cohen-March-Olsen"⁴⁹ garbage can model of organizational choice to understand agenda setting and alternative generation." Cohen, March, and Olson's basic idea was that decision making in organizations could best be characterized as organized anarchies. Their view turned the classical premise of normative theory of organizations as "vehicles for solving well-defined problems or structures within which conflict is resolved through bargaining" on its head. Rather, they argued, organizations were more often a "collection of choices looking for problems and issues for which they might be the answer."

This would be portrayed by Kingdon in a public policy context where he conceives of "three process streams flowing through the system—streams of problems, policies, and politics." These separate streams, according to Kingdon, come together at critical junctures. When windows of opportunity are opened, problems and solutions are most likely to come together.

While it may seem odd to include intergovernmental relations (IGR) in this same introductory section as public policy, both fields were actively connected during the 1980s and 1990s. Public policy analysis fully recognized that any assessment of government programs and policy decisions would involve factoring in different roles and responsibilities for different levels of government. But as the levels of funding rose in terms of federal (and state support) grants for domestic programs (federal transfers as a percentage of state and local government had reached 25 percent by Reagan's first term), criticism mounted. Nixon had already advanced the term New Federalism to signal his intentions to shift the funding emphasis away from categorical grants to block grants where more flexibility and supposedly efficiencies would be possible. Reagan's New Federalism took this even further. First, federal funding levels were capped and a number of grant-in-aid programs even terminated. Subsequent steps led to consolidating many of the categorical grants into block grants and proposals to reorder federal and state roles.

In an even bolder move, the Reagan administration proposed a major realignment of federal and state responsibilities whereby the federal government would assume full responsibility for Medicare in return for states taking over the primary welfare functions such as Aid for Dependent Children and food stamps. While the motivation for this would be debated for years (Reagan asserted that he wanted federal aid focused more on individual entitlements, which the central government could administer best on a larger scale), suspicious states and local governments rejected the swap proposal. While the benefits of hindsight are always 20-20, in terms of current budget liabilities for state governments this probably represents the greatest missed opportunity of the century. As an example, California in 2013 paid 23% percent of its general fund revenues for its state Medical program (which is matched by federal funding) compared to less than 10 percent for all other general assistance programs combined.

But there was more to IGR than simply arguing over funding levels and fund granting mechanisms. The real debate was over the transformation of American Federalism and what would be the proper roles and alignment of the central government and the state and local government entities. In addition to the usual public policies involving distribution of public goods—supporting education, welfare, health care, and the like—there would be major government-led interventions in regulatory areas such as environmental protection, consumer protection, and public safety, to name only a few.

Martha Derthick has had a profound influence on this discussion of where federalism—now intergovernmental relations—was headed in this critical period at the end of the century. Her 1987 article in *Public Administration Review* aptly subtitled “Madison's Middle Ground in the 1980s” (reprinted here) provides historical context for this debate, but it is more instrumental in pointing to the role of the judiciary in shaping the relationships between the federal and state governments. She argues that the courts have probably had more impact on the rise of centralization than the Congress.

NEW PERSPECTIVES ON ORGANIZATIONS

Budgeting issues and national policy reform initiatives may have dominated the headlines in the 1980s and 1990s, but within public administration, debates were occurring around other very fundamental issues. There continued to be significant debate about organizations. Organizational thinking has always been a main tenet of public administration—indeed, of business administration—but in this last quarter of the century, new strands of thought were profoundly influencing public administration perspectives on organizational culture and organizational performance.

Part of the major reassessment of the role of government in the 1980s included the dilemmas posed by the power of the bureaucracy—specifically, the individual government workers at all levels of the public sector who, through specialization and involvement, had become synonymous with the various public policies they were responsible for implementing. Michael Lipsky wrote an insightful

work at the start of the decade entitled *Street-Level Bureaucracy*, the first chapter of which is reprinted here. His central premise was that the public sector employees who delivered goods and services were in many cases the policy-makers. Their range of discretion, their extensive level of contact with the public, and their control of the resource base of many public organizations made them the central force in public-sector decision making. Lipsky examined the implications for accountability, equity, and citizen access as well as the resulting controversy implicit in this reality. His arguments are even more important when one considers the impact of nonprofit organizations that have taken over major shares of human assistance and social services in the country and have even fewer political controls.

An organizational culture—the culture that exists within an organization—is a parallel but smaller version of a societal culture. It is made up of intangible things such as values, beliefs, assumptions, and perceptions. It is the pattern of these beliefs and attitudes that determines members' behaviors in and around the organization, persists over extended periods of time, and pervades all elements of the organization (albeit to different extents and with varying intensity). Organizational culture is transmitted to new members through socialization (or enculturation) processes; it is maintained and transmitted through a network of rituals and interaction patterns; it is enforced and reinforced by group norms and the organization's system of rewards and controls. It is the unseen and unobservable force that is always behind those organizational activities that can be observed.

Organizational culture is created by the attitudes and behaviors of the dominant or early organizational “shapers” and “heroes”; by the nature of the organization's work; and by the attitudes, values, and “willingness to act” of new members. It is transmitted by often-told stories and legends and by the formal and informal processes of socialization. An organization's culture provides a framework for shared understanding of events, defines behavioral expectations, and serves as a source of and focus for members' commitment and as an organizational “control system” (i.e., through group norms). But while a strong organizational culture can control organizational behavior, it can also block an organization from making those changes needed to adapt to a changing environment. Organizational culture is particularly useful as an intellectual construct because it helps us to understand or predict how an organization will behave under different circumstances. A cultural pattern is similar to a genetic inheritance: once you know the patterns of basic assumptions, you can anticipate how the organization will act in differing circumstances.

Every organizational culture is different. What has worked repeatedly for one organization may not work for another—so the basic assumptions differ. And each organizational culture is shaped by myriad factors—from the societal culture in which it resides to its technologies and competing organizations. Some organizations have strong, unified, pervasive cultures, whereas others have weaker cultures; often “subcultures” evolve in different functional or geographical areas. The most common example of this last phenomenon is the more formal culture of a headquarters office versus the informality of a field office.

More fundamental assessments of what was affecting organizations and the behavior of their members came in J. Steven Ott's 1989 book *The Organizational Culture Perspective* (first chapter reprinted here). The concept of culture within an organization is defined by Ott as the “unseen and unobservable force that is always behind organizational activities that can be seen and observed.” Ott uses the organizational culture perspective as a “frame of reference for the way one looks at, attempts to understand, and works with organizations.” The organizational culture perspective is based on the notion that there are basic patterns of assumptions that guide and influence behaviors and decisions within organizations. He explains that there are likely to be strong connections between the culture of an organization and its productivity. While this perspective is, admittedly, only one way of looking at organizations, it has become a permanent part of how we understand organizations. “People in organizations need culture for identity, purpose, feelings of belongingness, communication, stability, and cognitive efficiency.”

The cultural analysis represents more than thoughts about how people behave and conform to rules and procedures. It is much more basic, because it brings into question how organizations view differences among people. One difference in question in the literature concerns gender, or

more specifically, the recognition that men and women operate differently in organizations. Ideas of examining organizational theory from a gender perspective and applying them to management decision making, communication, and behavior interaction are now recognized as the feminist perspective.

Some may argue that much of this new perspective has been driven by the reality of demographics. Women have indeed made their presence felt in public organizations. By 1990, women constituted almost 60 percent of the total public-sector workforce, although, as noted, there were only minimal gains made in pay levels (comparable worth) and managerial representation (glass ceiling). Within public administration as a field of study, women now constitute the majority of the classroom, earning MPA degrees at twice the rate of men and doctorates at the same rate (although the rate is actually higher if international doctoral students are excepted from the degree-seeking population, since this group is still predominantly male). Finally, perhaps the most significant economic indicator of the presence of women in the workforce came in the recession of 1990–1992, when, for the first time, American men and women lost jobs at about the same rate. The presence of women in the workforce is finally permanent.

But philosophically, the feminist perspective on organizations and public administration represents much more than a workforce participation issue. Feminist organizational analysts such as Joan Acker have argued that the long-standing male control of organizations has entailed almost exclusively male perspectives of organizational theory. In other words, the view of organizations dominated by males is through male lenses. Acker argues that at least four sets of gendered processes perpetuate this male reality of organizations:

1. Gender divisions that produce gender patterning of jobs.
2. Creation of masculine organizational symbols and images.
3. Interactions characterized by dominance and subordination.
4. “The internal mental work of individuals as they consciously construct their understandings of the organization’s gendered structure of work and opportunity and the demands for gender-appropriate behaviors and attitudes.”⁵⁰

Even ordinary activities in organizations are not gender-neutral. They perpetuate the “gendered substructure within the organization itself and within the wider society”—as well as in organizational theory. But these differences are even more pronounced at managerial levels. As women increasingly climb the organizational ladders, they will leave their mark, and they will gradually change the culture. Substantial research has already shown that women tend to have different management styles than men. For example, Judy B. Rosener has shown women to be more cooperative and to share leadership; they are less apt to use the traditional authoritarian “command and control” militaristic style so favored by men.⁵¹ Organizational cultures, as they are increasingly impacted by feminine management styles, gradually change their approaches to something, if not feminine, at least less masculine. The alternative hypothesis is instead of making their organizations more hospitable to feminine management culture, the women managers—subject to the same stimuli for increased production as men have traditionally been—will become more like the men, will adopt more masculine attitudes because that is the way to thrive in the competitive environment of organizational life.

The feminist perspective on organizations and management will have profound impacts on public administration. Camilla Stivers, perhaps public administration’s foremost feminist theorist, makes the following case: “As long as we go on viewing the enterprise of administration as genderless, women will continue to face their present Hobson’s choice, which is either to adopt a masculine administrative identity or accept marginalization in the bureaucratic hierarchy.”⁵² So the leaders of today’s organizations have three options:

1. Do nothing and wait for the problem to resolve itself over time.
2. Intervene to consciously create organizations more hospitable to feminine ways.
3. Hope that managerial women will be content to become more like men.

These options are not mutually exclusive. Time inexorably moves on. Considerable progress is constantly being made. In the end the best hope is that women will not necessarily become the organizational infighters that men traditionally have been, but that a mutual accommodation will evolve. Reprinted here is one of Stivers's first articles on the feminist perspective, which was published in 1990.

BUREAUCRATIC REFORM AND PUBLIC MANAGEMENT

Public management emerged in the 1980s and 1990s as a significant field in its own right in public administration. Management has always included two main subfields, budget and personnel, which have already been discussed. With increasing attention being given to privatization and outsourcing of government services (already discussed) procurement or contracting developed more fully as a third subfield. Behind all three of these subfields was the rapid pace of new technology and how it would influence the production, delivery, and management of government services. In the 1980s and 1990s, there was a critical concern about information management. Three rapid periods of growth—first with mainframe computers, then microcomputers, and finally networks and the Internet—in the public sector, as well as in every other sector, have been truly remarkable. Harlan Cleveland, one of public administration's luminaries, wrote some of the early articles on information management.⁵³ Other pioneers were Ken Kraemer, John King, and James Danziger at the University of California at Irvine, who surveyed and assessed how extensively governments were using computers and technology and what would be the implications on work and the workforce.⁵⁴ In November 1986, a special issue of *Public Administration Review* was devoted to the concerns of information management.

Of course, that early activity would be deemed pretty primitive by current standards. In today's Internet environment, public administration is grappling with a range of issues about e-government, e-governance, and even the issue of who has computers (and access) and who does not—what is called the *digital divide*. When historians look back at the twentieth century, they will note a true divide in administrative and management practices centered on the advent of the computer revolutions. Some levels of government will surely be seen as having been slow to realize the potential of technology and the ability to provide a greater range of services at lower costs. Concerns about personal privacy and security and serving all the public, not just those with the best access, will be the prominent excuses.

Perhaps the larger reason that public sector agencies have not developed an e-management model is the larger concern with governance. The bulk of the research about information technology has been about institutional change, policy, and potential impacts on democratic functions like voting or civic participation. Even seminal works like Jane Fountain's *Building the Virtual State* devoted only a chapter to discussing how IT will change bureaucracy and by inference management functions. Some might argue that this is exactly right.⁵⁵ First, agencies should figure out how governance is going to work in cyberspace in terms of impacting citizens, interest groups, and society; then, they should construct a new model for virtual management. But others argue that IT fundamentally alters business processes, organizational structures, workforce capabilities, and knowledge management and must be developed concurrently. This is perhaps the final irony. As the debate in the new century shifts to whether or not IT provides strategic advantage and whether it is just a basic utility like electricity, it subsumes the e-management model developed by business.

Certainly, there is more to public management than just the functional domains of personnel, budgets, and information systems. Robert Anthony's seminal work on planning systems⁵⁶ and Alan Walter Steiss's research on management control helped illustrate the many different dimensions of public management during this period.⁵⁷ Other useful works served as guides for denoting the progress made in public management. A baseline work can be found in *Managing the Public Organization* by Cole Graham and Steven Hays.⁵⁸ Graham and Hays dedicated their book to Luther Gulick and organized it loosely around POSDCORB, which they argue is a greatly misunderstood and

underappreciated framework for understanding the management functions common to all public organizations. The other—a benchmark work for what public management aspires to be—is the work of Laurence Lynn of the University of Chicago, whose 1996 work *Public Management as Art, Science, and Profession* nicely integrates the theory and practice dimensions of public management.⁵⁹ But by the mid-1990s, generic public management was being supplanted by the performance management movement in the United States and the new public management movement overseas.

Of course, organizational performance was not neglected in the 1980s, either. One of the most significant concerns was organizational productivity, which generated new interest in measurement and motivation. A host of work on quality circles, work redesign, worker humanism, and participative management appeared. But these themes were captured in the last major management movement of the 1980s—total quality management, or TQM. As a management movement, TQM has been inspired by a circle of private sector quality “gurus” such as W. Edwards Deming and Joseph M. Juran, who emphasized the need for organizations to rethink their major management strategies, organizational structures, and, even more basic, their workforce values and culture.⁶⁰ Productivity improvement, cost reduction, and performance management were, to a large degree, all pushed aside in this new commitment to improve work quality. The federal government even established the Federal Quality Institute to educate federal agencies about TQM.⁶¹ Many state and local governments would soon follow suit, led by the pioneering example of then governor of Arkansas Bill Clinton, who saw quality as simply “good government.” By the mid-1990s, however, quality management would fade away in importance.⁶²

By the 1990s, it was abundantly clear that new visions for managing were having significant impacts on how organizations should be managed, how workers should be supervised, and how consumers of government programs should be treated. The first challenge came from the new public management movement. New public management was international in origin,⁶³ developing in the United Kingdom, Australia, New Zealand, and other countries that have parliamentary forms of government. It advocated a different model for providing public services—essentially seeing public agencies being split into small policy oversight boards and larger performance-based managed organizations that delivered services and products. This model would heavily influence the reinvention movement under Clinton.

The American response to new public management was reflected in a number of innovation efforts. One of the most prominent was a series of experiments designed to radically rethink government performance in Minnesota. In 1992, Michael Barzelay and Babak Armajani published their book *Breaking Through Bureaucracy*, which looked at the innovative experiments in Minnesota that attempted to transform public programs by emphasizing customer service, employee empowerment, selective competition, and administrative deregulation. This “new vision for managing in government,” as the book was subtitled, argued that government did not have to be bureaucratic, rule-bound, control-focused, and inflexible. A 1990 article which anticipates the book is reprinted here that shows the thrust of this frontal challenge to traditional Weberian thinking about organizations and how they must operate.

It would be incorrect to interpret the management and budget struggles of the 1990s as simply a struggle over resource control, or who gets what, or concerns about waste, fraud, and red tape. By the 1990s, it was clear to both politicians and the public that government programs often were ineffective and public funds were being poorly used because the public policies that government efforts were founded on were often flawed. Nowhere was this more apparent than with the large-scale social service programs on which governments at all levels (federal, state, and local) were increasingly spending public funds. Indeed, from a policy perspective, perhaps the most significant budgetary date in the last quarter century was in 1990, when the federal spending on Social Security surpassed defense spending as the top outlay category.

Of course, national and state-level elections regularly raised the banner of “government failure” as challengers confronted incumbents about unintended consequences and social welfare dependency. The 1990s saw all this come to a head. Many state and local governments became involved in

new policy experiments to change public education funding or transportation and infrastructure financing. Crime and prisons, welfare, child support, job training, and environmental regulation and protection became significant policy issues in different states. At the federal level, the Clinton administration would try to tackle and fail miserably in pursuing fundamental reform of health care. But it would cobble together enough support to pass welfare reform legislation, which was based more on dissatisfaction with the old system than on any assurance that the new solution was any better. Real reform, however, remained elusive.

An additional perspective on government failure and lagging public trust for public administration also rose in this period. James Perry and Lois Wise wrote a short article in 1990 in *Public Administration Review* demanding that the impact on the public service be examined.⁶⁴ Entitled “The Motivational Bases of Public Service”, (reprinted here) Wise and Perry challenged the “value of public choice theory and monetary rewards in attracting, retaining, and sustaining high quality public sector employees. This article would launch a number of studies on all aspects of personnel practices and even how the service ethic was correlated with innovation and change efforts. Perry and Wise’s three propositions also would shape a major research agenda about bureaucratic behaviors and service ethic, and how they should be measured and understood.

THE CHALLENGE OF REINVENTION?

The fiscal and organizational performance challenges facing public administration were only symptoms for a much larger set of concerns about government itself. Public confidence in government continued to decline. The “trust deficit”—the lack of public confidence that the government could be trusted to do the right thing most of the time—was a major factor in the Clinton administration’s effort to make government reform itself a major thrust of his administration. During the campaign, Clinton had promised to reduce the size of the federal government by 100,000 employees. Once elected, he went much further.

Within 90 days of his inauguration, he announced a major initiative to “reinvent government” to be led by the vice president under the title National Performance Review, or NPR. Of course, management reform initiatives in government are not new ideas. Indeed, depending on which historian or administrative expert one consults, there have been no fewer than ten major federal government reform initiatives in the twentieth century alone, beginning with the Taft Commission in 1910 that produced the first blueprints for a federal executive budget to the National Performance Review, which called for reinvention or revolution.

In fall 1993, the Clinton administration unveiled its report *From Red Tape to Results: Creating a Government That Works Better and Costs Less*,⁶⁵ which spoke directly to the goals the administration set for its reform effort. Excerpts from the summary are reprinted here. Given the comprehensiveness of the National Performance Review, it is useful to look briefly at the “process” of the reform effort and the “principles” that guided the reformers. Much of the guiding philosophy for the National Performance Review and, indeed, the term reinvention itself came from the management book *Reinventing Government* by columnist David Osborne and consultant and former city manager Ted Gaebler. Osborne and Gaebler’s *Reinventing Government*⁶⁶ decried the bankruptcy of bureaucracy and heralded entrepreneurialism as the solution to transforming government. Using primarily examples of innovative practices and experiments in state and local governments, they called for a series of radical changes in the public sector.⁶⁷

The National Performance Review was no copy of the blueprint offered by *Reinventing Government*. But the guiding influence of *Reinventing Government* is unmistakable from the introductory chapter, which touts “Creating Entrepreneurial Organizations” as “The Solution” to the

massive emphasis on deregulating federal management control systems (that is, budget, personnel, procurement, support and information services, and so on). In calling for a revolution in government, the National Performance Review was offering its own set of guiding principles, which ranged from “cutting unnecessary spending and eliminating red tape” to “fostering excellence with incentives and customer service measures.”

The National Performance Review was touted as an “internal reform process” primarily because it has been staffed by a large group of federal employees who constituted the bulk of the task force. This was in sharp contrast to the major executive reform effort under President Reagan in 1982—the Grace Commission, which was headed by an outsider, business executive J. Peter Grace. The National Performance Review was an inside federal effort beginning with the vice president as chair and approximately 200 federal employees who were either detailed or given part-time assignments to the project team. Following the issuance of the report and to show that the NPR was but the first step in a continuous improvement process, the president issued a series of executive orders and presidential memoranda detailing the next steps in the reform process. A presidential memorandum entitled “Streamlining the Bureaucracy” was issued on September 11, 1993, detailing requirements to cut the federal workforce by 12 percent. In the spirit of the first principle—“to make do with less”—the NPR called for \$108 billion in budget savings over five years led by a reduction in the federal workforce of 252,000 workers.

The Clinton administration started out with a major problem of being unable to convince the Congress to make a number of these system-wide reforms, such as procurement, budgeting, and civil service reforms. The then-Democratic Congress was not very keen on the NPR prescriptions other than to accept the personnel reduction of 252,000 federal job cuts and wrap the savings into the crime bill to pay for the new costs of federal support for more police officers on the street and new crime reduction programs.⁶⁸ Ultimately, the Congress passed a first stab at procurement reform and a modified form of budget reform. The major provisions for entrepreneur budget reform would be rejected.

With the election of a Republican Congress, the NPR had to switch from offense to defense in 1994. Republican plans for reform, sometimes referred to as “De-Invention,” called for much more drastic change. Privatization, terminating entire cabinet departments, moving to block grants, and devolution were the new challenges issued by the 104th Congress. NPR responded by stepping up its review of programs in an exercise entitled “REGO II” in which substantial savings and cuts in several agencies were announced. More intense efforts were launched on the customer service initiative, including new steps to benchmark government services against the private sector.

So, under a heavy political crossfire, NPR continued on in its pursuit of a very ambitious reform agenda. Interestingly, within public administration, NPR, or reinvention, was attacked on both sides. On one side it was rejected by “traditionalists” who felt that the principles of NPR did not fit the values of public administrations or misdiagnosed the problem, or failed to deal adequately with the politics of public policy and public management.⁶⁹ On the other side were the radicals who felt that the NPR did not go far enough and would fail to dramatically reengineer the core processes and structures of government.

The defeat of Vice President Gore in the 2000 presidential election ended reinvention. But it could be said that by the end of its eight years, reinvention was desperately in need of being reinvented. Its slogan—“making government work better and cost less”—was no longer connecting with the public, who were increasingly uncertain of the value of what government was doing. As David Rosenbloom wrote in an editorial in *Public Administration Review* on the themes of reform: “In their zeal to promote visions of the public interest, American administrative reformers sometimes seek to remake the political system to serve the needs of better management rather than to develop better management to serve the purposes of the political system.... This is an old lesson: if we want better government, we better talk politics.”⁷⁰

NOTES

1. Public-choice political economists work out of various academic centers in the United States, one of the most notable being George Mason University, which houses the Center for the Study of Public Choice and publishes the journal *Public Choice*.
2. According to *The Dorsey Dictionary of American Government and Politics* (Chicago: Dorsey Press, 1988): “pluralism is a theory of government that attempts to reaffirm the democratic character of society by asserting that open, multiple, competing, and responsive groups preserve traditional democratic values in a mass industrial state.... Pluralism assumes that power will shift from group to group as elements in the mass public transfer their allegiance in response to their perceptions of their individual interests. However, power-elite theory argues that, if democracy is defined as popular participation in public affairs, then pluralist theory is inadequate as an explanation of modern U.S. government. Pluralism, according to this view, offers little direct participation, since the elite structure is closed, pyramidal, consensual, and unresponsive. Society is divided into two classes: the few who govern and the many who are governed; that is, pluralism is covert elitism instead of a practical solution to preserve democracy in a mass society.”
3. This argument was first made by Nobel laureate James M. Buchanan, “Why Does Government Grow?” in *Budgets and Bureaucrats: The Sources of Government Growth*, ed. Thomas Borcherding (Durham, N.C.: Duke University Press, 1977), pp. 3–18.
4. See Jerry McCaffery and John H. Bowman, “Participatory Democracy and Budgeting: The Effects of Proposition 13,” *Public Administration Review* 38 (November–December 1978), pp. 530–538. Proposition 13 was a revolt by the middle class over rising taxes, especially on real estate, which were increasing dramatically in a period of double-digit inflation. By 1980, the tax revolt movement forced 38 states to reduce or at least stabilize tax rates. When California passed Proposition III in 1990, which, among other things, would double the state gasoline tax over five years to pay for new highways, many analysts hailed this as the end of the “tax revolt.” According to former Speaker of the House Thomas Foley: “The tax revolt, which allegedly started in California, has been tempered by a realization that we have to make investments in the country.” *USA Today* (June 8, 1990).
5. The best analysis of taxation and inflation issues during the period is the work of Joseph A. Pechman, *Federal Tax Policy*, 5th ed. (Washington, D.C.: Brookings Institution, 1987). For a definitive history of change in the federal income tax during the decade of the 1980s, see Eugene Steurle, *The Tax Decade* (Washington, D.C.: Urban Institute Press, 1991).
6. The trickle-down effect held that government policies should benefit the wealthy whose prosperity will then “trickle down” to the middle and lower economic classes. The term was first coined by humorist Will Rogers when he analyzed some of the Great Depression remedies of the Hoover administration and noted that “the money was all appropriated for the top in the hopes it would trickle down to the needy.” However, this sentiment was also expressed by William Jennings Bryan, in his famous “Cross of Gold” speech at the Democratic National Convention in Chicago, July 8, 1896: “Mere are those who believe that if you will only legislate to make the well-to-do prosperous, their prosperity will leak through on those below. The Democratic idea, however, has been that if you make the masses prosperous, their prosperity will find its way up through every class which rests upon them.”
7. There are many accounts of supply-side economic theory but few are as revealing as the memoirs of the Reagan administration’s first budget director, David Stockman, *The Triumph of Politics* (New York: Harper and Row, 1986).
8. Fredrick C. Mosher, “The Changing Responsibilities and Tactics of the Federal Government,” *Public Administration Review* 40 (November–December 1980), pp. 541–548.
9. Allison is best known as the author of a classic study of government policy-making, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971), which demonstrated the

inadequacies of the view that the decisions of a government are made by a “single calculating decision-maker” who has control over the organizations and officials within the government. Instead, as Allison showed, different bureaucratic viewpoints contend and conflict over policy. Allison first described his thesis in “Conceptual Models and the Cuban Missile Crisis,” *American Political Science Review* 63 (September 1969), pp. 698–718.

10. Laurence Lynn, *Managing the Public's Business* (New York: Basic Books, 1981).
11. Hal G. Rainey has written numerous articles on this topic, but a good summation of his research in this period is found in “Public Management: Recent Research on the Political Context and Managerial Roles, Structures, and Behaviors,” *Journal of Management* 15, no. 2 (1989), pp. 229–250.
12. Douglas Yates, *The Politics of Management* (San Francisco: Jossey-Bass, 1985).
13. Barry Bozeman and Jeffrey Strausman, eds. *New Directions in Public Administration* (Pacific Grove, Calif.: Brooks/Cole, 1984).
14. The quote was first attributed to Harlan Cleveland by the late Selma Mushkin.
15. James L. Perry and Kenneth L. Kraemer, *Public Management: Public and Private Perspectives* (Palo Alto, Calif.: Mayfield, 1983).
16. See Ronald C. Moe, “Exploring the Limits of Privatization,” *Public Administration Review* 1978, Vol. 47, No. 6 (November–December, 1987), pp. 453–460. He also wrote two critical assessments on the impacts on federal management for the U.S. Congressional Research Service in this period. For an update in a document more widely available see CRS report “Privatization and the Federal Government: An Introduction,” December 28, 2006 by Kevin R. Kosar.
17. The opening salvo on privatization was sounded by E. E. Savas in a number of articles written during the 1980s. The best collections of his ideas are first in *Privatization: The Key to Better Government* (Chatham, N.J.: Chatham House, 1987) and *Privatization and Public-Private Partnerships* (Chatham, N.J.: Chatham House, 2000). For John M. Donahue, see *The Privatization Decision: Public Ends, Private Means* (New York: Basic Books, 1989).
18. In this decade, public administration as a field of study was just beginning to sort out what part it would play in the academic study of nonprofit management. For most of the 1980s, the study of nonprofits was a blend of social work education (since much of the functional emphasis of nonprofits is human services), business administration (since the financial management and fundraising aspects were oriented toward the private sector), and public administration (since the organizational theory and management roots were primarily focused on public sector values).
19. OECD (2005) *Modernizing Government: The Way Forward* (Paris: OECD Publishing)
20. From the Associated Press, June 4, 1982, which quoted President Reagan as saying: “The United States government’s program for arriving at a budget is about the most irresponsible Mickey Mouse arrangement that any government body has ever practiced.”
21. For more definitive treatment of these themes, see Lance T. LeLoup, Barbara Luck Graham, and Stacy Barwick, “Deficit Politics and Constitutional Government: The Impact of Gramm-Rudman-Hollings,” *Public Budgeting and Finance* (Spring 1987): 83–103; Glen Abney and Thomas P. Lauth, “The Line Item Veto in the States: An Instrument for Fiscal Restraint or an Instrument for Partisanship?” *Public Administration Review* 45 (May–June 1985), pp. 372–377; William R. Kew, “A Theoretical Analysis of the Case for a Balanced Budget Amendment,” *Policy Sciences* 18 (1985), pp. 157–168.
22. Naomi Caiden, “Guidelines to Federal Budget Reform,” *Public Budgeting and Finance* 3 (winter 1983), pp. 4–22. For a comprehensive overview of the budgeting field, see Caiden, “Public Budgeting in the United States,” in *Public Administration: The State of the Discipline*, ed. Naomi Lynn and Aaron Wildavsky (Chatham, N.J.: Chatham House, 1990).
23. Lance LeLoup, *The Fiscal Congress* (Westport, Conn.: Greenwood Press, 1980). LeLoup also wrote the definitive critique of budgetary incrementalism in “The Myth of Incrementalism: Analytical Choices in Budgetary Theory,” *Polity* 10 (1978), pp. 488–509.

24. Irene Rubin, *Running in the Red: The Political Dynamics of Urban Fiscal Stress* (Albany: State University of New York Press, 1982). Rubin also wrote a later volume, *The Politics of Public Budgeting: Getting and Spending, Borrowing, and Balancing* (Chatham, N.J.: Chatham House, 1990), which examined budgeting from a true multilevel perspective: federal, state, and local.
25. Alan Schick's contributions to budgeting are too numerous to illustrate in a footnote. His most significant work is probably his definitive study *Congress and Money: Budgeting, Spending, and Taxing* (Washington, D.C.: Urban Institute, 1980). For a look at his perspective on the development of budget reform, see his "Incremental Budgeting in a Decremental Age," *Policy Sciences* 16 (September 1983), pp. 1–25.
26. Aaron Wildavsky began the 1980s with an interesting study, *How to Limit Government Spending* (Berkeley: University of California Press, 1980), and with the fourth edition of his classic, *The Politics of the Budgetary Process* (Boston: Little, Brown, 1984). In 1988, he completely revised this classic and published *The New Politics of the Budgetary Process* (Boston: Little, Brown, 1988). In his preface, he explained that the budgetary process was no longer capable of going back to where it was before.
27. The most detailed account of the federal deficit problem in this era was written by Joseph White and Aaron Wildavsky, *The Deficit and the Public Interest: The Search for Responsible Budgeting in the 1980s* (Berkeley: University of California Press and Russell Sage Foundation, 1989). For an economic perspective (and the source for the deficit percentage statistics quoted), see Charles L. Schultze, "The Federal Budget and the Nation's Economic Health" in *Setting National Priorities: Policy for the Nineties*, ed., Henry J. Aaron (Washington, D.C.: Brookings Institution, 1990), pp. 19–63.
28. Philip Joyce's article was in *Public Budgeting and Finance* (Winter 1993, pp. 3–17).
29. The federal government was not the only performance results budgeting story. For a superb assessment of state government experiences (indeed, 47 of the 50 states instituted some form of PRB or PBB, which is performance based budgeting), see Katherine Willoughby and Julia Melkers, "Implementing PBB—Conflicting Views of Success," *Public Budgeting and Finance* (Spring 2000).
30. A good source of information on civil service reform is the testimony of former Civil Service Commission Chair Alan K. Campbell before the U.S. House Committee on the Post Office and Civil Service. It is excerpted along with provisions for the act in Frank Thompson, *Classics of Public Personnel Policy*, 2d ed. (Pacific Grove, Calif.: Brooks/Cole, 1990), pp. 82–104.
31. Fundamental reform in personnel has remained elusive. Patricia Ingraham, who served on the Volcker Commission as a staffer, has written extensively about civil service reform and its politics. Her book, *The Foundation of Merit*, provides a superb summary of the issues and stakes involved in personnel reform and what it means to the notion of public service.
32. The strike of the Professional Air Traffic Controllers Organization (PATCO) in 1981 resulted in the complete destruction of their union and the dismissal of 11,000 controllers. On July 29, 1981, 95 percent of PATCO's 13,000 members went on strike. In response, the U.S. government cut back scheduled flights and reduced staff at small airports. Then it brought supervisors and retired controllers into service and ordered military controllers to civilian stations. Also, President Reagan addressed the nation on television. After reminding viewers that it is illegal for federal government employees to strike and that each controller had signed an oath asserting that he or she would never strike, the president proclaimed: "They are in violation of the law, and if they do not report for work within forty-eight hours, they have forfeited their jobs and will be terminated." Only a thousand controllers reported back. Most thought that the president was bluffing, but he was not. See Herbert R. Northrup, "The Rise and Demise of PATCO," *Industrial and Labor Relations Review* 37 (January 1984), pp. 167–184.
33. *Griggs et al. v. Duke Power Co.*, 401 U.S. 424 (1970). This was the most significant single U.S. Supreme Court decision concerning the validity of employment examinations. The Court unanimously ruled that Title VII of the Civil Rights Act of 1964 "proscribes not only overt discrimination but also practices that are discriminatory in operation." Thus if employment practices operating to exclude

minorities “cannot be shown to be related to job performance, the practice is prohibited.” The ruling dealt a blow to restrictive credentialism, stating that while diplomas and tests are useful, “Congress has mandated the commonsense proposition that they are not to become masters of reality.” In essence, the Court held that the law requires that tests used for employment purposes, “must measure the person for the job and not the person in the abstract.” The *Griggs* decision applied only to the private sector until the Equal Employment Opportunity Act of 1972 extended the provisions of Title VII to cover public employees.

34. *Wards Cove Packing Company v. Antonio*, 109 Sup. Ct. 2115 (1989). The Supreme Court held that the burden of proof is on the plaintiff in equal employment opportunity cases to prove that employer practices that result in racial imbalance are not justified by legitimate business reasons. This ruling made it more difficult for workers to make a *prima facie* case of discrimination by simply citing statistics that demonstrate underrepresentation of various racial minorities in the workforce. For an early but well-developed analysis, see James Ledvinka and Vida G. Scarpello, *Federal Regulation of Personnel and Human Resources Management* (Boston: PWS-Kent Publishing, 1991).
35. Under the provisions of the Civil Rights Act of 1991. For a comprehensive assessment, see Harold S. Hartman, Gregory W. Homer, and John E. Menditto, “Human Resources Management Legal Issues: An Overview” in Stephen Condrey’s *Handbook of Human Resources Management in Government* (San Francisco: Jossey-Bass, 1998).
36. A superb assessment of court decisions following the passage of the 1991 Civil Rights Act can be found in J. Edward Kellough’s book, *Understanding Affirmative Action*, specifically Chapter 6, “Cases from 1995 to 2003: Challenges, Uncertainty and the Survival of Affirmative Action.” (Washington DC: Georgetown University Press, 2007).
37. For a summary of the issues and the statistical case for the glass ceiling, see Chapter 4 in Katherine C Naff, *To Look Like America: Dismantling Barriers for Women and Minorities* (Boulder, Co.: Westview Press: 2001).
38. One of the first voices raised in this area was that of Debra Stewart, “Women in Top Jobs: An Opportunity for Federal Leadership,” *Public Administration Review* 36 (July–August 1976), pp. 357–364.
39. See a comparative study by The Center for Women in Government at the State University of New York at Albany in 1991 and 1992. The Center, however, would refer to the disparity in women in top positions as “the sticky floor.”
40. *Beneath the Veneer—The Report of the Task Forces on Barriers to Women in the Public Service* (Ottawa: Canadian Government Publishing Centre, 1990).
41. The U.S. Merit Systems Protection Board study was entitled “A Question of Equity: Women and the Glass Ceiling in the Federal Government” (Washington, D.C.: USMSPB, 1992). It would become one of their most cited reports, perhaps second in influence only to their 1980 and 1987 reports on sexual harassment in the federal government.
42. The Federal Glass Ceiling Commission would issue their report in two parts: their environmental scan entitled “Good for Business: Making Full Use of the Nation’s Human Capital (March 1995), followed by “A Solid Investment,” which was a November 1995 report providing recommendations for change. The U.S. Department of Labor, however, was active on glass-ceiling issues throughout the 1990s, having first issued “A Report on the Glass Ceiling Initiative” in 1991.
43. See recent study by US Office of Personnel Management (OPM) *Women in the Federal Service: A Seat at Every Table* (OPM/GOV/FEVS, 2015)
44. David Rosenbloom, *Public Administration: Understanding Management, Politics, and Law in the Public Sector* (New York: Random House, 1986; 3rd edition, 1996). Rosenbloom had earlier developed some of these themes in *Public Administration and Law* (New York: Marcel Dekker, 1983). His most current work in this area is *Administrative Law for Public Managers* (Boulder, Co.: Westview Press, 2003).

45. Marshall E. Dimock, *Law and Dynamic Administration* (New York: Praeger, 1980). Phillip J. Cooper, *Public Law and Public Administration* (Englewood Cliffs, N.J.: Prentice Hall, 1988).
46. Cooper also wrote the lead article in *Public Administration Review's* 1985 special issue: "Law and Public Affairs." The article is entitled "Conflict or Constructive Tension: The Changing Relationship of Judges and Administrators," *Public Administration Review* 45 (November 1985): 643–652.
47. For representative works, see Joel Fleishman, Lance Liebman, and Mark H. Moore, eds. *Public Duties: The Moral Obligations of Government Officials* (Cambridge, Mass.: Harvard University Press, 1981); Terry L. Cooper, *The Responsible Administrator* (Port Washington, N.Y.: Kennikat Press, 1982); Peter French, *Ethics in Government* (Englewood Cliffs, N.J.: Prentice-Hall, 1983); and Dennis F. Thompson, *Political Ethics and Public Office* (Cambridge, Mass.: Harvard University Press, 1987).
48. *The Ethics Challenge in Public Service: A Problem-Solving Guide* by Carol W. Lewis and Stuart C. Gilman (Hoboken, N.J.: Jossey-Bass, 2005) is now in a second edition.
49. Michael Cohen, James March, and Johan Olsen, "A Garbage Can Model of Organizational Choice," *Administrative Science Quarterly* 17 (March 1972), pp. 1–25.
50. Joan Acker, "Gendering Organizational Theory" in *Gendering Organizational Analysis*, ed. A. J. Mills and P. Tancred (Newbury Park, Calif.: Sage, 1992).
51. Judy B. Rosener, *America's Competitive Secret: Utilizing Women As a Management Strategy* (New York: Oxford University Press, 1995).
52. Camilla Stivers, *Gender Images in Public Administration: Legitimacy and the Administrative State* (Newbury Park, Calif.: Sage, 1993).
53. For an overview of Cleveland's work, see "The Twilight of Hierarchy: Speculations on the Global Information Society," *Public Administration Review* 45 (January–February 1985), pp. 185–195.
54. See, for example, James Danziger et al., *Computers and Politics: High Technology in American Local Governments* (New York: Columbia University Press, 1982); Kenneth L. Kraemer and John King, "Computing and Public Organizations," *Public Administration Review* 46 (special issue, November 1986): 488–496.
55. Of course, information technology has virtually become its own subfield in management. For assessments, see Jane Fountain's *Building the Information State* (Washington, D.C.: Brookings, 2001) and the more internationally focused *Reinventing Government in the Information Age*, edited by Richard Heeks (London: Routledge, 1999).
56. Robert N. Anthony and Regina Herzlinger, *Management Control in Nonprofit Organizations* (Homewood, Ill.: Irwin, 1980).
57. Alan Walter Steiss, *Management Control in Government* (Lexington, Mass.: Lexington Books, 1982).
58. Cole Blease Graham and Steven W. Hays, *Managing the Public Organization* (Washington, D.C.: CQ Press, 1986).
59. Laurence Lynn, *Public Management as Art, Science, and Profession* (Chatham, N.J.: Chatham House, 1996).
60. See W. Edwards Deming, *Out of the Crises* (Cambridge, Mass.: Center for Advanced Engineering Study, 1986) or J. M. Juran, *Juran on Leadership for Quality* (New York: McGraw-Hill, 1988).
61. The Federal Quality Institute would itself be dismantled and finally abandoned in the mid-1990s and reconstituted as a contract consulting organization. For an account of its demise, see "TQM and the Invisible Man" in *Personnel Management in Government*, 5th edition by Shafritz, Rosenbloom, Riccucci, Naff, and Hyde (New York: Marcel Dekker, 2001).
62. One journal, *Public Productivity and Management Review*, took the lead in analyzing and assessing organizational change from the perspective of organizational performance and quality improvement. This journal essentially provided public administration with an abundance of case studies and theoretical and qualitative reviews about how organizations improve and how they introduce, adapt, and sustain continuous incremental improvement through quality, led by editor Marc Holzer. By the

mid-1990s, however, it was abundantly clear that TQM had become subsumed as part of the basic public management approach. Its core features—process statistical measurements, customer feedback, employee participation in quality improvement, and supplier cooperation—are now viewed by most managers as “commonsense management.” Quality has essentially become part of the public management foundation.

63. The best assessment of new public management remains Christopher Hood, “A Public Management for All Seasons,” *Public Administration* 69 (Spring 1991), pp. 3–19. It remains the definitive statement, and according to a recent literature survey of public management by the *International Public Management Journal*, the most referenced article in public management—both internationally and in the United States.
64. Perry and Wise credit Hal Rainer for the first call for research on what motivates public servants in a 1982 article, “Reward Preferences Among Public and Private Managers: In Search of the Service Ethics,” *American Review of Public Administration*, Winter 1982, pp. 288–302.
65. *From Red Tape to Results: Creating a Government That Works Better and Costs Less*, Report of the National Performance Review (Washington, D.C.: U.S. Government Printing Office, September 1993).
66. David Osborne and Ted Gaebler, *Reinventing Government* (Reading, Mass.: Addison Wesley Publishers, 1992).
67. The public sector, according to Osborne and Gaebler’s book, must seek to restructure itself by vigorously pursuing a “new form of governance.” But the root of Osborne and Gaebler’s prescription was entrepreneurialism. The authors explained that the original idea of entrepreneur went beyond business risk-taking normally associated with the private sector. Entrepreneurial government follows a broader model that “uses resources in new ways to maximize productivity and effectiveness.” Osborne summarized the importance of this philosophy in testimony before the U.S. Senate a week after the National Performance Review had been launched: “We must restructure the basic incentives that drive public managers, public employees, and elected officials. Our federal bureaucracies grow so large and so sluggish not because those who work for them want it that way, but because the basic incentives operating on those bureaucracies literally demand it be that way. For example, most public programs are monopolies whose customers cannot go elsewhere for a better deal. Most are funded according to their inputs—how many children qualify, how many farmers are poor enough—rather than their outcomes or results. Most are considered important not because they achieve tremendous results but because they spend tremendous sums of money. Their managers earn greater stature and higher pay not because they have demonstrated superior performance, but because they have built up a larger bureaucracy. With such incentives embedded within all our major control systems—our budget system, our personnel system, our reward system—is it any wonder that we get bureaucratic behavior rather than entrepreneurial behavior?” Excerpts taken from testimony before the Senate Governmental Affairs Committee, March 11, 1993, by David Osborne.
68. The original number of federal positions to be cut as an objective of the NPR was slightly over 250,000, but in the fall debates over the crime bill, the Congress increased the target number to 272,000—plus and “locked” the projected savings from this cut in federal employment into the needed offset for funding the crime bill, which among other things promised federal aid to put 100,000 new police officers in the street.
69. For samples of the Reinvention Critique, see James Carroll, “The Rhetoric of Reform and Political Reality in the National Performance Review,” *Public Administration Review* (May–June 1995), pp. 302–312; Ronald Moe, “The Reinventing Government Exercise: Misinterpreting the Problem, Misjudging the Consequences,” *Public Administration Review* (March–April 1994), pp. 111–122; and Charles Goodsell, “Did NPR Reinvent Government Reform?” *The Public Manager* (Fall 1993), pp. 7–11.
70. David Rosenbloom, “Have an Administrative Rx? Don’t Forget the Politics,” *Public Administration Review* (November–December 1993), p. 507.

Public and Private Management: Are They Fundamentally Alike in All Unimportant Respects?

Graham T. Allison

My subtitle puts Wallace Sayre's oft quoted "law" as a question. Sayre had spent some years in Ithaca helping plan Cornell's new School of Business and Public Administration. He left for Columbia with this aphorism: public and private management are fundamentally alike in all unimportant respects.

Sayre based his conclusion on years of personal observation of governments, a keen ear for what his colleagues at Cornell (and earlier at OPA) said about business, and a careful review of the literature and data comparing public and private management. Of the latter there was virtually none. Hence, Sayre's provocative "law" was actually an open invitation to research.

Unfortunately, in the 50 years since Sayre's pronouncement, the data base for systematic comparison of public and private management has improved little. Consequently, when Scotty Campbell called six weeks ago to inform me that I would make some remarks at this conference, we agreed that I would, in effect, take up Sayre's invitation to speculate about similarities and differences among public and private management in ways that suggest significant opportunities for systematic investigation.

To reiterate: this paper is not a report of a major research project of systematic study. Rather, it is a response to a request for a brief summary of reflections of a dean of a school of government who now spends his time doing a form of public management—managing what

Jim March has labeled an "organized anarchy"—rather than thinking, much less writing.¹ Moreover, the speculation here will appear to reflect a characteristic Harvard presumption that Cambridge either is the world, or is an adequate sample of the world. I say "appear" since as a North Carolinian, I am self-conscious about this parochialism. Nevertheless, I have concluded that the purposes of this conference may be better served by providing a deliberately parochial perspective on these issues—and thereby presenting a clear target for others to shoot at. Finally, I must acknowledge that this paper plagiarizes freely from a continuing discussion among my colleagues at Harvard about the development of the field of public management, especially from Joe Bower, Hale Champion, Gordon Chase, Charles Christenson, Richard Darman, John Dunlop, Phil Heymann, Larry Lynn, Mark Moore, Dick Neustadt, Roger Porter, and Don Price. Since my colleagues have not had the benefit of commenting on this presentation, I suspect I have some points wrong, or out of context, or without appropriate subtlety or amendment. Thus I assume full liability for the words that follow.

This paper is organized as follows:

- Section 1 frames the issue: What is public management?
- Section 2 focuses on similarities: How are public and private management basically alike?
- Section 3 concentrates on differences: How do public and private management differ?
- Section 4 poses the question more operationally: How are the jobs and responsibilities of two specific managers, one public and one private, alike and different?
- Section 5 attempts to derive from this discussion suggestions about promising research directions and then outlines one research agenda and strategy for developing knowledge of and instruction about public management.

Source: Proceedings of the Public Management Research Conference, November 19–20, 1979 (Washington, D.C.: Office of Personnel Management, OPM Document 127-53-1, February 1980), pp. 27–38.

Section 1

Framing the Issue:

What Is Public Management?

What is the meaning of the term “management” as it appears in Office of *Management* and Budget, or Office of *Personnel Management*? Is “management” different from, broader or narrower than “administration”? Should we distinguish between management, leadership, entrepreneurship, administration, policymaking, and implementation?

Who are “public managers”? Mayors, governors, and presidents? City managers, secretaries, and commissioners? Bureau chiefs? Office directors? Legislators? Judges?

Recent studies of OPM and OMB shed some light on these questions. OPM’s major study of the “Current Status of Public Management Research” completed in May 1978 by Selma Mushkin of Georgetown’s Public Service Laboratory starts with this question. The Mushkin report notes the definition of “public management” employed by the Interagency Study Committee on Policy Management Assistance in its 1975 report to OMB. That study identified the following core elements:

- (1) *Policy Management* The identification of needs, analysis of options, selection of programs, and allocation of resources on a jurisdiction-wide basis.
- (2) *Resource Management* The establishment of basic administrative support systems, such as budgeting, financial management, procurement and supply, and personnel management.
- (3) *Program Management* The implementation of policy or daily operation of agencies carrying out policy along functional lines (education, law enforcement, etc.).²

The Mushkin report rejects this definition in favor of an “alternative list of public management elements.” These elements are:

- Personnel Management (other than work force planning and collective bargaining and labor management relations)
- Work Force Planning
- Collective Bargaining and Labor Management Relations
- Productivity and Performance Measurement
- Organization/Reorganization
- Financial Management (including the management of intergovernmental relations)
- Evaluation Research, and Program and Management Audit.³

Such terminological tangles seriously hamper the development of public management as a field of knowledge. In our efforts to discuss public management curriculum at Harvard, I have been struck by how differently people use these terms, how strongly many individuals feel about some distinction they believe is marked by a difference between one word and another, and consequently, how large a barrier terminology is to convergent discussion. These verbal obstacles virtually prohibit conversation that is both brief and constructive among individuals who have not developed a common language or a mutual understanding of each others’ use of terms. (What this point may imply for this conference, I leave to the reader.)

This terminological thicket reflects a more fundamental conceptual confusion. There exists no over-arching framework that orders the domain. In an effort to get a grip on the phenomena—the buzzing, blooming confusion of people in jobs performing tasks that produce results—both practitioners and observers have strained to find distinctions that facilitate their work. The attempts in the early decades of this century to draw a sharp line between “policy” and “administration,” like more recent efforts to make a similar divide between “policymaking” and “implementation,” reflect a common search for a simplification that allows one to put the value-laden issues of politics to one side (who gets what, when and how), and focus on the more limited issue of how to perform tasks more efficiently.⁴ But can anyone really deny that the “how” substantially affects the “who,”

the “what,” and the “when”? The basic categories now prevalent in discussions of public management—strategy, personnel management, financial management, and control—are mostly derived from a business context in which executives manage hierarchies. The fit of these concepts to the problems that confront public managers is not clear.

Finally, there exists no ready data on what public managers do. Instead, the academic literature, such as it is, mostly consists of speculation tied to bits and pieces of evidence about the tail or the trunk or other manifestation of the proverbial elephant.⁵ In contrast to the literally thousands of cases describing problems faced by private managers and their practice in solving these problems, case research from the perspective of a public manager is just beginning.⁶ Why the public administration field has generated so little data about public management, my fellow panelist Dwight Waldo will explain. But the paucity of data on the phenomena inhibits systematic empirical research on similarities and differences between public and private management, leaving the field to a mixture of reflection on personal experience and speculation.

For the purpose of this presentation, I will follow Webster and use the term management to mean the organization and direction of resources to achieve a desired result. I will focus on *general managers*, that is, individuals charged with managing a whole organization or multifunctional sub-unit. I will be interested in the general manager’s full responsibilities, both *inside* his organization in integrating the diverse contributions of specialized sub-units of the organization to achieve results, and *outside* his organization in relating his organization and its product to external constituencies. I will begin with the simplifying assumption that managers of traditional government organizations are public managers, and managers of traditional private businesses, private managers. Lest the discussion fall victim to the fallacy of misplaced abstraction, I will take the Director of EPA and the Chief Executive Officer of American Motors as, respectively, public and private managers. Thus, our central question can be put concretely: in what ways are the jobs and responsibilities of Doug Costle as Director of EPA similar to and different from those of Roy Chapin as Chief Executive Officer of American Motors?

Section 2

Similarities: How Are Public and Private Management Alike?

At one level of abstraction, it is possible to identify a set of general management functions. The most famous such list appeared in Gulick and Urwick’s classic *Papers in the Science of Administration*.⁷ Gulick summarized the work of the chief executive in the acronym POSDCORB. The letters stand for:

- Planning
- Organizing
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting

With various additions, amendments, and refinements, similar lists of general management functions can be found through the management literature from Barnard to Drucker.⁸

I shall resist here my natural academic instinct to join the intramural debate among proponents of various lists and distinctions. Instead, I simply offer one composite list (see Table 1) that attempts to incorporate the major functions that have been identified for general managers, whether public or private.

These common functions of management are not isolated and discrete, but rather integral components separated here for purposes of analysis. The character and relative significance of the various functions differ from one time to another in the history of any organization, and between one organization and another. But whether in a public or private setting, the challenge for the general manager is to integrate all these elements so as to achieve results.

Section 3

Differences: How Are Public and Private Management Different?

While there is a level of generality at which management is management, whether public or private, functions that bear identical labels take on rather different meaning in public and private settings. As Larry Lynn has pointed out,

| TABLE 1 |

Functions of General Management

STRATEGY

1. **Establishing Objectives and Priorities** for the organization (on the basis of forecasts of the external environment and the organization's capacities).
2. **Devising Operational Plans** to achieve these objectives.

MANAGING INTERNAL COMPONENTS

3. **Organizing and Staffing:** In organizing the manager establishes structure (units and positions with assigned authority and responsibilities) and procedures (for coordinating activity and taking action); in staffing tries to fit the right persons in key jobs.*
4. **Directing Personnel and the Personnel Management System:** The capacity of the organization is embodied primarily in its members and their skills and knowledge, the personnel management system recruits, selects, socializes, trains, rewards, punishes, and exits the organization's human capital, which constitutes the organization's capacity to act to achieve its goals and to respond to specific directions from management.
5. **Controlling Performance:** Various management information systems—including operating and capital budgets, accounts, reports and statistical systems, performance appraisals, and product evaluation—assist management in making decisions and in measuring progress towards objectives.

MANAGING EXTERNAL CONSITITUENCIES

6. **Dealing with "External" Units** of the organization subject to some common authority: Most general managers must deal with general managers of other units within the larger organization—above, laterally, and below—to achieve their unit's objectives.
7. **Dealing with Independent Organizations:** Agencies from other branches or levels of government, interest groups, and *private enterprises* that can importantly affect the organization's ability to achieve its objectives.
8. **Dealing with the Press and Public** whose action or approval or acquiescence is required.

*Organizations and staff are frequently separated in such lists, but because of the interaction between the two, they are combined here. See Graham Allison and Peter Szanton, *Remaking Foreign Policy* (Basic Books, 1976), p.14.

one powerful piece of evidence in the debate between those who emphasize "similarities" and those who underline "differences" is the nearly unanimous conclusion of individuals who have been general managers in both business and government. Consider the reflections of George Schultz (former director of OMB, Secretary of Labor, Secretary of the Treasury; now president of Bechtel), Donald Rumsfeld (former congressman, director of OEO, director of the Cost of Living Council, White House chief of staff, and Secretary of Defense; now president of GD Searle and Company), Michael Blumenthal (former chairman and chief executive officer of Bendix, Secretary of the Treasury; and now

vice chairman of Burrows), Roy Ash (former president of Litton Industries, director of OMB; now president of Addressograph), Lyman Hamilton (former budget officer in BOB, high commissioner of Okinawa, division chief in the World Bank, and president of ITT), and George Romney (former president of American Motors, governor of Michigan, and Secretary of Housing and Urban Development).⁹ All judge public management different from private management—and harder!

Three Orthogonal Lists of Differences My review of these recollections, as well as the thoughts of academics, has identified three interesting,

orthogonal lists that summarize the current state of the field: one by John Dunlop; one major *Public Administration Review* survey of the literature comparing public and private organizations by Hal Rainey, Robert Backoff and Charles Levine; and one by Richard E. Neustadt prepared for the National Academy of Public Administration's Panel on Presidential Management.

John T. Dunlop's "impressionistic comparison of government management and private business" yields the following contrasts.¹⁰

1. Time perspective. Government managers tend to have relatively short time horizons dictated by political necessities and the political calendar, while private managers appear to take a longer time perspective oriented toward market developments, technological innovation and investment, and organization building.

2. Duration. The length of service of politically appointed top government managers is relatively short, averaging no more than 18 months recently for assistant secretaries, while private managers have a longer tenure both in the same position and in the same enterprise. A recognized element of private business management is the responsibility to train a successor or several possible candidates while the concept is largely alien to public management since fostering a successor is perceived to be dangerous.

3. Measurement of performance. There is little if any agreement on the standards and measurement of performance to appraise a government manager, while various tests of performance—financial return, market share, performance measures for executive compensation—are well established in private business and often made explicit for a particular managerial position during a specific period ahead.

4. Personnel constraints. In government there are two layers of managerial officials that are at times hostile to one another: the civil service (or now the executive system) and the political appointees. Unionization of government employees exists among relatively high-level personnel in the hierarchy and includes a

number of supervisory personnel. Civil service, union contract provisions, and other regulations complicate the recruitment, hiring, transfer, and layoff or discharge of personnel to achieve managerial objectives or preferences. By comparison, private business managements have considerably greater latitude, even under collective bargaining, in the management of subordinates. They have much more authority to direct the employees of their organization. Government personnel policy and administration are more under the control of staff (including civil service staff outside an agency) compared to the private sector in which personnel are much more subject to line responsibility.

5. Equity and efficiency. In governmental management great emphasis tends to be placed on providing equity among different constituencies, while in private business management relatively greater stress is placed upon efficiency and competitive performance.

6. Public processes versus private processes. Governmental management tends to be exposed to public scrutiny and to be more open, while private business management is more private and its processes more internal and less exposed to public review.

7. Role of press and media. Governmental management must contend regularly with the press and media; its decisions are often anticipated by the press. Private decisions are less often reported in the press, and the press has a much smaller impact on the substance and timing of decisions.

8. Persuasion and direction. In government, managers often seek to mediate decisions in response to a wide variety of pressures and must often put together a coalition of inside and outside groups to survive. By contrast, private management proceeds much more by direction or the issuance of orders to subordinates by superior managers with little risk of contradiction. Governmental managers tend to regard themselves as responsive to many superiors while private managers look more to one higher authority.

9. *Legislative and judicial impact.* Governmental managers are often subject to close scrutiny by legislative oversight groups or even judicial orders in ways that are quite uncommon in private business management. Such scrutiny often materially constrains executive and administrative freedom to act.

10. *Bottom line.* Governmental managers rarely have a clear bottom line, while that of a private business manager is profit, market performance, and survival.

The *Public Administration Review's* major review article comparing public and private

organizations, by Rainey, Backoff and Levine, attempts to summarize the major points of consensus in the literature on similarities and differences among public and private organizations.¹¹ Table 2 presents that summary.

Third, Richard E. Neustadt, in a fashion close to Dunlop's, notes six major differences between Presidents of the United States and Chief Executive Officers of major corporations.¹²

1. *Time-horizon.* The private chief begins by looking forward a decade, or thereabouts, his likely span barring extraordinary troubles. The first-term President looks forward four years at most, with the fourth (and now even the third)

TABLE 2

Public Administration Review Research Developments

SUMMARY OF LITERATURE ON DIFFERENCES BETWEEN PUBLIC AND PRIVATE ORGANIZATIONS: MAIN POINTS OF CONSENSUS

The following table presents a summary of the points of consensus by stating them as propositions regarding the attributes of a public organization, relative to those of a private organization.

<i>Topic</i>	<i>Proposition</i>
I. ENVIRONMENTAL FACTORS	
I.1. Degree of market exposure (reliance on appropriations)	<p>I.1.a. Less market exposure results in less incentive cost reduction, operating efficiency, effective performance.</p> <p>I.1.b. Less market exposure results in lower allocational efficiency (reflection of consumer preferences, proportioning supply to demand, etc.)</p> <p>I.1.c. Less market exposure means lower availability of market indicators and information (prices, profits, etc.)</p>
I.2. Legal, formal constraints (courts, legislature, hierarchy)	<p>I.2.a. More constraints on procedures, spheres of operations (less autonomy of managers in making such choices)</p> <p>I.2.b. Greater tendency to proliferation of formal specifications and controls</p> <p>I.2.c. More external sources of formal influence, and greater fragmentation of those sources</p>
I.3. Political influences	<p>I.3.a. Greater diversity of intensity of external informal influences on decisions (bargaining, public opinion, interest group reactions)</p> <p>I.3.b. Greater need for support of "constituencies"—clientgroups, sympathetic formal authorities, etc.</p>

(continued)

| TABLE 2 | continued

II. ORGANIZATION-ENVIRONMENT TRANSACTIONS	
II.1. Coerciveness (“coercive,” “monopolistic,” unavoidable nature of many government activities)	II.1.a. More likely that participation in consumption and financing of services will be unavoidable or mandatory (Government has unique sanctions and coercive powers.)
II.2. Breadth of impact	II.2.a. Broader impact, greater symbolic significance of actions of public administrators (Wider scope of concern, such as “public interest.”)
II.3. Public scrutiny	II.3.a. Greater public scrutiny of public officials and their actions
II.4. Unique public expectations	II.4.a. Greater public expectations that public officials act with more fairness, responsiveness, accountability, and honesty
III. INTERNAL STRUCTURES AND PROCESSES	
III.1. Complexity of objectives, evaluation and decision criteria and criteria	III.1.a. Greater multiplicity and diversity of objectives
	III.1.b. Greater vagueness and intangibility of objectives and criteria
	III.1.c. Greater tendency of goals to be conflicting (more “tradeoffs”)
III.2. Authority relations and the role of the administrator	III.2.a. Less decision-making autonomy and exibility on the part of the public administrators
	III.2.b. Weaker, more fragmented authority over subordinates and lower levels (1. Subordinates can bypass, appeal to alternative authorities. 2. Merit system constraints.)
	III.2.c. Greater reluctance to delegate, more levels of review, and greater use of formal regulations (Due to difficulties in supervision and delegation, resulting from III.1.b.)
	III.2.d. More political, expository role for top managers
III.3. Organizational performance	III.3.a. Greater cautiousness, rigidity, less innovativeness
	III.3.b. More frequent turnover of top leaders due to elections and political appointments results in greater disruption of implementation of plans
III.4. Incentives and incentive structures	III.4.a. Greater difficulty in devising incentives for effective and efficient performance
	III.4.b. Lower valuation of pecuniary incentives by employees
III.5. Personal characteristics of employees	III.5.a. Variations in personality traits and needs, such as higher dominance and flexibility, higher need for achievement, on part of government managers
	III.5.b. Lower work satisfaction and lower organization commitment

(III.5. and III.5.b. represent results of individual empirical studies, rather than points of agreement among authors.)

Source: *Public Administration Review* (March–April, 1976), pp. 236–237.

year dominated by campaigning for reelection. (What second-termers look toward we scarcely know, having seen but one such term completed in the past quarter century.)

2. *Authority over the enterprise.* Subject to concurrence from the Board of Directors which appointed and can fire him, the private executive sets organization goals, shifts structures, procedure, and personnel to suit, monitors results, reviews key operational decisions, deals with key outsiders, and brings along his Board. Save for the deep but narrow sphere of military movements, a President's authority in these respects is shared with well-placed members of Congress (or their staffs); case by case, they may have more explicit authority than he does (contrast authorizations and appropriations with the "take-care" clause). As for "bringing along the Board," neither the Congressmen with whom he shares power or the primary and general electorates which "hired" him have either a Board's duties or a broad view of the enterprise precisely matching his.

3. *Career-system.* The model corporation is a true career system, something like the Forest Service after initial entry. In normal times the chief himself is chosen from within, or he is chosen from another firm in the same industry. He draws department heads et al. from among those with whom he's worked, or whom he knows in comparable companies. He and his principal associates will be familiar with each other's roles—indeed he probably has had a number of them—and also usually with one another's operating styles, personalities, idiosyncrasies. Contrast the President who rarely has had much experience "downtown," probably knows little of most roles there (much of what he knows will turn out wrong) and less of most associates whom he appoints there, willy-nilly, to fill places by inauguration day. Nor are they likely to know one another well, coming as they do from "everywhere" and headed as most are toward oblivion.

4. *Media relations.* The private executive represents his firm and speaks for it publicly in exceptional circumstances; he and his associates judge the exceptions. Those aside, he neither sees the

press nor gives its members access to internal operations, least of all in his own office, save to make a point deliberately for public-relations purposes. The President, by contrast, is routinely on display, continuously dealing with the White House press and with the wider circle of political reporters, commentators, columnists. He needs them in his business, day by day, nothing exceptional about it, and they need him in theirs: the TV Network News programs lead off with him some nights each week. They and the President are as mutually dependent as he and Congressmen (or more so). Comparatively speaking, these relations overshadow most administrative ones much of the time for him.

5. *Performance measurement.* The private executive expects to be judged, and in turn to judge subordinates, by profitability, however the firm measures it (a major strategic choice). In practice, his Board may use more subjective measures; so may he, but at risk to morale and good order. The relative virtue of profit, of "the bottom line" is its legitimacy, its general acceptance in the business world by all concerned. Never mind its technical utility in given cases, its apparent "objectivity," hence "fairness," has enormous social usefulness; a myth that all can live by. For a President there is no counterpart (expect *in extremis* the "smoking gun" to justify impeachment). The general public seems to judge a President, at least in part, by what its members think is happening to them, in their own lives; Congressmen, officials, interest groups appear to judge by what they guess, at given times, he can do for or to their causes. Members of the press interpret both of these and spread a simplified criterion affecting both, the legislative box-score, a standard of the press's own devising. The White House denigrates them all except when it does well.

6. *Implementation.* The corporate chief, supposedly, does more than choose a strategy and set a course of policy; he also is supposed to oversee what happens after, how in fact intentions turn into results, or if they don't to take corrective action, monitoring through his information system, acting, and if need be, through his personnel system. A President, by

contrast, while himself responsible for budgetary proposals, too, in many spheres of policy, appears ill-placed and ill-equipped, to monitor what agencies of state, of cities, corporations, unions, foreign governments are up to or to change personnel in charge. Yet these are very often the executants of “his” programs. Apart from defense and diplomacy the federal government does two things in the main: it issues and applies regulations and it awards grants in aid. Where these are discretionary, choice usually is vested by statute in a Senate-confirmed official well outside the White House. Monitoring is his function, not the President’s except at second-hand. And final action is the function of the subjects of the rules and funds; they mostly are not federal personnel at all. In defense, the arsenals and shipyards are gone; weaponry comes from the private sector. In foreign affairs it is the *other* governments whose actions we would influence. From implementors like these a President is far removed most of the time. He intervenes, if at all, on a crash basis, not through organizational incentives.

Underlying these lists’ sharpest distinctions between public and private management is a fundamental *constitutional difference*. In business, the functions of general management are centralized in a single individual: the Chief Executive Officer. The goal is authority commensurate with responsibility. In contrast, in the U.S. government, the functions of general management are constitutionally spread among competing institutions: the executive, two houses of Congress, and the courts. The constitutional goal was “not to promote efficiency but to preclude the exercise of arbitrary power,” as Justice Brandeis observed. Indeed, as *The Federalist Papers* make starkly clear, the aim was to create incentives to compete: “the great security against a gradual concentration of the several powers in the same branch, consists in giving those who administer each branch the constitutional means and personal motives to resist encroachment of the others. Ambition must be made to counteract ambition.”¹³ Thus, the general management functions concentrated in the CEO of a private business are, by constitutional design, spread in the public sector among a number of competing institutions and thus shared by a number of individuals whose

ambitions are set against one another. For most areas of public policy today, these individuals include at the federal level the chief elected official, the chief appointed executive, the chief career official, and several congressional chieftains. Since most public services are actually delivered by state and local governments, with independent sources of authority, this means a further array of individuals at these levels.

Section 4

An Operational Perspective: How Are the Jobs and Responsibilities of Doug Costle, Director of EPA, and Roy Chapin, CEO of American Motors, Similar and Different?

If organizations could be separated neatly into two homogeneous piles, one public and one private, the task of identifying similarities and differences between managers of these enterprises would be relatively easy. In fact, as Dunlop has pointed out, “the real world of management is composed of distributions, rather than single undifferentiated forms, and there is an increasing variety of hybrids.” Thus for each major attribute of organizations, specific entities can be located on a spectrum. On most dimensions, organizations classified as “predominantly public” and those “predominantly private” overlap.¹⁴ Private business organizations vary enormously among themselves in size, in management structure and philosophy, and in the constraints under which they operate. For example, forms of ownership and types of managerial control may be somewhat unrelated. Compare a family-held enterprise, for instance, with a public utility and a decentralized conglomerate, a Bechtel with ATT and Textron. Similarly, there are vast differences in management of governmental organizations. Compare the Government Printing Office or TVA or the police department of a small town with the Department of Energy or the Department of Health and Human Services. These distributions and varieties should encourage penetrating comparisons within both business and governmental organizations,

as well as contrasts and comparisons across these broad categories, a point to which we shall return in considering directions for research.

Absent a major research effort, it may nonetheless be worthwhile to examine the jobs and responsibilities of two specific managers, neither polar extremes, but one clearly public, the other private. For this purpose, and primarily because of the availability of cases that describe the problems and opportunities each confronted, consider Doug Costle, Administrator of EPA, and Roy Chapin, CEO of American Motors.¹⁵

Doug Costle, Administrator of EPA, January 1977 The mission of EPA is prescribed by laws creating the agency and authorizing its major programs. That mission is “to control and abate pollution in the areas of air, water, solid wastes, noise, radiation, and toxic substances. EPA’s mandate is to mount an integrated, coordinated attack on environmental pollution in cooperation with state and local governments.”¹⁶

EPA’s organizational structure follows from its legislative mandates to control particular pollutants in specific environments: air and water, solid wastes, noise, radiation, pesticides and chemicals. As the new Administrator, Costle inherited the Ford Administration’s proposed budget for EPA of \$802 million for federal 1978 with a ceiling of 9,698 agency positions.

The setting into which Costle stepped is difficult to summarize briefly. As Costle characterized it:

- “Outside there is a confusion on the part of the public in terms of what this agency is all about: what it is doing, where it is going.”
- “The most serious constraint on EPA is the inherent complexity in the state of our knowledge, which is constantly changing.”
- “Too often, acting under extreme deadlines mandated by Congress, EPA has announced regulations, only to find out that they knew very little about the problem. The central problem is the inherent complexity of the job that the agency has been asked to do and the fact that what it is asked to do changes from day to day.”

- “There are very difficult internal management issues not amenable to quick solution: the skills mix problem within the agency; a research program with laboratory facilities scattered all over the country and cemented in place, largely by political alliances on the Hill that would frustrate efforts to pull together a coherent research program.”
- “In terms of EPA’s original mandate in the bulk pollutants we may be hitting the asymptotic part of the curve in terms of incremental clean-up costs. You have clearly conflicting national goals: energy and environment, for example.”

Costle judged his six major tasks at the outset to be:

- assembling a top management team (six assistant administrators and some 25 office heads);
- addressing EPA’s legislative agenda (EPA’s basic legislative charter—the Clean Air Act and the Clean Water Act—were being rewritten as he took office; the pesticides program was up for reauthorization also in 1977);
- establishing EPA’s role in the Carter Administration (aware that the Administration would face hard tradeoffs between the environment and energy, energy regulations and the economy, EPA regulations of toxic substances and the regulations of FDA, CSPA, and OSHA, Costle identified the need to build relations with the other key players and to enhance EPA’s standing);
- building ties to constituent groups (both because of their role in legislating the agency’s mandate and in successful implementation of EPA’s programs);
- making specific policy decisions (for example, whether to grant or deny a permit for the Seabrook Nuclear Generating Plant cooling system. Or how the Toxic Substance Control Act, enacted in October 1976, would be implemented: this act gave EPA new responsibilities for regulating the manufacture, distribution, and use of chemical substances so

as to prevent unreasonable risks to health and the environment. Whether EPA would require chemical manufacturers to provide some minimum information on various substances, or require much stricter reporting requirements for the 1,000 chemical substances already known to be hazardous, or require companies to report all chemicals, and on what timetable, had to be decided and the regulations issued);

- rationalizing the internal organization of the agency (EPA's extreme decentralization to the regions and its limited technical expertise).

No easy job.

Roy Chapin and American Motors, January 1977 In January 1967, in an atmosphere of crisis, Roy Chapin was appointed Chairman and Chief Executive Officer of American Motors (and William Luneburg, President and Chief Operating Officer). In the four previous years, AMC unit sales had fallen 37 percent and market share from over 6 percent to under 3 percent. Dollar volume in 1967 was off 42 percent from the all-time high of 1963 and earnings showed a net loss of \$76 million on sales of \$656 million. Columnists began writing obituaries for AMC. *Newsweek* characterized AMC as “a flabby dispirited company, a product solid enough but styled with about as much flair as corrective shoes, and a public image that melted down to one unshakable label: loser.” Said Chapin: “We were driving with one foot on the accelerator and one foot on the brake. We didn't know where the hell we were.”

Chapin announced to his stockholders at the outset that “we plan to direct ourselves most specifically to those areas of the market where we can be fully effective. We are not going to attempt to be all things to all people, but to concentrate on those areas of consumer needs we can meet better than anyone else.” As he recalled: “There were problems early in 1967 which demanded immediate attention, and which accounted for much of our time for several months. Nevertheless, we began planning beyond them, establishing objectives, programs, and timetables through 1972. Whatever

happened in the short run, we had to prove ourselves in the marketplace in the long run.”

Chapin's immediate problems were five:

- The company was virtually out of cash and an immediate supplemental bank loan of \$20 million was essential.
- Car inventories—company owned and dealer owned—had reached unprecedented levels. The solution to this glut took five months and could be accomplished only by a series of plant shut-downs in January 1967.
- Sales of the Rambler American series had stagnated and inventories were accumulating; a dramatic merchandising move was concocted and implemented in February, dropping the price tag on the American to a position midway between the VW and competitive smaller U.S. compacts, by both cutting the price to dealers and trimming dealer discounts from 21 percent to 17 percent.
- Administrative and commercial expenses were much too high and thus a vigorous cost reduction program was initiated that trimmed \$15 million during the first year. Manufacturing and purchasing costs were also trimmed significantly to approach the most effective levels in the industry.
- The company's public image had deteriorated: the press was pessimistic and much of the financial community had written it off. To counteract this, numerous formal and informal meetings were held with bankers, investment firms, government officials, and the press.

As Chapin recalls “with the immediate fires put out, we could put in place the pieces of a corporate growth plan—a definition of a way of life in the auto industry for American Motors. We felt that our reason for being, which would enable us not just to survive but to grow, lay in bringing a different approach to the auto market—in picking our spots and then being innovative and aggressive.” The new corporate growth plan included a dramatic change in the approach to the market to establish a “youthful image” for the company (by bringing out new sporty models like the Javelin

and by entering the racing field), “changing the product line from one end to the other” by 1972, acquiring Kaiser Jeep (selling the company’s non-transportation assets and concentrating on specialized transportation, including Jeep, a company that had lost money in each of the preceding five years, but that Chapin believed could be turned around by substantial cost reductions and economies of scale in manufacturing, purchasing, and administration).

Chapin succeeded: for the year ending September 30, 1971, AMC earned \$10.2 million on sales of \$1.2 billion.

Recalling the list of general management functions in Table 1, which similarities and differences appear salient and important?

Strategy Both Chapin and Costle had to establish objectives and priorities and to devise operational plans. In business, “corporate strategy is the pattern of major objectives, purposes, or goals and essential policies and plans for achieving these goals, stated in such a way as to define what businesses the company is in or is to be in and the kind of company it is or is to be.”¹⁷ In reshaping the strategy of AMC and concentrating on particular segments of the transportation market, Chapin had to consult his Board and had to arrange financing. But the control was substantially his.

How much choice did Costle have at EPA as to the “business it is or is to be in” or the kind of agency “it is or is to be”? These major strategic choices emerged from the legislative process which mandated whether he should be in the business of controlling pesticides or toxic substances and if so on what timetable, and occasionally, even what level of particulate per million units he was required to control. The relative role of the President, other members of the administration (including White House staff, Congressional relations, and other agency heads), the EPA Administrator, Congressional committee chairmen, and external groups in establishing the broad strategy of the agency constitutes an interesting question.

Managing Internal Components For both Costle and Chapin, staffing was key. As Donald Rumsfeld has observed “the single, most important task of the chief executive is to select the right people. I’ve seen terrible organization

charts in both government and business that were made to work well by good people. I’ve seen beautifully charted organizations that didn’t work very well because they had the wrong people.”¹⁸

The leeway of the two executives in organizing and staffing were considerably different, however. Chapin closed down plants, moved key managers, hired and fired, virtually at will. As Michael Blumenthal has written about Treasury, “if you wish to make substantive changes, policy changes, and the Department’s employees don’t like what you’re doing, they have ways of frustrating you or stopping you that do not exist in private industry. The main method they have is Congress. If I say I want to shut down a particular unit or transfer the function of one area to another, there are ways of going to Congress and in fact using friends in the Congress to block the move. They can also use the press to try to stop you. If I at Bendix wished to transfer a division from Ann Arbor to Detroit because I figured out that we could save money that way, as long as I could do it decently and carefully, it’s of no lasting interest to the press. The press can’t stop me. They may write about it in the local paper, but that’s about it.”¹⁹

For Costle, the basic structure of the agency was set by law. The labs, their locations and most of their personnel were fixed. Though he could recruit his key subordinates, again restrictions like the conflict of interest law and the prospect of a Senate confirmation fight led him to drop his first choice for the Assistant Administrator for Research and Development, since he had worked for a major chemical company. While Costle could resort to changes in the process for developing policy or regulations in order to circumvent key office directors whose views he did not share, for example, Eric Stork, the deputy assistant Administrator in charge of Mobile Source Air Program, such maneuvers took considerable time, provoked extensive infighting, and delayed significantly the development of Costle’s program.

In the direction of personnel and management of the personnel system, Chapin exercised considerable authority. While the United Auto Workers limited his authority over workers, at the management level he

assigned people and reassigned responsibility consistent with his general plan. While others may have felt that his decisions to close down particular plants or to drop a particular product were mistaken, they complied. As George Schultz has observed: “One of the first lessons I learned in moving from government to business is that in business you must be very careful when you tell someone who is working for you to do something because the probability is high that he or she will do it.”²⁰

Costle faced a civil service system designed to prevent spoils as much as to promote productivity. The Civil Service Commission exercised much of the responsibility for the personnel function in his agency. Civil service rules severely restricted his discretion, took long periods to exhaust, and often required complex maneuvering in a specific case to achieve any results. Equal opportunity rules and their administration provided yet another network of procedural and substantive inhibitions. In retrospect, Costle found the civil service system a much larger constraint on his actions and demand on his time than he had anticipated.

In controlling performance, Chapin was able to use measures like profit and market share, to decompose those objectives to sub-objectives for lower levels of the organization and to measure the performance of managers of particular models, areas, divisions. Cost accounting rules permitted him to compare plants within AMC and to compare AMC’s purchases, production, and even administration with the best practice in the industry.

Managing External Constituencies As Chief Executive Officer, Chapin had to deal only with the Board. For Costle, within the executive branch but beyond his agency lay many factors critical to the achievement of his agency’s objectives: the President and the White House, Energy, Interior, the Council on Environmental Quality, OMB. Actions each could take, either independently or after a process of consultation in which they disagreed with him, could frustrate his agency’s achievement of its assigned mission. Consequently, he spent considerable time building his agency’s reputation and capital for interagency disputes.

Dealing with independent external organizations was a necessary and even larger part of Costle’s job. Since his agency’s mission, strategy, authorizations, and appropriations emerged from the process of legislation, attention to Congressional committees, and Congressmen, and Congressmen’s staff, and people who affect Congressmen and Congressional staffers rose to the top of Costle’s agenda. In the first year, top level EPA officials appeared over 140 times before some 60 different committees and subcommittees.

Chapin’s ability to achieve AMC’s objectives could also be affected by independent external organizations: competitors, government (the Clean Air Act that was passed in 1970), consumer groups (recall Ralph Nader), and even suppliers of oil. More than most private managers, Chapin had to deal with the press in attempting to change the image of AMC. Such occasions were primarily at Chapin’s initiative, and around events that Chapin’s public affairs office orchestrated, for example, the announcement of a new racing car. Chapin also managed a marketing effort to persuade consumers that their tastes could best be satisfied by AMC products.

Costle’s work was suffused by the press: in the daily working of the organization, in the perception by key publics of the agency and thus the agency’s influence with relevant parties, and even in the setting of the agenda of issues to which the agency had to respond.

For Chapin, the bottom line was profit, market share, and the long-term competitive position of AMC. For Costle, what are the equivalent performance measures? Blumenthal answers by exaggerating the difference between appearance and reality: “At Bendix, it was the reality of the situation that in the end determined whether we succeeded or not. In the crudest sense, this meant the bottom line. You can dress up profits only for so long—if you’re not successful, its going to be clear. In government there is no bottom line, and that is why you can be successful if you appear to be successful—though, of course, appearance is not the only ingredient of success.”²¹ Rumsfeld says: “In business, you’re pretty much judged by results. I don’t think the American people judge government officials this way... In

government, too often you're measured by how much you seem to care, how hard you seem to try—things that do not necessarily improve the human condition. . . . It's a lot easier for a President to get into something and end up with a few days of good public reaction than it is to follow through, to pursue policies to a point where they have a beneficial effect on human lives."²² As George Shultz says: "In government and politics, recognition and therefore incentives go to those who formulate policy and maneuver legislative compromise. By sharp contrast, the kudos and incentives in business go to the persons who can get something done. It is execution that counts. Who can get the plant built, who can bring home the sales contract, who can carry out the financing, and so on."²³

This casual comparison of one public and one private manager suggests what could be done—if the issue of comparisons were pursued systematically, horizontally across organizations and at various levels within organizations. While much can be learned by examining the chief executive officers of organizations, still more promising should be comparisons among the much larger numbers of middle managers. If one compared, for example, a regional administrator of EPA and an AMC division chief, or two comptrollers, or equivalent plant managers, some functions would appear more similar, and other differences would stand out. The major barrier to such comparisons is the lack of cases describing problems and practices of middle-level managers.²⁴ This should be a high priority in further research.

The differences noted in this comparison, for example, in the personnel area, have already changed with the Civil Service Reform Act of 1978 and the creation of the Senior Executive Service. Significant changes have also occurred in the automobile industry: under current circumstances, the CEO of Chrysler may seem much more like the Administrator of EPA. More precise comparison of different levels of management in both organizations, for example, accounting procedures used by Chapin to cut costs significantly as compared to equivalent procedures for judging the costs of EPA mandated pollution control devices, would be instructive.

Section 5

Implications for Research on Public Management

The debate between the assimilators and the differentiators, like the dispute between proponents of convergence and divergence between the U.S. and the Soviet Union reminds me of the old argument about whether the glass is half full or half empty. I conclude that public and private management are at least as different as they are similar, and that the differences are more important than the similarities. From this review of the "state of the art," such as it is, I draw a number of lessons for research on public management. I will try to state them in a way that is both succinct and provocative:

- First, the demand for performance from government and efficiency in government is both real and right. The perception that government's performance lags private business performance is also correct. But the notion that there is any significant body of private management practices and skills that can be transferred directly to public management tasks in a way that produces significant improvements is wrong.
- Second, performance in many public management positions can be improved substantially, perhaps by an order of magnitude. That improvement will come not, however, from massive borrowing of specific private management skills and understandings. Instead, it will come, as it did in the history of private management, from an articulation of the general management function and a self-consciousness about the general public management point of view. The single lesson of private management most instructive to public management is the prospect of substantial improvement through recognition of and consciousness about the public management function.

Alfred Chandler's prize winning study, *The Visible Hand: The Managerial Revolution in American Business*,²⁵ describes the emergence of professional management in business. Through the 19th century most American

businesses were run by individuals who performed management functions but had no self-consciousness about their management responsibilities. With the articulation of the general management perspective and the refinement of general management practices, by the 1920s, American businesses had become competitive in the management function. Individuals capable at management and self-conscious about their management tasks—setting objectives, establishing priorities, and driving the organization to results—entered firms and industries previously run by family entrepreneurs or ordinary employees and brought about dramatic increases in product. Business schools emerged to document better and worse practice, largely through the case method, to suggest improvements, and to refine specific management instruments. Important advances were made in technique. But the great leaps forward in productivity stemmed from the articulation of the general management point of view and the self-consciousness of managers about their function. (Analogously, at a lower level, the articulation of the salesman's role and task, together with the skills and values of salesmanship made it possible for individuals with moderate talents at sales to increase their level of sales tenfold.)

The routes by which people reach general management positions in government do not assure that they will have consciousness or competence in management. As a wise observer of government managers has written, "One of the difficult problems of schools of public affairs is to overcome the old-fashioned belief—still held by many otherwise sophisticated people—that the skills of management are simply the application of 'common sense' by any intelligent and broadly educated person to the management problems which are presented to him. It is demonstrable that many intelligent and broadly educated people who are generally credited with a good deal of 'common sense' make very poor managers. The skills of effective management require a good deal of uncommon sense and uncommon knowledge."²⁶ I believe that the most significant aspect of the Civil Service Reform Act of 1978 is the creation of the Senior Executive Service; the explicit identification of general managers in government. The challenge

now is to assist people who occupy general management positions in actually becoming general managers.

- Third, careful review of private management rules of thumb that can be adapted to public management contexts will pay off. The 80–20 rule—80 percent of the benefits of most production processes come from the first 20 percent of effort—does have wide application, for example, in EPA efforts to reduce bulk pollutants.
- Fourth, Chandler documents the proposition that the categories and criteria for identifying costs, or calculating present value, or measuring the value added to intermediate products are not "natural." They are invented: creations of intelligence harnessed to operational tasks. While there are some particular accounting categories and rules, for example, for costing intermediate products, that may be directly transferable to public sector problems, the larger lesson is that dedicated attention to specific management functions can, as in the history of business, create for public sector managers accounting categories, and rules, and measures that cannot now be imagined.²⁷
- Fifth, it is possible to learn from experience. What skills, attributes, and practices do competent managers exhibit and less successful managers lack? This is an empirical question that can be investigated in a straight-forward manner. As Yogi Berra noted: "You can observe a lot just by watching."
- Sixth, the effort to develop public management as a field of knowledge should start from problems faced by practicing public managers. The preferences of professors for theorizing reflects deep-seated incentives of the academy that can be overcome only by careful institutional design.

In the light of these lessons, I believe one strategy for the development of public management should include:

- *Developing a significant number of cases on public management problems and*

practices. Cases should describe typical problems faced by public managers. Cases should attend not only to top-level managers but to middle and lower-level managers. The dearth of cases at this level makes this a high priority for development. Cases should examine both general functions of management and specific organizational tasks, for example, hiring and firing. Public management cases should concentrate on the job of the manager running his unit.

- *Analyzing cases to identify better and worse practice*. Scientists search for “critical experiments.” Students of public management should seek to identify “critical experiences” that new public managers could live through vicariously and learn from. Because of the availability of information, academics tend to focus on failures. But teaching people what not to do is not necessarily the best way to help them learn to be *doers*. By analyzing relative successes, it will be possible to extract rules of thumb, crutches, and concepts, for example, Chase’s “law”: wherever the product of a public organization has not been monitored in a way that ties performance to reward, the introduction of an effective monitoring system will yield a 50 percent improvement in that product in the short run. GAO’s handbooks on evaluation techniques and summaries suggest what can be done.
- *Promoting systematic comparative research*: management positions in a single agency over time; similar management positions among several public agencies; public management levels within a single agency; similar management functions, for example, budgeting or management information systems, among agencies; managers across public and private organizations; and even cross-nationally. The data for this comparative research would be produced by the case development effort and would complement the large-scale development of cases on private management that is ongoing.

- *Linking to the training of public managers*. Intellectual development of the field of public management should be tightly linked to the training of public managers, including individuals already in positions of significant responsibility. Successful practice will appear in government, not in the university. University-based documentation of better and worse practice and refinement of that practice, should start from problems of managers on the line. The intellectual effort required to develop the field of public management and the resources required to support this level of effort are most likely to be assembled if research and training are vitally linked. The new Senior Executive Service presents a *major* opportunity to do this.

The strategy outlined here is certainly not the only strategy for research in public management. Given the needs for effective public management, I believe that a major research effort should be mounted and that it should pursue a number of complementary strategies. Given where we start, I see no danger of overattention to, or overinvestment in the effort required in the immediate future.

Any resemblance between my preferred strategy and that of at least one school of government is not purely coincidental.

NOTES

1. In contrast to the management of structured hierarchies, for which the metaphor of a traditional football game in which each team attempts to amass the larger number of points is apt, an organized anarchy is better thought of as a soccer game played on a round field, ringed with goals; players enter and leave the field sporadically, and while there vigorously kick various balls of sundry sizes and shapes towards one or another of the goals, judging themselves and being judged by assorted, ambiguous scoring systems. See Michael Cohen and James March, *Leadership and Ambiguity* (McGraw-Hill, 1974).
2. Selma J. Mushkin, Frank H. Sandifer, and Sally FAMILTON, *Current Status of Public*

- Management: Research Conducted by or Supported by Federal Agencies* (Public Services Laboratory, Georgetown University, 1978), p. 10.
3. *Ibid.*, p. 11.
 4. Though frequently identified as the author who established the complete separation between “policy” and “administration,” Woodrow Wilson has in fact been unjustly accused. “It is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency . . .” (Wilson, “The Study of Public Administration,” published as an essay in 1888 and reprinted in *Political Science Quarterly* [December 1941]: 481.) For another statement of the same point, see Brooks Adams, *The Theory of Social Revolutions* (Macmillan, 1913), pp. 207–208.
 5. See Dwight Waldo, “Organization Theory: Revisiting the Elephant,” *Pub. Adm. Rev.* (November–December 1978). Reviewing the growing volume of books and articles on organization theory, Waldo notes that “growth in the volume of the literature is to be equated with growth in knowledge.”
 6. See *Cases in Public Policy and Management*, spring 1979, of the Intercollegiate Case Clearing House for a bibliography containing descriptions of 577 cases by 366 individuals from 79 institutions. Current casework builds on and expands earlier efforts of the Inter-University Case Program. See, for example, Harold Stein, ed., *Public Administration and Policy Development: A Case Book* (Harcourt, Brace, and Jovanovich, 1952); Edwin A. Bock and Alan K. Campbell, eds., *Case Studies in American Government* (Prentice Hall, 1962).
 7. Luther Gulick and Al Urwick, eds., *Papers in the Science of Public Administration* (Institute of Public Administration, 1937).
 8. See, for example, Chester I. Barnard, *The Functions of the Executive* (Harvard University Press, 1938); Peter F. Drucker, *Management: Tasks, Responsibilities, Practices* (Harper and Row, 1974). Barnard’s recognition of human relations added an important dimension neglected in earlier lists.
 9. See, for example, George Romney, “A Businessman in a Political Jungle,” *Fortune*, April 1964; Michael Blumenthal, “Candid Reflections of a Businessman in Washington,” *Fortune*, January 29, 1979; Donald Rumsfeld, “A Politician Turned Executive,” *Fortune*, September 10, 1979; George Shultz, “The Ambitions Interface,” *Harvard Business Review* (November–December 1979).
 10. John T. Dunlop, “Public Management” (draft of an unpublished paper and proposal, summer 1979).
 11. Hal G. Rainey, Robert W. Backoff, and Charles N. Levine, “Comparing Public and Private Organizations,” *Pub. Adm. Rev.* (March–April 1976).
 12. Richard E. Neustadt, “American Presidents and Corporate Executives” (paper prepared for a meeting of the National Academy of Public Administration’s Panel on Presidential Management, October 7–8, 1979).
 13. *The Federalists Papers*, no. 51. The word “department” has been translated as “branch,” which was its meaning in the original papers.
 14. Failure to recognize the fact of distributions has led some observers to leap from one instance of similarity between public and private to general propositions about similarities between public and private institutions or management. See, for example, Michael Murray, “Comparing Public and Private Management: An Exploratory Essay,” *Pub. Adm. Rev.* (July–August 1975).
 15. These examples are taken from Bruce Scott, “American Motors Corporation” (Intercollegiate Case Clearing House #9-364-001); Charles B. Weigle, with the collaboration of C. Roland Christensen, “American Motors Corporation II” (Intercollegiate Case Clearing House #6-372-350); Thomas R. Hitchner and Jacob Lew, under the supervision of Philip B. Heymann and Stephen B. Hitchner, “Douglas Costle and the EPA (A)” (Kennedy School of Government Case #C94-78-216); and Jacob Lew and Stephen B. Hitchner, “Douglas Costle and the EPA (B)” (Kennedy School of Government Case #C96-78-217). For an earlier exploration of a similar comparison, see Joseph Bower,

- “Effective Public Management,” *Harvard Business Review* (March–April 1977).
16. *U.S. Government Manual* (1978/1979), p. 507.
 17. Kenneth R. Andrews, *The Concept of Corporate Strategy* (Dow Jones-Irwin, 1971), p. 28.
 18. Rumsfeld, op. cit., p. 92.
 19. Blumenthal, op. cit., p. 39.
 20. Shultz, op. cit., p. 95.
 21. Blumenthal, op. cit., p. 36.
 22. Rumsfeld, op. cit., p. 90.
 23. Shultz, op. cit., p. 95.
 24. The cases developed by Boston University’s Public Management Program offer a promising start in this direction.
 25. Alfred Chandler, *The Visible Hand: The Managerial Revolution in American Business*, (Cambridge, Mass.: Harvard University Press, Belknap Press, 1977).
 26. Rufus Miles, “The Search for Identity of Graduate Schools of Public Affairs,” *Pub. Adm. Rev.* (November 1967).
 27. Chandler, op. cit., pp. 277–279.

Street-Level Bureaucracy: The Critical Role of Street-Level Bureaucrats

Michael Lipsky

Public service workers currently occupy a critical position in American society. Although they are normally regarded as low-level employees, the actions of most public service workers actually constitute the services “delivered” by government. Moreover, when taken together the individual decisions of these workers become, or add up to, agency policy. Whether government policy is to deliver “goods”—such as welfare or public housing—or to confer status—such as “criminal” or “mentally ill”—the discretionary actions of public employees are the benefits and sanctions of government programs or determine access to government rights and benefits.

Most citizens encounter government (if they encounter it at all) not through letters to congressmen or by attendance at school board meetings but through their teachers and their children’s teachers and through the policeman on the corner or in the patrol car. Each encounter of this kind represents an instance of policy delivery.

Public service workers who interact directly with citizens in the course of their jobs, and who have substantial discretion in the execution of their work are called *street-level bureaucrats* in this study. Public service agencies that employ a significant number of street-level bureaucrats in proportion to their work force are called *street-level bureaucracies*. Typical

street-level bureaucrats are teachers, police officers and other law enforcement personnel, social workers, judges, public lawyers and other court officers, health workers, and many other public employees who grant access to government programs and provide services with them. People who work in these jobs tend to have much in common because they experience analytically similar work conditions.¹

The way in which street-level bureaucrats deliver benefits and sanctions structure and delimit people’s lives and opportunities. These ways orient and provide the social (and political) context in which people act. Thus every extension of service benefits is accompanied by an extension of state influence and control. As providers of public order, street-level bureaucrats are the focus of political controversy. They are constantly torn by the demands of service recipients to improve effectiveness and responsiveness and by the demands of citizen groups to improve the efficacy and efficiency of government services. Since the salaries of street-level bureaucrats comprise a significant proportion of non-defense governmental expenditures, any doubts about the size of government budgets quickly translate into concerns for the scope and content of these public services. Moreover, public service workers have expanded and increasingly consolidated their collective strength so that in disputes over the scope of public services they have become a substantial independent force in the resolution of controversy affecting their status and position.

Street-level bureaucrats dominate political controversies over public services for two general reasons. First, debates about the proper scope and focus of governmental services are essentially debates over the scope and function of these public employees. Second, street-level bureaucrats have considerable impact on people’s lives. This impact may be of several kinds. They socialize citizens to expectations of government services and a place in the political

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community. They determine the eligibility of citizens for government benefits and sanctions. They oversee the treatment (the service) citizens receive in those programs. Thus, in a sense street-level bureaucrats implicitly mediate aspects of the constitutional relationship of citizens to the state. In short, they hold the key to a dimension of citizenship.

Conflict over the Scope and Substance of Public Services

In the world of experience we perceive teachers, welfare workers, and police officers as members of separately organized and motivated public agencies. And so they are from many points of view. But if we divide public employees according to whether they interact with citizens directly and have discretion over significant aspects of citizens' lives, we see that a high proportion and enormous number of public workers share these job characteristics. They comprise a great portion of all public employees working in domestic affairs. State and local governments employ approximately 3.7 million in local schools, more than 500,000 people in police operations, and over 300,000 people in public welfare. Public school employees represent more than half of all workers employed in local governments. Instructional jobs represent about two-thirds of the educational personnel, and many of the rest are former teachers engaged in administration, or social workers, psychologists, and librarians who provide direct services in the schools. Of the 3.2 million local government public employees not engaged in education, approximately 14 percent work as police officers. One of every sixteen jobs in state and local government outside of education is held by a public welfare worker.² In this and other areas the majority of jobs are held by people with responsibility for involvement with citizens.

Other street-level bureaucrats comprise an important part of the remainder of local government personnel rolls. Although the U.S. Census Bureau does not provide breakdowns of other job classifications suitable for our purposes, we can assume that many of the 1.1 million health workers,³ most of the 5,000 public

service lawyers,⁴ many of the employees of the various court systems, and other public employees also perform as street-level bureaucrats. Some of the nation's larger cities employ a staggering number of street-level bureaucrats. For example, the 26,680 school teachers in Chicago are more numerous than the populations of many of the Chicago suburbs.⁵

Another measure of the significance of street-level bureaucrats in public sector employment is the amount of public funds allocated to pay them. Of all local government salaries, more than half went to public education in 1973. Almost 80 percent of these monies was used to pay instructional personnel. Police salaries comprised approximately one-sixth of local public salaries not assigned to education.⁶

Much of the growth in public employment in the past 25 years has occurred in the ranks of street-level bureaucrats. From 1955 to 1975 government employment more than doubled, largely because the baby boom of the postwar years and the growing number of elderly, dependent citizens increased state and local activity in education, health, and public welfare.⁷

Street-level bureaucracies are labor-intensive in the extreme. Their business is providing service through people, and the operating costs of such agencies reflect their dependence upon salaried workers. Thus most of whatever is spent by government on education, police, or other social services (aside, of course, from income maintenance, or in the case of jails and prisons, inmate upkeep) goes directly to pay street-level bureaucrats. For example, in large cities over 90 percent of police expenditures is used to pay for salaries.⁸

Not only do the salaries of street-level bureaucrats constitute a major portion of the cost of public services, but also the scope of public services employing street-level bureaucrats has increased over time. Charity was once the responsibility of private agencies. The federal government now provides for the income needs of the poor. The public sector has absorbed responsibilities previously discharged by private organizations in such diverse and critical areas as policing, education, and health. Moreover, in all these fields government not only has supplanted private organizations but

also has expanded the scope of responsibility of public ones. This is evident in increased public expectations for security and public safety, the extension of responsibilities in the schools to concerns with infant as well as post-adolescent development, and public demands for affordable health care services.⁹

Public safety, public health, and public education *may* still be elusive social objectives, but in the past century they have been transformed into areas for which there is active governmental responsibility. The transformation of public responsibility in the area of social welfare has led some to recognize that what people “have” in modern American society often may consist primarily of their claims on government “largesse,” and that claims to this “new property” should be protected as a right of citizens.¹⁰ Street-level bureaucrats play a critical role in these citizen entitlements. Either they directly provide public benefits through services, or they mediate between citizens and their new but by no means secure estates.

The poorer people are, the greater the influence street-level bureaucrats tend to have over them. Indeed, these public workers are so situated that they may well be taken to be part of the problem of being poor. Consider the welfare recipient who lives in public housing and seeks the assistance of a legal services lawyer in order to reinstate her son in school. He has been suspended because of frequent encounters with the police. She is caught in a net of street-level bureaucrats with conflicting orientations toward her, all acting in what they call her “interest” and “the public interest.”¹¹

People who are not able to purchase services in the private sector must seek them from government if they are to receive them at all. Indeed, it is taken as a sign of social progress that poor people are granted access to services if they are too poor to pay for them.

Thus, when social reformers seek to ameliorate the problems of the poor, they often end up discussing the status of street-level bureaucrats. Welfare reformers move to separate service provision from decisions about support payments, or they design a negative income tax system that would eliminate social workers in allocating welfare. Problems of backlog in the courts are met with proposals to increase the number

of judges. Recognition that early-childhood development largely established the potential for later achievement results in the development of new programs (such as Head Start) in and out of established institutions, to provide enriched early-childhood experiences.

In the 1960s and early 1970s the modal governmental response to social problems was to commission a corps of street-level bureaucrats to attend to them. Are poor people deprived of equal access to the courts? Provide them with lawyers. Equal access to health care? Establish neighborhood clinics. Educational opportunity? Develop preschool enrichment programs. It is far easier and less disruptive to develop employment for street-level bureaucrats than to reduce income inequalities.

In recent years public employees have benefited considerably from the growth of public spending on street-level bureaucracies.¹² Salaries have increased from inadequate to respectable and even desirable. Meanwhile, public employees, with street-level bureaucrats in the lead, have secured unprecedented control over their work environments through the development of unions and union-like associations.¹³ For example, teachers and other instructional personnel have often been able to maintain their positions and even increase in number, although schools are more frequently under attack for their cost to taxpayers. The ratio of instructional personnel in schools has continued to rise despite the decline in the number of school-age children.¹⁴ This development supplements general public support for the view that some street-level bureaucrats, such as teachers and police officers, are necessary for a healthy society.¹⁵

The fiscal crisis that has affected many cities, notably New York and more recently Cleveland and Newark, has provided an opportunity to assess the capacity of public service workers to hold onto their jobs in the face of enormous pressures. Since so much of municipal budgets consists of inflexible, mandated costs—for debt service, pension plans and other personnel benefits, contractually obligated salary increases, capital expenditure commitments, energy purchases, and so on—the place to find “fat” to eliminate from municipal budgets is in the service sector, where most expenditures tend to be

for salaries. While many public employees have been fired during this crisis period, it is significant that public service workers often have been able to lobby, bargain, and cajole to minimize this attrition.¹⁶ They are supported in their claims by a public fearful of a reduced police force on the street and resentful of dirtier streets resulting from fewer garbage pickups. They are supported by families whose children will receive less instruction from fewer specialists than in the past if teachers are fired. And it does not hurt their arguments that many public employees and their relatives vote in the city considering force reductions.¹⁷

The growth of the service sector represents the furthest reaches of the welfare state. The service sector penetrates every area of human needs as they are recognized and defined, and it grows within each recognized area. This is not to say that the need is met, but only that the service state breaches the barriers between public responsibility and private affairs.

The fiscal crisis of the cities focuses on the service sector, fundamentally challenging the priorities of the service state under current perceptions of scarcity. Liberals have now joined fiscal conservatives in challenging service provision. They do not do so directly, by questioning whether public services and responsibilities developed in this century are appropriate. Instead, they do it backhandedly, arguing that the accretion of public employees and their apparently irreversible demands upon revenues threaten the autonomy, flexibility, and prosperity of the political order. Debates over the proper scope of services face the threat of being overwhelmed by challenges to the entire social service structure as seen from the perspective of unbalanced public budgets.

Conflict over Interactions with Citizens

I have argued that street-level bureaucrats engender controversy because they must be dealt with if policy is to change. A second reason street-level bureaucrats tend to be the focus of public controversy is the immediacy of their interactions with citizens and their impact on people's lives. The policy delivered by

street-level bureaucrats is most often immediate and personal. They usually make decisions on the spot (although sometimes they try not to) and their determinations are focused entirely on the individual. In contrast, an urban renewal program might destroy a neighborhood and replace and substitute new housing and different people, but the policy was prolonged, had many different stages, and was usually played out in arenas far removed from the daily life of neighborhood residents.

The decisions of street-level bureaucrats tend to be redistributive as well as allocative. By determining eligibility for benefits they enhance the claims of some citizens to governmental goods and services at the expense of general taxpayers and those whose claims are denied. By increasing or decreasing benefits availability to low-income recipient populations they implicitly regulate the degree of redistribution that will be paid for by more affluent sectors.

In another sense, in delivery policy street-level bureaucrats make decisions about people that affect their life chances. To designate or treat someone as a welfare recipient, a juvenile delinquent, or a high achiever affects the relationships of others to that person and also affects the person's self-evaluation. Thus begins (or continues) the social process that we infer accounts for so many self-fulfilling prophecies. The child judged to be a juvenile delinquent develops such a self-image and is grouped with other "delinquents," increasing the chances that he or she will adopt the behavior thought to have been incipient in the first place. Children thought by their teacher to be richly endowed in learning ability learn more than peers of equal intelligence who were not thought to be superior.¹⁸ Welfare recipients find or accept housing inferior to those with equal disposable incomes who are not recipients.¹⁹

A defining facet of the working environment of street-level bureaucrats is that they must deal with clients' personal reactions to their decisions, however they cope with their implications. To say that people's self-evaluation is affected by the actions of street-level bureaucrats is to say that people are reactive to the policy. This is not exclusively confined to subconscious processes. Clients of street-level

bureaucracies respond angrily to real or perceived injustices, develop strategies to ingratiate themselves with workers, act grateful and elated or sullen and passive in reaction to street-level bureaucrats' decisions. It is one thing to be treated neglectfully and routinely by the telephone company, the motor vehicle bureau, or other government agencies whose agents know nothing of the personal circumstances surrounding a claim or request. It is quite another thing to be shuffled, categorized, and treated "bureaucratically" (in the pejorative sense), by someone to whom one is directly talking and from whom one expects at least an open and sympathetic hearing. In short, the reality of the work of street-level bureaucrats could hardly be farther from the bureaucratic ideal of impersonal detachment in decision making.²⁰ On the contrary, in street-level bureaucracies the objects of critical decisions—*people*—actually change as a result of the decisions.

Street-level bureaucrats are also the focus of citizen reactions because their discretion opens up the possibility that they will respond favorably on behalf of people. Their general and diffuse obligation to the "public interest" permits hope to flourish that the individual worker will adopt a benign or favorable orientation toward the client. Thus, in a world of large and impersonal agencies that apparently hold the keys to important benefits, sanctions, and opportunities, the ambiguity of work definitions sustains hope for a friend in court.

This discussion helps explain continued controversy over street-level bureaucracies at the level of individual service provision. At the same time, the peculiar nature of government service delivery through street-level bureaucrats helps explain why street-level bureaucracies are apparently the primary focus of community conflict in the current period, and why they are likely to remain the focus of such conflict in the foreseeable future. It is no accident that the most heated community conflicts since 1964 have focused on schools and police departments, and on the responsiveness of health and welfare agencies and institutions.²¹ These are the sites of the provision of public benefits and sanctions. They are the locus of individual decisions about the treatment of citizens, and thus

are primary targets of protest. As Frances Fox Piven and Richard Cloward explain:

... people experience deprivation and oppression within a concrete setting, not as the end product of large and abstract processes, and it is the concrete experience that molds their discontent into specific grievances against specific targets. ... People on relief [for example] experience the shabby waiting rooms, the overseer or caseworker, and the dole. They do not experience American social welfare policy. ... In other words, it is the daily experience of people that shapes their grievances, establishes the measure of their demands, and points out the targets of their anger.²²

While people may experience these bureaucracies as individuals, schools, precinct houses, or neighborhood clinics are places where policy about individuals is organized collectively. These administrative arrangements suggest to citizens the possibility that controlling, or at least affecting, their structures will influence the quality of individual treatment. Thus we have two preconditions for successful community organization efforts: the hope and plausibility that individual benefits may accrue to those taking part in group action and a visible, accessible, and blamable, collective target.²³

Community action focused on street-level bureaucracies is also apparently motivated by concerns for community character. The dominant institutions in communities help shape community identity. They may be responsive to the dominant community group (this has been the traditional role of high schools in Boston) or they may be unresponsive and opposed to conceptions of community and identity favored by residents, as in the case of schools that neglect the Spanish heritage of a significant minority. Whether people are motivated by specific grievances or more diffuse concerns that become directed at community institutions, their focus in protesting the actions of street-level bureaucracies may be attributed to the familiarity of the agency, its critical role in community welfare, and a perception at some level that these institutions are not sufficiently accountable to the people they serve.

Finally, street-level bureaucrats play a critical role in regulating the degree of contemporary conflict by virtue of their role as agents of social control. Citizens who receive public benefits interact with public agents who require certain behaviors of them. They must anticipate the requirements of these public agents and claimants must tailor their actions and develop “suitable” attitudes both toward the services they receive and toward the street-level bureaucrats themselves. Teachers convey and enforce expectations of proper attitudes toward schooling, self, and efficacy in other interactions. Policemen convey expectations about public behavior and authority. Social workers convey expectations about public benefits and the status of recipients.

The social control function of street-level bureaucrats requires comment in a discussion of the place of public service workers in the larger society. The public service sector plays a critical part in softening the impact of the economic system on those who are not its primary beneficiaries and inducing people to accept the neglect or inadequacy of primary economic and social institutions. Police, courts, and prisons obviously play such a role in processing the junkies, petty thieves, muggers, and others whose behavior toward society is associated with their economic position. It is a role equally played by schools in socializing the population to the economic order and the likely opportunities for different strata of the population. Public support and employment programs expand to ameliorate the impact of unemployment or reduce the incidence of discontent; they contract when employment opportunities improve. Moreover, they are designed and implemented to convey the message that welfare status is to be avoided and that work, however poorly rewarded, is preferable to public assistance. One can also see the two edges of public policy in the “war on poverty” where the public benefits of social service and community action invested neighborhood institutions with benefits for which potential dissidents could compete and ordinary citizens could develop dependency.²⁴

What to some are the highest reaches of the welfare state are to others the furthest extension of social control. Street-level bureaucrats are partly the focus of controversy because they

play this dual role. Welfare reform founders on disagreements over whether to eliminate close scrutiny of welfare applications in order to reduce administrative costs and harassment of recipients, or to increase the scrutiny in the name of controlling abuses and preventing welfare recipients from taking advantage. Juvenile corrections and mental health policy founder on disputes over the desirability of dismantling large institutions in the name of cost effectiveness and rehabilitation, or retaining close supervision in an effort to avoid the costs of letting unreconstructed “deviants” loose. In short, street-level bureaucrats are also at the center of controversy because a divided public perceives that social control in the name of public order and acceptance of the status quo are social objectives with which proposals to reduce the role of street-level bureaucrats (eliminating welfare checkups, reducing parole personnel, decriminalizing marijuana) would interfere.

Public controversy also focuses on the proper kind of social control. Current debates in corrections policy, concerning automatic sentencing and a “hard-nosed” view of punishment or more rehabilitative orientations, reflect conflict over the degree of harshness in managing prison populations. In educational practice the public is also divided as to the advisability of liberal disciplinary policies and more flexible instruction or punitive discipline and more rigid, traditional approaches. The “medicalization” of deviance, in which disruptive behavior is presumed cause for intervention by a doctor rather than a disciplinarian, is another area in which there is controversy over the appropriate kind of social control.

From the citizen’s viewpoint, the roles of street-level bureaucrats are as extensive as the functions of government and intensively experienced as daily routines require them to interact with the street ministers of education, dispute settlement, and health services. Collectively, street-level bureaucrats absorb a high share of public resources and become the focus of society’s hopes for a healthy balance between provision of public services and a reasonable burden of public expenditures. As individuals, street-level bureaucrats represent the hopes of citizens for fair and effective treatment by government even as they are positioned to

see clearly the limitations on effective intervention and the constraints on responsiveness engendered by mass processing.

NOTES

1. These definitions are analytical. They focus not on nominal occupational roles but on the characteristics of the particular work situations. Thus not every street-level bureaucracy works for a street-level bureaucracy [for example, a relocation specialist (a type of street-level bureaucrat) may work for an urban renewal agency whose employees are mostly planners, builders, and other technicians]. Conversely, not all employees of street-level bureaucracies are street-level bureaucrats (for example, file clerks in a welfare department or police officers on routine clerical assignments).
2. The conception of street-level bureaucracy was originally proposed in "Toward a Theory of Street-Level Bureaucracy," a paper prepared for the Annual Meeting of the American Political Science Association in 1969. It was later revised and published in Willis Hawley and Michael Lipsky, eds., *Theoretical Perspectives on Urban Politics* (Englewood Cliffs, N.J.: Prentice-Hall, 1977), pp. 196–213.
3. U.S. Bureau of the Census, Public Employment in 1973, Series GE 73, no. 1 (Washington, D.C.: Government Printing Office, 1974), p. 9, presented in Alan Baker and Barbara Grouby, "Employment and Payrolls of State and Local Governments, by Function: October 1973," *Municipal Year Book, 1975* (Washington D.C.: International City Managers Association, 1975), pp. 109–112, table 4/3; Marianne Stein Kah, "City Employment and Payrolls: 1975," *Municipal Year Book, 1977* (Washington, D.C.: International City Managers Association, 1977), pp. 173–179. These figures have been adjusted to represent full-time equivalents. For purposes of assessing public commitments to providing services, full-time equivalents are more appropriate statistics than total employment figures, which count many part-time employees.
4. Jeffrey H. Galper, *The Politics of Social Services* (Englewood Cliffs, N.J.: Prentice-Hall, 1975), p. 56.
5. Lois Forer, *Death of the Law* (New York: McKay, 1975), p. 191.
6. *The New York Times*, April 4, 1976, p. 22.
7. Baker and Grouby, op. cit.
8. *The New York Times*, July 10, 1977, p. F13.
9. Of four cities with populations over one million responding to a *Municipal Year Book* survey, the proportion of personnel expenditures to total expenditures in police departments averaged 94 percent and did not go beyond 86 percent. Cities with smaller populations showed similar tendencies. These observations are derived from David Lewin, "Expenditure, Compensation, and Employment Data in Police, Fire, and Refuse Collection and Disposal Departments," *Municipal Year Book, 1975*, pp. 39–98, table 1/21. However, the variation was much greater in the less populous cities because of smaller base figures and the fact that when cities with smaller bases make capital investments, the ratio of personnel to total expenditures changes more precipitously.
10. That public expenditures for street-level bureaucracies go to individuals primarily as salaries may also be demonstrated in the case of education. For example, more than 73 percent of all non-capital education expenditures inside Standard Metropolitan Statistical Areas goes toward personal services (i.e., salaries). See Government Finances, Number 1, Finances of School Districts, 1972 U.S. Census of Government (Bureau of the Census, Social and Economic Statistics Administration, U.S. Department of Commerce), table 4.
11. Many analysts have discussed the increasing role of services in the economy. See Daniel Bell, *The Coming of the Post-Industrial Society: A Venture in Social Forecasting* (New York: Basic Books, 1973); Alan Gartner and Frank Reissman, *The Service Society and the Consumer Vanguard* (New York: Harper and Row, 1974); Victor Fuchs, *The Service Economy* (New York: Columbia University Press, 1968). On transformations in public welfare, see Gilbert Steiner, *Social Insecurity* (Chicago: Rand McNally, 1966), chap. 1; on

- public safety, see Allan Silver, "The Demand for Order in Civil Society," in *The Police: Six Sociological Essays*, ed. David Bordua (New York: John Wiley, 1967), pp. 1–24.
10. Charles Reich, "The New Property," *Yale Law Journal* 72 (April 1964): 733–787.
 11. Carl Hosticka, "Legal Services Lawyers Encounter Clients: A Study in Street-Level Bureaucracy" (Ph.D. diss., Massachusetts Institute of Technology, 1976), pp. 11–13.
 12. See Frances Piven's convincing essay in which she argues that social service workers were the major beneficiaries of federal programs concerned with cities and poor people in the 1960s. Piven, "The Urban Crisis: Who Got What and Why," in Richard Cloward and Piven, *The Politics of Turmoil* (New York: Vintage Books, 1972), pp. 314–351.
 13. J. Joseph Loewenberg and Michael H. Moskow, eds., *Collective Bargaining in Government* (Englewood Cliffs, N.J.: Prentice Hall, 1972); A. Laurence Chickering, ed., *Public Employee Unions* (Lexington, Mass.: Lexington Books, 1976); Margaret Levi, *Bureaucratic Insurgency* (Lexington, Mass.: Lexington Books, 1977).
 14. The decline is a function of the lower birth-rate and periodicity in the size of the school-age population originally resulting from the birth explosion following World War II. See Baker and Grouby, op. cit., p. 109 ff., on serviceability ratios.
 15. This perspective remains applicable in the current period. However, in reaction to this tendency, programs that would eliminate service mediators and service providers, such as negative income taxation and housing allowances, have gained support. Fiscal scarcity has brought to public attention questions concerning the marginal utility of some of these service areas.
 16. Consider the New York City policemen who, in October 1976, agreed to work overtime without pay so that a crop of rookie patrolmen would not be eliminated (*The New York Times*, October 24, 1976, p. 24).
 17. There can be no better illustration of the strength of the organized service workers and their support by relevant interests than the New York State Assembly's overriding of Gov. Hugh Carey's veto of the so-called Stavisky bill. This legislation, written in a period of massive concern for cutting the New York City budget, required the city to spend no less on education in the three years following the fiscal collapse than in the three years before the crisis, thus tying the hands of the city's financial managers even more (*The New York Times*, April 4, 1976, p. E6; *ibid.*, April 18, 1976, p. E6).
 18. The seminal work here is Robert Rosenthal and Lenore Jacobson, *Pygmalion in the Classroom* (New York: Holt, Rinehart and Winston, 1968).
 19. Martin Rein, "Welfare and Housing," Joint Center Working Paper Series, no. 4 (Cambridge Mass.: Joint Center for Urban Studies, spring 1971, rev. Feb. 1972).
 20. On the alleged importance of bureaucratic detachment in processing clients see Peter Blau, *Exchange and Power in Social Life* (New York: John Wiley, 1964), p. 66.
 21. See National Advisory Commission on Civil Disorders, *Report* (New York: Bantam, 1968); Peter Rossi et al., *Roots of Urban Discontent* (New York: John Wiley, 1974).
 22. Frances Fox Piven and Richard Cloward, *Poor People's Movements* (New York: Pantheon, 1977), pp. 20–21.
 23. Michael Lipsky and Margaret Levi, "Community Organization as a Political Resource," in *People and Places in Urban Society*, ed. Harlan Hahn, Urban Affairs Annual Review, vol. 6 (Newbury Park, Calif.: Sage Publications, 1972), pp. 175–199.
 24. See James O'Connor's discussion of "legitimation" and his general thesis concerning the role of the state service sector, in O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's, 1973). On social control functions in particular policy sectors see Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America* (New York: Basic Books, 1976); Frances Fox Piven and Richard Cloward, *Regulating the Poor* (New York: Pantheon, 1971); Galper, op. cit.; Richard Quinney, *Criminology* (Boston: Little, Brown, 1975); Ira Katznelson, "Urban Counterrevolution," in *1984 Revisited*, ed. Robert P. Wolff (New York: Alfred Knopf, 1973), pp. 139–164.

Public Budgeting Amidst Uncertainty and Instability

Naomi Caiden

The world of budgeting which we had grown to know well in the past fifty years, since the advent of the Keynesian revolution in public economics and the rapid expansion of the administrative state, is fast being disoriented by new and unexpected events. Familiar landmarks are being obliterated. The rules of the budgeting game are rapidly changing, and many public authorities are in danger of losing their way unless they adjust to the new context. The credibility of secure public financing which has for so long been taken for granted is at stake. Certainty and stability are giving way to uncertainty and instability.

Budgeting processes may be said to thrive on stability. Since budgeting is concerned with making financial provision for future activities, it depends on accurate prediction of the amount of revenues available and of the cost of expenditures. In its more sophisticated forms, it demands knowledge of future output or achievement related to given resources, preferably over a long period of time. Budgeting works best where year-to-year adjustments are marginal, where it is possible to make firm commitments in advance of expenditures, where the recent past is a good guide to the immediate future, and where results may be easily and promptly evaluated.

Classical budget theory tried to keep uncertainties within bounds through insistence on annual budgets (foreshortening the time period), budget unity (keeping all expenditures

under a single control), strict appropriation (preventing unauthorized changes), and timely audit (checking past performance). The budget process in itself brought a measure of stability and predictability previously lacking in state finance, but its efforts to impose order could never entirely make the world according to its own rules or exclude all uncertainties. Budgeters have traditionally guarded against surprises by such informal strategies as underestimating revenues and overestimating costs of expenditures, and limiting spending in the first part of the year. Policies of incrementalism, or regular additions to the budget base, have also helped to accommodate change and increase predictability from year to year. Generally buoyant revenues for many jurisdictions have provided a measure of redundancy, cushioning uncertainties, and allowing for flexibility and correction of errors.

Now the traditional means of coping with uncertainty appear inadequate, while the uncertainties themselves are multiplying to an unprecedented extent. The symptoms are marked. The value of the American dollar has been declining for nearly two decades and no relief is in sight. State and local governments are increasingly dependent on federal subventions without which many would face bankruptcy; already several have had to be rescued from the brink. Growing resistance to rising public expenditures and taxes is being translated into expenditure ceilings and tax revolts. Public authorities cannot predict from one year to the next what they will have to spend and where they will find the money. They still cannot prove convincingly that they spend money wisely and that the public receives value from public expenditures.

The task of public budgeting has become infinitely more complex, complicated and worrisome. Current budget theory and practice lag behind operational requirements. A new agenda is urgently needed to bridge the gap and provide better instruments to cope with uncertainty and instability. Its items should avoid

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rehashing traditional proposals that fail to reflect the changing environment of public budgeting.

The Changing Environment of Budgeting

For a long time, it was believed that the major challenges in public budgeting had been met and that all that remained was some tinkering around with the form of the budget to match inputs and outputs, costs and benefits, resources and results. Public needs were conceived as finite and public resources infinite. The ability of governments to raise revenues and manage large expenditures was accepted as a matter of course. Given modern techniques of taxation and borrowing, the amounts of money that could be generated seemed virtually limitless, while social problems seemed amenable to solution through the mechanisms of the administrative state. It is now quite apparent that the administrative state often merely encourages new public demands, without ensuring that effective use is made of public resources at its disposal or dispelling resentment of taxation. We now have to work on a different assumption, namely, that public resources are finite and public needs infinite.

The ability of public authorities to raise any given level of revenues without serious resistance can no longer be taken for granted. Historically, the ability to tax on a substantial scale has been a function of industrialization and democratization. It has depended on maintaining a high level of economic activity and retaining public confidence in an efficient, effective and accountable public administration capable of delivering quality public goods and services. Lately, concern about the amount of equity of taxation, fears that the public sector is reaching its limits in a mixed economy, and mistrust of proliferating public bureaucracy indicate that the era of expanding public revenues may be coming to a close. Inflation temporarily obscures the longer-term effects of greater financial pressures on taxpayers, demands for tax relief and a decline in the real value of tax receipts relative to the costs of expected services. All these make rising real

revenues more problematical, particularly if taxpayers succumb under inflationary pressure to temptations to avoid or evade paying taxes, and more people join the underground economy beyond the reach of government control and taxation.

If these complications were not enough, a dramatic new factor has arisen to affect governmental capacity to raise revenues, namely, numerous public initiatives to restrict revenues and/or expenditures constitutionally. They immediately impact on expected fund levels because of speculation whether they will pass and their unpredictable effects. Administrators have to prepare several budgets to meet different possible outcomes. Even without formal limitations, politicians, responding to what they believe is the mood of the public, put tax relief and lower budgets near the top of their priorities, restricting expenditure growth to the rate of inflation or below.

In contrast, demands for public goods and services do not abate. They can be expected to rise in the future. America's aging population will entail large increases in social expenditures on the elderly just when the labor force will decline. Hopes that poverty would be susceptible to a one-time solution have given way to somber realization that it is a structural problem that will take generations to resolve. Burgeoning technology requires heavy public investment in research and development and increasing public expenditures on safety measures and environmental protection. The hardening habit of turning to the administrative state to fulfill needs unmet by the market system is creating new legal rights. Consequently, in many areas of public administration, such as health, education, social welfare, urban renewal, crime control and consumer protection, there is no clearly defined and acceptable level of public expenditure. Money can be poured indefinitely into defense, environmental protection, police, schools, hospitals, job retraining and recreation facilities. They are all open-ended expenditures in the sense that there is no limit to the potential amount of public funds which may be devoted to improving them.

More and more public administrators find themselves working in conditions of fiscal stress in which they must try to accomplish unlimited

goals with fewer real resources. It is increasingly difficult for them to provide for contingencies through disguised surpluses and reserves, or compensate for mistakes and faulty judgment, or spread resources to satisfy as many parties as possible. They cannot avoid hard choices any longer. Already they find it harder to forecast revenues and costs, and their budget plans are upset by economic problems. With potential resource levels more variable and objectives more complex, past experience is less relevant in budgeting. Meantime competition for resources intensifies among pressure groups, levels of government and public agencies. Alignments disintegrate, shift and reform with baffling fluidity. The budget game is being played with more conflict and the rules are giving way under the strain. It becomes more difficult to agree on and stick to budgets.

When the environment becomes increasingly uncertain and more stringent, budgets are more complex, more difficult to control and less predictable. Revenue uncertainties promote multiple budgets and dysfunctional tactics by administrators protecting themselves. As programs have to be undertaken and maintained without guarantee of funding until the last minute, administrators have to take countervailing protective action. They seek out new revenue resources, switch expenditures between categories, pad estimates, cut essential items to favor others knowing that cuts will have to be made up later, and engage in a whole host of ploys familiar to students of budgetary politics. Unfortunately in trying to create more certainty for themselves, they probably compound uncertainty for everybody else as the general pool diminishes and information becomes increasingly suspect.

Imbalances of resources and responsibilities at different government levels vastly complicate the intergovernmental system and make it virtually impossible to track funding through the maze. Once a fairly clear-cut stratification of types of government matched to specific functions, the intergovernmental system has become an inextricable jumble of interdependent responsibilities and finances. Budgets at all levels now reflect a complex maze of intergovernmental grants, subsidies and reimbursements designed for different purposes and

disbursed according to different criteria and formulae. It is hard to discover just what is being spent and by whom on any particular function. Further, because many intergovernmental programs are funded conditionally or subject to frequent renewal, continued funding is not assured. Recipients have to deal with the red tape engendered by efforts of donors to target funds to areas of greatest need and to ensure that funds are used effectively and for the purposes for which they are intended. Meantime, the donors discover that existing techniques are inadequate to prevent seepage and that their intelligence is soon overtaken by events. To discipline apparently “uncontrollable” budgets, they devise new and increasingly sophisticated methods which further compound complexity and uncertainty in formulating and carrying through budget policies.

The injection of new values such as forward planning, participation, formal program evaluation, prioritizing and zero base considerations into the budget process has enormously complicated the life of budget formulators. Budget documents have expanded from single binders to sets of volumes occupying several feet in shelving. Participation has added to the number of steps and pairs of hands through which a budget must travel.

Technical innovations entail conversations from one system of budgeting and accounting to another, and then back again. With integrated budgeting systems, a change in one figure requires wholesale alterations across the board. To meet requirements of formal planning and lengthier budget processes, the lead time of federal budgets has been extended two years or more in advance of the budget year. Budget formulators find they have to work on three future budgets at once, using information that is bound to be outdated before they finish.

Even when the budget has been passed, uncertainties continue to plague implementation and execution. In the past we could assume that once a budget document had been approved, expenditures would follow the printed figures. A routine audit at year's end would ensure correspondence of purpose and expenditure. In a turbulent environment, the predictions of an annual budget cannot keep pace. Transfers of appropriations between

categories have considerably increased and are now routine in some agencies. Spending toward the end of the budget year is common as agencies hold on to money at the beginning, fearing later overruns, or financial management authorities refuse to release it or agencies overestimate and then panic in fear of cuts the following year. Thus even the agencies themselves find it more difficult to track expenditures, to know what is spent and to control funds. The growth of intergovernmental disbursements, multi-pocket budgeting, contracting and third party payments poses major problems for control.¹

It should hardly surprise that budget formulators and financial managers should evince a mood of doubt and pessimism. Even in the best of times, they have come to realize that a substantial portion of governmental budgets is uncontrollable, or that is what budget experts tell them.² But they have been thrown off balance by the disappearance of certainty and stability. They do not have adequate hard data on which to base realistic forecasts of revenues and expenditures. They do not have clear benchmarks for expenditure categories. They can barely link the achievement of social objectives with the public money spent on them. Problems of control and tracking expenditures in a complex budgeting system create new opportunities for fraud, abuse, waste, extravagance and corruption. Yet they are mindful that many proposals now being made to remedy the situation may actually aggravate it further. They are challenging traditional theories which have structured our ways of looking at budgeting and produced these suspect solutions, because they feel that they are not the only ones overtaken by current events.

The Quest for Budget Reform

Even before budgeting concepts were upset by recent events, budgeting was the focus for reform efforts. Although traditional budgeting was acceptable, it suffered several defects that advocates of PPB and ZBB were quick to point out. In any event, it has always been a target for reformers. Budget management is an activity in which all governments must engage, for in a

money economy it is the crucial element in carrying out public policies. The budget represents the outcome of competition for political power. As success is having one's claims written into the budget, the structure and process of budgeting must concern any interest group attempting to influence governmental policy. Further, budgets are also major weapons for controlling governments. After all, the wresting of financial power from arbitrary rulers was a key constitutional issue in the evolution of representative governmental institutions.

As a result of all this interest in budgeting, there now exists an impressive array of budget reforms that cover:

1. The mobilization of resources for public use and employment;
2. The consolidation and control of available resources to prevent seepage and monitor their location at all times;
3. The allocation of resources among competing demands;
4. The prompt and economic disbursement of public funds;
5. The improvement of skillful and proficient financial management;
6. The institutionalization of honest, open and careful accounting practices;
7. The establishment of independent audit; and
8. The scientific evaluation of public expenditures and projects.

Many have been incorporated successfully into practice with impressive results. Others are being tried out with more variable success. Cost benefit analysis, for example, is still in its infancy. Performance auditing is proving fertile ground for budget innovations. Too much attention has been focused on the novelties, such as PPB and ZBB, which are only a small portion of current contemporary efforts to improve budgeting.

Many budget experiments disclose a distressing gap between theory and practice. As with other administrative reforms, it is difficult to convince conservative administrators to try something different and to get them to persist with new ways of doing things when they hanker after the old with which they were comfortable no matter what the evidence shows.

They cherish the hallowed principles of accountability—annuality, unity, appropriation, balance and audit—even though they are observed in the breach as governments grow. In the massive budgets of contemporary national government detailed accountability to the public or the public's representatives is largely a fiction. Even leaving aside hidden accounting for secret intelligence agencies and other politically sensitive areas, budgets are too complex for ready understanding. Off-budget trust funds and multi-year appropriations create large uncontrollable accounts which infringe annuality and budget unity. Balancing the budget has virtually been abandoned in practice, given consistent deficits at the federal level and the extensive use of capital budgeting and borrowing powers of special districts by public authorities at state and local levels. Similarly, external auditing has given way to internal checks. Yet public administrators continue to pay lip service to principles on which they no longer operate. They are reluctant to replace them with principles that better suit the new reality.

This reluctance has been partially responsible for recent failures to gain acceptance for more sophisticated techniques designed to accomplish efficiency, rationality and planning in the budget process. The most elaborate effort along these lines, program budgeting or PPB, has been largely abandoned at the federal level. Its successor, zero base budgeting or ZBB, is fading from the scene. Accumulating evidence suggests that its effectiveness in influencing decision making and outcomes is in doubt.³ The history of these new budget concepts has been told too many times to bear recounting here.⁴ Suffice it to say that the great expectations raised by across-the-board changes in budgeting methods have been punctured, leaving behind a skeptical mood in the face of an intractable budget situation seemingly beyond control.

The failure of such budget reforms cannot be attributed to lack of willingness to experiment, or lack of appreciation of what the reforms were supposed to achieve, or sheer obstinacy by smug, complacent bureaucrats too set in their ways to try something new. Reviewing the welter of specific circumstances which may have defeated these particular

reforms, some major reservations can be drawn. One is that the whole notion of budget reform may be misconceived and doomed to failure. A second is that budgeting goals have been misunderstood and that reform has over-concentrated on form without considering that ultimate goals may be unattainable or in conflict. A third is that budget systems are intrinsically fragile and cumulative reform cannot be expected. Finally, reformers pay insufficient attention to the environment in which budgeting, conceived as a purely technical process, is conducted. If the mistakes of the past are to be avoided in coping with uncertainty in public budgeting, these reservations should be carefully considered.

Budget Reform Is Misconceived Budget reform has often been conceived as the rationalization of budget outcomes through the incorporation of programming and planning techniques and restructuring of budget processes. Emphasis has been placed on formal determination of objectives, evaluation of alternatives and authorization of programs on the basis of systematic analysis. The aim of budgeting is seen as the maximization of societal return from public expenditures.

Budgets may also be seen somewhat differently as a reflection of politics.⁵ Budgets are put together by political and bureaucratic actors pursuing their own strategies and reacting to their perceptions of public needs and priorities. The process follows certain rules, expressed formally in regulations but more importantly in informal practices, the foremost of which has been incrementalism, that is, basing each budget on that of the previous year with regular, limited additions. Incrementalism describes both decision processes and outcomes. If budgeting is politics in the raw, its forms reflect current political realities and enable political processes, such as competition bargaining, accommodation and compromise, to work.

These two views are often juxtaposed. Procedural rationality is contrasted with incrementalism and political dynamics. Reforms of techniques and processes, it is alleged, will inevitably be undermined by the rationale of politics and bureaucratic behavior. Moreover, it is asserted that budget reform represents an

improper dictation of policies and purposes of government which should be the prerogative of democratic politics. Budget reform might therefore be regarded not only as foredoomed to failure, but in some measure as illegitimate.

Such a sharp dichotomy is misleading. There is no reason why improved budget techniques should not inform, clarify and strengthen political financial decision making. Similarly, a rationality which takes no account of political conditions or subordinates the practicality of budget outcomes to formal processes is not really rational at all. But successful budget reform has to elucidate its aims over and beyond incorporation of techniques and processes. It must also heed the political climate and take into account the inertia and rationale of existing budget methods.

Process Subordinates Substance Budget reformers seem to believe that behavior follows form since they concentrate so much on the formal processes of budgeting and rarely deal with budgeting behavior. The trouble with this view is that new procedures may simply be subverted by old ways instead of mandating real changes in decision-making behavior. Reforms are formally instituted but the old ways continue in practice. Further, alterations in the formal processes may miss the real aim of budget reform which is a change in budget allocations. Process reforms, such as PPB and ZBB, are only intermediate steps. Through them, it is hoped to incorporate certain values (rationality, planning, prioritizing) into budgetary decision making. Unfortunately, in the effort to get the formal processes right the values are subordinated. Should good budgetary decision making be judged by the process by which it is arrived at or by the substantive outcomes? Even if process goals are conceded, they may be inconsistent. For example, the continuity and predictability required for planning may clash with the need for management flexibility.⁶

Reforms Are Not Cumulative Reformers appear to believe that new reforms build on earlier ones. Reform resembles a path marked with regular signposts which indicate the right direction and the progress so far made toward it. Reforms once accomplished, stay accomplished.

Unfortunately, this is not so. The path requires constant repair and maintenance. We cannot assume, for instance, that once we have learned how to structure budget systems for control purposes that control in practice is an accomplished fact which requires no further attention. Circumstances may so change that older methods for maintaining control or management efficiency no longer suffice. The very introduction of new methods cannot be achieved without changing existing emphases or outcomes. Budgeting is a dynamic process depending as much on habits of thought and mutual expectations as on formal regulations. Budget institutions are built on trust, probity and a spirit of public service and guardianship of the public purse, none of which can be legislated. These qualities are not constant. They change according to popular morality, perceptions of public role, institutional reactions to external pressures, and a host of other imprecise and poorly understood factors. In short, budget processes cannot be conceived as a set of fixed techniques which remain in place irrespective of what is happening around them. Constant monitoring and reevaluation is needed to ensure that well-tried methods are still appropriate for reaching desired ends.

Reforms Are Not Universal Because budgeting is such a pervasive activity of governments, reformers have readily assumed that a single set of prescriptions applies in all circumstances. Reform failures have been blamed on faulty implementation. Little attention has been paid to contextual supports of budget systems. For instance, the part played by complex redundancy in the smooth working of budgeting in rich countries has been inadequately appreciated. Such redundancy provides greater reliability, allows for looser estimating and calculation, and increases the number of current and future options. Now that such redundancy is diminishing and cannot cushion an increasingly uncertain budgeting environment, public authorities in rich countries are beginning to experience problems similar to those of their counterparts in poor countries.⁷ Budgets disappear as earmarked funds and special authorities are established to gain and hold revenues. Cash

flow management in the form of repetitive budgeting or preauditing of expenditures replaces the regular budgeted flow of funds. In the frenzied scramble for funds, the apparently neutral and universal stipulations of budgetary technology fail to work. Successful budgeting techniques seem to depend as much on their environment as on their own internal perfection.

We have not inherited an encouraging legacy to help us with current budget problems. So-called rationalists and incrementalists are locked in combat. Significant reform failures have brought disillusion, cynicism and exhaustion. Practitioners are suspicious of innovative budget theorists. The immediate outlook is not promising. But the dawning realization that there is no quick fix through mechanical changes may enhance receptivity to a more realistic agenda for public budgeting and aid adaptation to uncertainty and instability.

Coping with Uncertainty and Instability

Clearly budgeting should move beyond sterile exercises in the application of techniques. Budgeting should be seen again as an integral part of a complex learning process through which public administrators come to understand the constraints and opportunities of their environment. When contemporary budgeting systems emerged in the early nineteenth century with the advent of the administrative state, they were seen by their progenitors as instruments both of control and choice. Before then, governments had been at the mercy of their financial environments. They had little control or choice over methods. Their finances were a jumble of indiscriminate taxes levied opportunistically, a maze of debts, and a variety of mind-boggling expedients. All the elements of modern budgeting—forecasting, planning, balancing revenues and expenditures, calculation of tax burdens or worth of expenditures—were missing.

As government administration became accountable to elected legislatures, the annual budget became an instrument of deliberate choice. Expenditures were forecast and provided for by revenue measures. Taxes were

levied according to criteria of relative yield and equity. Through the budget, public finance became a matter for public debate, and gradually by experience the limits and possibilities of public revenues and expenditures came to be appreciated. Such knowledge was never exact; errors and misjudgments were made. But there was confidence that the public budget was an effective tool manipulable in the public interest. Such confidence is lacking today.

Nevertheless budget officials have to cope with the effects of these uncertainties in carrying out their functions. The following list of some of these uncertainties and possible ways of dealing with them may be of some aid. At this point suggestions are necessarily generalized; they represent areas to which attention should be directed, not a set of solutions for all times and places. Their development or application would require further research diagnosis, discussion and cooperation on the part of those concerned.

1. Uncertainties Arising from Novelty

A major source of uncertainty in budgeting today is the feeling that we are coping with unique and unprecedented problems. The future is unclear and policy choices have to be made without benefit of previous experience. Hence a persistent casting around for novel solutions.

This preoccupation with the novel may be exaggerated, particularly in the area of budgeting where knowledge of how other budget systems work is often fragmentary. Systematic studies among several jurisdictions are a rarity.⁸ This valuable tool for research has been neglected. Yet if we want to learn about what works in budgeting and what doesn't, it is indispensable and preferable to constructing systems a priori and imposing them in blanket fashion irrespective of circumstances. The comparative approach, marred in the past by collections of descriptions of formal budget processes from exotic places, broadens the learning experience by focusing on how finance officials deal with their problems and reviewing their diverse experiences to discover apposite lessons of wider applicability. There is no need to travel far to do this. Cities, counties, states and government corporations can pool ideas and learn

from one another. A wealth of historical evidence waits to be tapped. It should provide valuable insights into the relationship between changes in formal structures and budgeting behavior and outcomes, and between environmental changes and budget processes. Analysis should not be confined solely to the public sector, for valuable lessons can also be obtained from comparing private and public practices. For example, public administrators can study the possibilities of applying such concepts as flow of funds, opportunity costs in capital budgeting, and accounting indicators of future financial problems. By studying environments other than their own, budget theorists and practitioners may find similarities to their own experiences and be encouraged to innovate and experiment.

2. Uncertainties Arising from an Annual Perspective Financing the activities of governments is continuous process, which budgeting fits into an annual framework for purposes of accountability, assessment of past and future expenditures and orderly provision of funding and fiscal policy. Annual budgeting brings greater certainty to government financing by imposing periodic check and review upon transactions, ensuring appropriation of funds in advance of obligations, and allowing comprehensive oversight of the financial position.

But precisely because annual budgeting uses a static framework to control a continuous and dynamic flow of activities, it may become a source of uncertainty. Where, as is commonly the case today, programs extend beyond a single year, the annual period of accounting and review is too short. Such programs require stable long-term commitment of funds so that persons, agencies and authorities depending on them can plan ahead in the knowledge that the end of each budget year will not bring about a sudden cut-off in funds.

In practice provision is made to deal with programs which extend beyond a single year through setting up entitlements, multi-year authorizations and permanent appropriations. But these practices create a different kind of uncertainty relating to control of programs for which provision has already been made in advance of the annual budget. These form an

“uncontrollable” budget, which lies outside the discretion of legislators formally responsible for deciding annual allocations of funds.

This uneasy dilemma between the uncertainties of commitment and control⁹ arises from reliance on an annual framework to impose accountability where the majority of government programs extend over a number of years. The appropriateness of repetitive annual budgeting in such cases seems open to question. It is possible that adoption of differential time spans for program review according to need may be a more realistic response to this problem. Such periodic appropriations and reviews might allow greater concentration on fewer areas, different kinds of scrutiny over the life of a program and better monitoring of program progress and effectiveness.¹⁰

3. Uncertainties Arising from Problems in Forecasting The literature on budgeting often gives the misleading impression that once a budget has received assent according to due process, there is nothing more to be discussed. The grand debates about budgeting are concerned mainly with how budget totals are arrived at, not with what happens to them after that. But in a fast changing environment and high inflation, forecasts of costs and revenues become more difficult. At the beginning of the year, it is harder to envisage the financial position at the end. Increasingly budget allocations require readjustment during the year. Programs which have been underestimated may run out of money and require supplementary appropriations. Alternatively where attempts have been made to do too much too quickly, unrealistic overallocations to popular programs may result in underspending and large balances at the end of the year. The changed nature of government outlays no longer fits into an even and regular apportionment schedule.¹¹ Irregular disbursements, frequent adjustments, under or over spending in various categories, all represent divergences from initial budgetary intentions and may involve serious inefficiencies in the use of public funds. The initial allocation of funds through the annual budget process can no longer be relied upon to ensure that spending will be exactly in accordance with its mandates.

The implementation phase of the budget should not be ignored. The annual budget can no longer be expected to last in unaltered form for a whole year. It is therefore essential that serious consideration be given to planning budget implementation processes, reviewing how officials work with budgets during the year, the arrangements made for ensuring cash flow at critical periods, self-pacing disbursement schedules and incentives for compliance with budget mandates.

4. Uncertainties Arising from Centralization and Bureaucratic Controls One of the major changes in budgeting in recent years is that few budgets are made in isolation. Local governments in particular have become heavily dependent on resources distributed by other levels of government. Federal agencies increasingly find themselves in a donor role, while state governments are sometimes donors and sometimes recipients. This financial interdependence has been productive of a number of new uncertainties. Recipient governments have suffered loss of control over their budgets where financial transfers are channeled into ear-marked funds beyond local decision making, though they may have ramifications on other local government activities. They also suffer from uncertainties of commitment where donor governments hold up transfers for one reason or another, or will not commit funds for more than a limited period. Donor governments for their part have trouble determining eligibility requirements or need for aid, and also in tracking the use and effectiveness of indirect outlays.

The response to these uncertainties by donor governments has generally been toward increased bureaucratic control, which has been regarded as the lynchpin of financial accountability. But particularly in the case of intergovernmental financial relations, bureaucratic controls have become increasingly hard to administer, and often seem counterproductive. The redoubling of efforts at control and integration increases red tape and makes information more difficult to obtain and interpret. It may be that this approach is misconceived. Now that accounting techniques and computerized operations offer new possibilities for comparing, tracking and assessing expenditures, it may be

feasible to achieve greater decentralization as well as more effective accountability by means other than centralized controls.

5. Uncertainties Arising from Size and Complexity The explosive growth in size and complexity of government budgets in recent years is an obvious source of uncertainty. Both bureaucratic and legislative oversight become more difficult because of the sheer volume of transactions involved. Efforts to maintain independence from budget discipline have created a tendency to separate budgets and accounts which conceal more than they reveal.

In several jurisdictions considerable effort has gone into simplifying presentations and processes for purposes of clarification, and also into bringing all relevant accounts into the budget. Special analyses, and special budgets to deal with fringe areas such as regulatory costs and tax expenditures, have been undertaken or suggested. Legislative research efforts and new legislative procedures have provided more information and a sharper focus for legislators. Yet size and complexity often obfuscate, and simplification should remain on the agenda. The need is particularly urgent in view of growing attempts to boost program staff participation in the budget process. If these financial amateurs are to understand what they are doing, procedures should be designed for maximum clarity and precision.

6. Uncertainties Arising from Erosion of Accountability A major problem undermining public confidence in government is the difficulty in ensuring that public money is spent wisely and efficiently. The vogue for public expenditure controls is an indication of this unease. But these may prove a blunt instrument for achieving official responsibility in handling public resources. They penalize both good and bad areas alike, and the avoidance techniques they encourage may actually make for worse decision making. Yet if legitimate public purposes are to be fulfilled, it is essential that steps be taken to ensure that the public feels that it is getting its money's worth.

It is imperative to examine government budgets to determine what has been achieved for given revenue outlays. We need to find out the total amounts which have been spent on

various government functions, and establish indicators of performance. We need more exact ideas about how much of a public service can be provided for a given outlay. Some work of this kind has already been undertaken, but all too often a simple inquiry about levels of expenditure and results cannot be answered. Measures for ensuring accountability need to be built into program design. New incentives for good performance should be instituted. At the same time, it is necessary to cut down the probability of waste or corruption by examination of procedures for contracting, disbursements and auditing.

On the other side of the budget, questions of revenue need to be tied into issues of expenditure. For too long, the literature of budgeting has tended to separate the two. While budget discussions have concentrated on expenditure policies and classification, revenue raising has been regarded as the Province of public finance experts. Budget management needs to be regarded as a unitary function in which revenues and expenditures figure in a single equation. Further, as pressures mount on budgets, attention has to be given to finding new sources of revenues (new kinds of taxes or loans) and restructuring taxation to accord with economic goals, yet meet public demands for greater equity and fairness. Existing sources of revenues should be made more effective. The growth of a significant underground economy represents an important loss of tax revenues and adds to the burden of those who do not participate in it. It also corrupts public administration and worsens the seepage of public funds. Research into the underground economy and illegal markets and their impact on public finance is long overdue.

Conclusion

These six areas of uncertainty and suggestions for their alleviation, by no means exhaustive of what needs to be done in public budgeting, are merely manifestations of a deeper crisis in American society. We cannot agree about the nature and ends of government in post-industrial society. Public finance is the center of the controversy over the future role of the

administrative state. An agenda for public budgeting amidst uncertainty and instability cannot be drawn without reference to the public purposes it serves. As long as these are in doubt, the proper allocation of public funds will remain beyond the grasp of public budgeting. Financial administrators will continue to receive mixed and perplexing signals. They will not know how to prioritize let alone make sense out of the confusion that passes for budget formulation and execution or satisfy conflicting and contradictory claims on them. They won't even know what direction to take. However, if they assess their own practices in the areas presented here, they may be better able to find their bearings and realize not only the real constraints upon their actions but also what new opportunities are open to them.

Public administrators cannot solve by themselves the bigger issues raised here. They can do much better in the special field of their own competence. To improve budgeting, a good look has to be taken at current budget institutions. Are they adaptive enough to apparent changes in the environment? Are they performing well enough? Are they capable of assuming new roles? Do they take advantage of all available techniques?

In particular, we need to encourage innovation and creativity in public finance as the traditional landmarks fade amidst uncertainty and instability. We still do not have sufficient incentives in the public sector to prevent waste and encourage economy. We still do not have adequate means of dealing with large-scale capital expenditures on risky, long-term public projects. We still do not know how to manage what amount to open-ended contracts to private organizations to deliver important public goods and services. We still do not have proper tools to tackle tax evasion and expenditure seepage. We have numerous momentary fads and fancies, many half-baked and untested theories, and a continuous flow to refinements to traditional budgeting, when what really may be needed is a new budgetary system more in keeping with the new context of public finance, more appropriate to current technological capability, and more attuned to public expectations, not managerial convenience.

NOTES

1. Allen Schick, "Contemporary Problems in Financial Control," *Pub. Adm. Rev.* 38 (November/December 1978): 513–519.
2. Joseph A. Pechman and Robert W. Hartman, "The 1980 Budget and the Budget Outlook," in *Setting National Priorities: The 1980 Budget*, ed. Joseph A. Pechman (Washington, D.C.: Brookings Institution, 1979), p. 54.
3. Allen Schick, *Zero Base '80* (Washington, D.C.: National Governors Association, 1980).
4. Allen Schick, "The Road to PPB: The Stages of Budget Reform," *Pub. Adm. Rev.* 26 (December 1966): 243–258; Allen Schick, "The Road from ZBB," *Pub. Adm. Rev.* 38 (March/April 1978): 177–180.
5. See Aaron Wildavsky, *The Politics of the Budgetary Process*, 3d ed. (Boston: Little, Brown, 1979).
6. Aaron Wildavsky, "A Budget for All Seasons? Why the Traditional Budget Lasts," *Pub. Adm. Rev.* 38 (November/December 1978): 501.
7. Naomi Caiden and Aaron Wildavsky, *Planning and Budgeting in Poor Countries* (New York: Wiley, 1974; Transaction Books, 1980).
8. See Aaron Wildavsky, *Budgeting: A Comparative Theory of Budgetary Processes* (Boston: Little, Brown, 1975). See also the section on "Comparative Budgeting" in Albert C. Hyde and Jay M. Shafritz, *Government Budgeting: Theory, Process and Politics* (Oak Park, Ill.: Moore Publishing Company, 1978).
9. Statement of Elmer B. Staats, Comptroller General of the United States, before the Budget Process Task Force Committee on the Budget, House of Representatives, *The Federal Budget Process*, December 11, 1979, p. 24.
10. See scheme for biennial review for R&D activities in Statement of Elmer B. Staats, Comptroller General of the United States, before the Committee on Science and Technology, House of Representatives, H.R. 7178, *The Research and Development Authorization Estimates Act*, June 4, 1980.
11. Elmer B. Staats, *Effectiveness of the Federal Apportionment Process and Implications for Budget Execution* (Washington, D.C.: General Accounting Office, November 1979), p. 5.

Public Administrative Theory and the Separation of Powers

David H. Rosenbloom

It has been recognized for some time that the discipline of public administration is plagued by a weak or absent theoretical core. This has led some to conclude, along with Robert Parker,¹ that “there is really no such subject as ‘public administration.’ No science or art can be identified by this title, least of all any single skill or coherent intellectual discipline.” Others, including Frederick C. Mosher,² have considered it a “resource,” that public administration “is more an area of interest than a discipline,” since this enables the field to draw upon a variety of disciplines. Still others, such as Herbert Kaufman³ and James Q. Wilson,⁴ have argued that public administration faces a serious and seemingly irresolvable problem in continually seeking to maximize the attainment of mutually incompatible values. The contention of this essay is that the central problem of contemporary public administrative theory is that it is derived from three disparate approaches to the basic question of what public administration is. Each of these approaches has a respected intellectual tradition, emphasizes different values, promotes different types of organizational structure, and views individuals in markedly distinct terms. These approaches are conveniently labeled “managerial,” “political,” and “legal.” They have influenced one another over the years, and at some points they overlap. Yet, their primary influence on public administration has been to pull it in three separate

directions. Furthermore, these directions tend to follow the pattern of the separation of powers established by the Constitution. Consequently, it is unlikely that the three approaches can be synthesized without violating values deeply ingrained in the United States political culture.⁵

The Managerial Approach to Public Administration

Origin and Values In the United States the managerial approach to public administration grew largely out of the civil service reform movement of the late 19th century. In the reformers’ words, “What civil service reform demand[ed], [was] that the business part of the government shall be carried on in a sound businesslike manner.”⁶ The idea of “businesslike” public administration was most self-consciously and influentially discussed by Woodrow Wilson in his essay on “The Study of Administration.”⁷ There, Wilson considered public administration to be “a field of business” and consequently largely a managerial endeavor. He also set forth the three core values of the managerial approach to public administration: “It is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy.”⁸ Thus, public administration was to be geared toward the maximization of effectiveness, efficiency, and economy.

The managerial approach was strengthened by Frederick Taylor and the scientific management movement.⁹ Taylorism sought to enshrine the values of efficiency and economy in a world view that promised to achieve harmony and affluence among mankind. Later, Leonard White’s influential *Introduction to the Study of Public Administration*¹⁰ asserted that “the study of administration should start from the base of management rather than the foundation of law, and is, therefore, more absorbed in the affairs of

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the American Management Association than in the decisions of the courts.” When the managerial approach to public administration was at the pinnacle of its influence in the 1930s, it was widely held, along with Luther Gulick, that “efficiency” was “axiom number one in the value scale of administration” and that politics could not enter “the structure of administration without producing inefficiency.”¹¹

The essence of the managerial approach’s values was captured by Simmons and Dvorin in the following terms: “The ‘goodness’ or ‘badness’ of a particular organizational pattern was a mathematical relationship of ‘inputs’ to ‘outputs.’ Where the latter was maximized and the former minimized, a moral ‘good’ resulted. Virtue or ‘goodness’ was therefore equated with the relationship of these two factors, that is, ‘efficiency,’ or ‘inefficiency.’ Mathematics was transformed into ethics.”¹²

Organizational Structure The managerial approach to public administration promotes organization essentially along the lines of Max Weber’s “ideal-type bureaucracy.”¹³ It stresses the importance of functional specialization for efficiency. Hierarchy is then relied upon for effective coordination.¹⁴ Programs and functions are to be clearly assigned to organizational units. Overlap to be minimized. Positions are to be classified into a rational scheme and pay scales are to be systematically derived in the interests of economy and motivating employees to be efficient. Selection of public administrators is to be made strictly on the basis of merit. They are to be politically neutral in their competence. Relationships among public administrators and public agencies are to be formalized in writing and, in all events, the public’s business is to be administered in a smooth, orderly fashion.¹⁵

View of the Individual The managerial approach to public administration promotes an impersonal view of individuals. This is true whether the individuals in question are the employees, clients, or the “victims”¹⁶ of public administrative agencies. One need not go so far as Max Weber in considering “dehumanization” to be the “special virtue” of bureaucracy or to view the bureaucrat as a “cog” in an organizational machine over which he/she has virtually no control.¹⁷ Yet there can be no doubt that a

strong tendency of scientific management was to turn the individual worker into an appendage to a mechanized means of production. By 1920, this view of the employee was clearly embodied in the principles of position classification in the public sector: “The individual characteristics of an employee occupying a position should have no bearing on the classification of the position.”¹⁸ Indeed, the strong “position-orientation” of the managerial approach to public administration continues to diminish the importance of the individual employees to the overall organization.

Clients, too, have been “depersonalized” and turned into “cases” in an effort to promote the managerial values of efficiency, economy, and effectiveness. Ralph Hummel explains,

At the intake level of the bureaucracy, individual personalities are converted into cases. Only if a person can qualify as a case, is he or she allowed treatment by the bureaucracy. More accurately, a bureaucracy is never set up to treat or deal with persons: it “processes” only “cases.”¹⁹

“Victims” may be depersonalized to such an extent that they are considered sub-human, especially where physical force or coercion is employed as in mental health facilities and police functions.²⁰

The human relations approach to organization theory and some contemporary views argue that reliance on impersonality tends to be counter-productive because it generates “bureau pathologies.”²¹ Nevertheless, the managerial approach’s impersonal view of individuals is deeply ingrained and considered essential to the maximization of efficiency, economy, and effectiveness.

The Political Approach to Public Administration

Origins and Values The political approach to public administration was perhaps most forcefully and succinctly stated by Wallace Sayre:

Public administration is ultimately a problem in political theory: the fundamental problem in a democracy is responsibility to popular control; the responsibility and

responsiveness of the administrative agencies and the bureaucracies to the elected officials (the chief executives, the legislators) is of central importance in a government based increasingly on the exercise of discretionary power by the agencies of administration.²²

This approach grew out of the observation of some, such as Paul Appleby, that public administration during the New Deal and World War II was anything but devoid of politics.²³ Thus, unlike the origin of the managerial approach, which stressed what public administration ought to be, the political approach developed from an analysis of apparent empirical reality.

Once public administration is considered a political endeavor, emphasis is inevitably placed on a different set of values than those promoted by the managerial approach. "Efficiency," in particular, becomes highly suspect, as Justice Brandeis pointed out in dissent in *Myers v. United States* (1926):

The doctrine of the separation of powers was adopted by the Convention of 1787, not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was, not to avoid friction, but, by means of the inevitable friction incident to the distribution of governmental powers among three departments, to save the people from autocracy.²⁴

Rather, the political approach to public administration stresses the values of representativeness, political responsiveness, and accountability through elected officials to the citizenry. These are viewed as crucial to the maintenance of constitutional democracy, especially in view of the rise of the contemporary administrative state, which may be likened unto "bureaucratic government."²⁵

One can find many examples of governmental reforms aimed at maximizing the political values of representativeness, responsiveness, and accountability within public administration. For instance, the wide ranging academic controversy concerning the concept of "representative bureaucracy"²⁶ notwithstanding, the Federal Civil Service Reform Act of 1978 made it "the policy of the United States . . .

to provide a Federal work force reflective of the Nation's diversity" by endeavoring "to achieve a work force from all segments of society."²⁷ The Federal Advisory Committee Act of 1971 sought to enhance responsiveness through the use of "representative" advisory committees.²⁸ Earlier, the poverty and model cities programs of the 1960s sought to use "citizen participation" as a means of promoting political responsiveness in administrative operations. The quest for responsiveness has also blended into attempts to promote the accountability of public administrators to political officials through a variety of measures including greater use of the General Accounting Office,²⁹ the creation of the federal Senior Executive Service, and structural changes such as the establishment of the Office of Management and Budget, the Office of Personnel Management, and the Congressional Budget Office. "Sunshine" provisions such as the Freedom of Information Act and "sunset" requirements are also examples of the attempt to promote political accountability. There is also a growing academic literature on the need to promote representativeness, responsiveness, and accountability in the modern administrative state.³⁰

It is important to note that the values sought by the political approach to public administration are frequently in tension with those of the managerial approach. For instance, efficiency in the managerial sense is not necessarily served through sunshine regulations which can dissuade public administration from taking some courses of action, though they may be the most efficient, and can divert time and resources from program implementation to the deliverance of information to outsiders. Consultation with advisory committees and "citizen participants" can be time consuming and costly. A socially representative public service may not be the most efficient one.³¹ Nor is the intended shuffling of Senior Executive Servants from agency to agency likely to enhance efficiency in the managerial sense. Rather it is thought that by providing this cadre of top public administrators a wider variety of experience, they may come to define the public interest in more comprehensive terms and therefore become more responsive to the nation's overall political interests. Moreover, while various budgeting

strategies and sunset provisions can promote economy in one sense, the amount of paperwork they generate and the extent to which they may require agencies to justify and argue on behalf of their programs and expenditures can become quite costly. Indeed, a quarter century ago, Marver Berstein reported that “many officials complain that they must spend so much time preparing for appearing at Congressional hearings and in presenting their programs before the Bureau of the Budget and other bodies that it often leaves little time for directing the operations of their agencies.”³² Managerial effectiveness is difficult to gauge, of course, but federal managers have long complained that their effectiveness is hampered by the large congressional role in public administration and the need to consult continually with a variety of parties having a legitimate concern with their agencies’ operations.³³

Organizational Structure Public administration organized around the political values of representativeness, responsiveness, and accountability also tends to be at odds with the managerial approach to organization. Rather than emphasizing clear lines of functional specialization, hierarchy, unity, and recruitment based on politically neutral administrative competence, the political approach stresses the extent and advantages of political pluralism within public administration. Thus, Harold Seidman urges that, “Executive branch structure is in fact a microcosm of our society. Inevitably it reflects the values, conflicts, and competing forces to be found in a pluralistic society. The ideal of a neatly symmetrical, frictionless organization structure is a dangerous illusion.”³⁴ Norton Long makes a similar point: “Agencies and bureaus more or less perforce are in the business of building, maintaining, and increasing their political support. They lead and in large part are led by the diverse groups whose influence sustains them. Frequently they lead and are themselves led in conflicting directions.”³⁵ Roger Davidson finds a political virtue where those imbued with the managerial approach might see disorder: “In many respects, the civil service represents the American people more comprehensively than does Congress.”³⁶

The basic concept behind pluralism within public administration is that since the administrative branch is a policy-making center of government, it must be structured to enable faction to counteract faction by providing political representation to a comprehensive variety of the organized political, economic, and social interests that are found in the society at large. To the extent that the political approach’s organizational scheme is achieved, the structure comes to resemble political party platform that promises something to almost everyone without establishing clear priorities for resolving conflicts among them. Agency becomes adversary of agency and the resolution of conflict is shifted to the legislature, the office of the chief executive, interagency committees, or the courts. Moreover, the number of bureaus and agencies tends to grow over time, partly in response to the political demands of organized interests for representation. This approach to administrative organization has been widely denounced as making government “unmanageable,” “costly,” and “inefficient,”³⁷ but, as Seidman argues, it persists because administrative organization is frequently viewed as a political question that heavily emphasizes political values.

View of the Individual The political approach to public administration tends to view the individual as part of an aggregate group. It does not depersonalize the individual by turning him or her into a “case,” as does the managerial approach, but rather identifies the individual’s interests as being similar or identical to those of others considered to be within the same group or category. For example, affirmative action within the government service is aimed at specific social groups such as blacks and women without inquiry as to the particular circumstances of any individual member of these broad and diverse groups. Similarly, farmers growing the same crops and/or located in the same national geopolitical subdivisions are considered alike, despite individual differences among them. The same is true in any number of areas of public administration where public policies dealing with people are implemented. This is a tendency, of course, that fits the political culture well—politicians tend to think in terms of group, e.g., the “black” vote, the “farm” vote, labor, and

so forth. Indeed, this approach is so strong that some, such as David Truman,³⁸ consider it the main feature of government in the United States. Theodore Lowi argues that a central tenet of the contemporary American “public philosophy” is that “organized interests are homogeneous and easy to define, sometimes monolithic. Any ‘duly elected’ spokesman for an interest is taken as speaking in close approximation for each and every member.”³⁹ In this view of the individual, then, personality exists, but it is conceptualized in collective terms.

The Legal Approach to Public Administration

Origins and Values In the United States, the legal approach to public administration has historically been eclipsed by the other approaches, especially the managerial. Nevertheless, it has a venerable tradition and has recently emerged as a full-fledged vehicle for defining public administration. It is derived primarily from three inter-related sources. First is administrative law. As early as 1905, Frank Goodnow, a leading contributor to the development of public administrative theory generally, published a book entitled *The Principles of the Administrative Law of the United States*.⁴⁰ There he defined administrative law as “that part of the law which fixes the organization and determines the competence of the authorities which execute the law, and indicates to the individual remedies for the violation of his rights.”⁴¹ Others have found this broad conception of administrative law adequate for defining much of the work of public administrators and the nature of public agencies. For instance, Marshall Dimock writes:

To the public administrator, law is something very positive and concrete. It is his authority. The term he customarily uses to describe it is “my mandate.” It is “his” law, something he feels a proprietary interest in. It does three things: tells him what the legislature expects him to accomplish, fixes limits to his authority, and sets forth the substantive and procedural rights of the individual and group. Having a positive view of his mandate, the administrator considers himself both an interpreter and a

builder. He is a builder because every time he applies old law to new situations he builds the law. Therefore law, like administration, is government in action.⁴²

Taking a related view, Kenneth Davis argues that public agencies are best defined in terms of law: “An administrative agency is a governmental authority, other than a court and other than a legislative body, which affects the rights of private parties through either adjudication, rule-making, investigating, prosecuting, negotiating, settling, or informally acting.”⁴³

A second source of the legal approach has been the movement toward the “judicialization”⁴⁴ of public administration. Judicialization falls within the purview of Goodnow’s definition of administrative law, but tends to concentrate heavily upon the establishment of procedures designed to safeguard individual rights. Dimock succinctly captures the essence of judicialization:

Before the Administrative Procedure Act [1946] came into existence, decisions were made by the regular administrative staff, with the ultimate decision being entrusted to the head of the agency. Characteristically, it was a collective or institutional decision, each making his contribution and all checking each other. The decisions were made on the basis of statutory law, plus agency sub-legislation, plus decided court cases. The system worked, and in most cases worked well. Then the idea arose of using “hearing examiners” in certain cases where hearings were long and technical, as in railroad cases coming under the Interstate Commerce Commission. . . .

When the Administrative Procedure Act . . . was enacted, however, judicialization was speeded up, and now, like a spreading fog, it has become well-nigh universal. It began with hearing officers who were recruited by the U.S. Civil Service Commission and put in a pool, from which they were assigned to various agencies. . . . [T]he idea of courtroom procedure was still further enlarged when Congress created the office of “Administrative Judge,” this being one who operates inside the agency instead of outside it, as in the case of the European administrative courts.

... In actual practice... the longer the system has been in existence, the more frequently the hearing examiner's recommended decision becomes the final decision.⁴⁵

Thus, judicialization brings not only law but legal procedure as well to bear upon administrative decision making. Agencies begin to function more like courts and consequently legal values come to play a greater role in their activities.

Constitutional law provides a third source of the contemporary legal approach to public administration. Since the 1950s, the federal judiciary has virtually redefined the procedural, equal protection, and substantive rights and liberties of the citizenry *vis-à-vis* public administrators.⁴⁶ The old distinction between rights and privileges, which had largely made the Constitution irrelevant to individuals' claims with regard to the receipt of governmental benefits, met its demise. Concomitantly, there was a vast expansion in the requirement that public administrators afford constitutional procedural due process to the individuals upon whom they specifically acted. A new stringency was read into the Eighth Amendment's prohibition of cruel and unusual punishment. Wholly new rights, such as the right to treatment and habilitation, were created, if not fully ratified by the Supreme Court, for those confined to public mental health facilities. The right to equal protection was vastly strengthened and applied in a variety of administrative matters ranging from public personnel merit examinations to the operation of public schools and prisons.

The expansion of the constitutional rights of individuals *vis-à-vis* public administrators has been enforced primarily in two ways, both of which enhance the relevance of the legal approach to contemporary public administration. The courts have sought to force public administrators scrupulously to avoid violating individuals' constitutional rights by reducing public officials' once absolute immunity from civil suits for damages to a qualified immunity.⁴⁷ With some exceptions, public administrators are now liable for damages if they "knew or reasonably should have known" that an action taken abridged someone's constitutional

rights.⁴⁸ In the Supreme Court's view, this approach "in addition to compensating victims, serves a deterrent purpose"⁴⁹ that "should create an incentive for officials who may harbor doubts about the lawfulness of their intended actions to err on the side of protecting citizens' constitutional rights."⁵⁰ Consequently, the concept of administrative competence is expanded to include reasonable knowledge of constitutional law. In addition, in suits challenging the constitutionality or legality of public institutions such as schools, prisons, and mental health facilities, the courts have frequently decreed on-going relief requiring institutional reforms that place the judges in the role of "partner"⁵¹ with public administrators. Indeed, in some instances judges clearly become supervisors of vast administrative undertakings.⁵²

The legal approach to public administration embodies three central values. One is procedural due process. It has long been recognized that this value cannot be confined to any single set of requirements or standards.⁵³ Rather, the term stands for the value of fundamental fairness and is viewed as requiring procedures designed to protect individuals from malicious, arbitrary, capricious, or unconstitutional harm at the hands of the government. A second value concerns individual substantive rights as embodied in evolving interpretations of the Bill of Rights and the Fourteenth Amendment. In general, the judiciary views the maximization of individual rights and liberties as a positive good and necessary feature of the United States political system. Breaches of these rights may be tolerated by the courts when, on balance, some essential governmental function requires their abridgment. However, the usual presumption is against the government in such circumstances and, consequently, judicial doctrines place a heavy burden on official administrative action that infringes upon the substantive constitutional rights of individuals.⁵⁴ Third, the judiciary values equity, a concept that like due process is subject to varying interpretation. However, in terms of public administration in general, equity stands for the value of fairness in the result of conflicts between private parties and the government. It militates against arbitrary or invidious treatment of individuals, encompasses much of the constitutional

requirement of equal protection, and enables the courts to fashion relief for individuals whose constitutional rights have been violated by administrative action.

One of the major features of the values of the legal approach to public administration is the downgrading of the cost/benefit reasoning associated with the managerial approach. The judiciary is not oblivious to the costs of its decisions, but its central focus tends to be on the nature of the individual's rights, rather than on the costs to society of securing those rights. This is especially evident in cases involving the reform of public institutions. As one court said, "inadequate resources can never be an adequate justification for the state's depriving any person of his constitutional rights."⁵⁵

Organizational Structure As suggested in the discussion of judicialization, the preferred structure of the legal approach to public administration is one that will maximize the use of adversary procedure. The full-fledged judicial trial is the archetypical model of this structure. In terms of public administration, however, it is generally modified to allow greater flexibility in the discovery of facts. Juries are not used and hearing examiners often play a more active role in bringing out relevant information. Although this structure is often associated with regulatory commissions, its general presence within public administration should not be underestimated. For example, it is heavily relied upon in contemporary public personnel management, especially in the areas of adverse actions, equal employment opportunity, and labor relations.⁵⁶ It is also common in instances where governmental benefits, such as welfare or public school education, are being withheld or withdrawn from individuals.⁵⁷ The precise structure varies from context to context, but the common element running through it is the independence and impartiality of the hearing examiner. As Dimock points out, to a large extent this independence undermines the managerial approach's reliance on hierarchy. Hearing examiners stand outside administrative hierarchies in an important sense. Although they can be told what to do, that is, which cases to hear, they cannot be told how to rule or decide. Moreover, for all intents and purposes, their

rulings may be binding upon public agencies. This may introduce serious limitations on administrative coordination as the hearing examiner's interpretation of law and agency rules may differ from that of the agency's managerial hierarchy. Dimock summarizes the impact of the adjudicatory structure as follows:

The hearing officers and administrative judges are on a different payroll. Moreover, unlike other officials in his department or agency, the executive is expressly forbidden to fire, discipline, or even communicate with the administrative judge except under very special circumstances, which usually means when the judge submits his proposed order. Under the new system, the judge is isolated in the same manner as a judicial judge, for fear that improper influence will be brought to bear upon him.⁵⁸

To a considerable extent, therefore, this model is at odds with all the values embodied in the other two approaches: It militates against efficiency, economy, managerial effectiveness, representativeness, responsiveness, and political accountability. It is intended, rather, to afford maximum protection of the rights of private parties against illegal, unconstitutional, or invidious administrative action.

View of the Individual The legal approach's emphasis on procedural due process, substantive rights, and equity leads it to consider the individual as a unique person in a unique set of circumstances. The notion that every person is entitled to a "day in court" is appropriate here. The adversary procedure is designed to enable an individual to explain his or her unique and particular circumstances, thinking, motivations, and so forth to the governmental decision maker. Moreover, a decision may turn precisely upon such considerations, which become part of the "merits" of the case. There are some outstanding examples of this in the realm of public administration. For instance, in *Cleveland Board Education v. LaFleur* (1974),⁵⁹ the Supreme Court ruled that before a mandatory maternity leave could be imposed upon a pregnant public school teacher, she was entitled to an individualized medical determination of her illness to continue on the job. In *Wyatt v.*

Stickney (1971),⁶⁰ a federal district court requires that an individual treatment plan be developed for each person involuntarily confined to Alabama's public mental health facilities. Emphasis on the individual *qua* individual does not, of course, preclude the aggregation of individuals into broader groups, as in the case of class action suits. However, while such a suit may be desirable to obtain widespread change, it does not diminish the legal approach's concern with the rights of specific individuals.

The Separation of Powers

Reflection upon these opposing approaches to public administration suggests that they cannot be synthesized for the simple reason that they are an integral part of a political culture that emphasizes the separation of powers rather than integrated political action. Thus, it is largely true that each of these approaches is associated with the values embodied in a different branch of government. The managerial approach is most closely associated with the executive. The presidency has taken on a vast number of roles and functions, but a major feature of its constitutional power is to make sure that the laws are faithfully executed. This is largely the role of implementation, which is the focus of the managerial approach's definition of public administration. The political approach, by contrast, is more closely associated with legislative concerns. It views public administrators as supplementary law makers and policy makers generally. Hence its emphasis on representativeness, responsiveness, and accountability. The legal approach is very closely related to the judiciary in its concern with individual rights, adversary procedure, and equity.

As Justice Brandeis pointed out, the founders' purpose in creating the constitutional branches was not simply to facilitate efficiency, coordination, and a smooth functioning of government generally. The purpose was also to create a system that would give each branch a motive and a means for preventing abuses or misguided action by another. This would prevent the "accumulation of all powers, legislative, executive, and judiciary, in the same hands," which, as Madison wrote in *Federalist* #47, the

founders considered to be "the very definition of tyranny." But the separation of powers would also create a tendency toward inaction. Not only would each branch check the others, but a system of checks and balances would also serve as a check on popular political passions. Thus, the terms of office and the constituencies of members of the House of Representatives and the Senate differ from each other and from those of the president. The judiciary, being appointive, has no constituency *per se* and serves at good behavior, subject to removal by impeachment. Changing the staffing of the government as a whole, therefore, is something that can be accomplished only gradually. Altering its policy initiatives and direction drastically requires widespread consensus among the citizenry. Importantly, some actions of the legislature, such as approving treaties, overriding vetoes, and proposing constitutional amendments, require extraordinary majorities. This can enable a political minority to protect itself from a majority passion.⁶¹ Overall, the government was designed to be responsive slowly to relatively long-term public demands and to require the development of relatively broad agreement among the electorate prior to taking action.

This model of government has not seemed well-suited to public policy aimed at widespread penetration of the economic and social life of the political community. It is weighted in favor of inertia and inflexibility. In answer to this problem, during the past century or so, the United States developed a large administrative apparatus to facilitate specialized, positive, and flexible governmental action.⁶² This phenomenon is commonly referred to as the "rise of the administrative state" and is hardly confined to the United States.⁶³ However, in this country it represents an effort to reduce the inertial qualities of the system of separation of powers. In essence, all three governmental functions have been collapsed into the administrative branch. Thus, public administrators make rules (legislation), implement these rules (an executive function), and adjudicate questions concerning their application and execution (a judicial function). The collapsing of the separation of powers has been well recognized. As Justice White wrote in *Buckley v. Valeo* (1976), "There is no

doubt that the development of the administrative agency in response to modern legislative and administrative need has placed severe strain on the separation-of-powers principle in its pristine formulation.⁶⁴ This strain has also contributed to a “crisis of legitimacy”⁶⁵ in public administration because the accumulation of legislative, executive, and judicial functions in administrative agencies runs counter to the deeply ingrained desire within the political culture for a system of checks and balances.

In a very real fashion, however, a system of checks and balances has devolved to the administrative branch along with the three governmental functions. Thus, as has been argued in this essay, the values associated with each function have been transmuted into distinctive theoretical approaches toward public administration. These approaches have different origins, stress different values and structural arrangements, and view individuals in remarkably different ways. This is precisely because each stresses a different function of public administration. Consequently, although there may be room for greater synthesis of these approaches, seeking to unify theory by allowing one approach to drive out the others would promote public bureaucracy in the most invidious sense of the term. Rather, the task is to develop a distinctive theoretical core suitable to the political culture by building around the need to maintain values, organizational structure, and perspectives on the individual that tends to check and balance each other.

Precisely how such theory may be derived is, of course, not immediately evident or predictable. However, a few ideas come to mind. First, public administrative theorists must recognize the validity and utility of each of the approaches discussed here. Perhaps others can be added in the future, but the legitimacy of each of these is beyond question. Consequently, definition of the field of public administration must include a consideration of managerial, political, and legal approaches. Second, it is necessary to recognize that each approach may be more or less relevant to different agencies, administrative functions, and policy areas. For example, regulation stresses adjudication and, consequently, probably should not be organized primarily according to the managerial or political

approaches. Likewise, overhead operations most clearly fall within the purview of the managerial approach. Distributive policy *may* be best organized according to the political approach. Much more thought and research must be devoted to these matters before any firm conclusions can be reached. But clearly it is an administrative fallacy to try to treat all agencies and programs under a universal standard. This is one reason why the much vaunted “rational” budgeting techniques of PPBS and ZBB failed.⁶⁶ Third, as heretical as it will sound to some, public administrative theory must make greater use of political theory. As is argued here, the separation of powers goes well beyond the issues of legislative delegation and agency sub-delegation—it reaches to the core of the leading theories of public administration. Finally, attention must be paid to the practical wisdom of the public administrative practitioners whose action is circumscribed by internal considerations of checks, balances, and administrative and political pressures generally. Individual public administrators are often called upon to integrate the three approaches to public administration and much can be learned from their experience.

NOTES

1. Robert Parker, “The End of Public Administration,” *Pub. Adm. Rev.* 34 (June 1965): 99, quoted in Richard Stillman, *Public Administration: Concepts and Cases* (Boston: Houghton, Mifflin, 1976), p. 3.
2. Frederick C. Mosher, “Research in Public Administration,” *Pub. Adm. Rev.* 16 (summer 1956): 177; Stillman, op. cit., p. 3.
3. Herbert Kaufman, “Emerging Conflicts in the Doctrines of Public Administration,” *Am. Pol. Sci. Rev.* 50 (December 1956): 1057–1073.
4. James Q. Wilson, “The Bureaucracy Problem,” *The Public Interest* 6 (winter 1976): 3–9.
5. See Gabriel Almond and Sidney Verba, *The Civic Culture* (Boston: Little, Brown, 1965), whose findings provide a useful outline of the values forming the core of the U.S. political culture.

6. Carl Schurz, *The Necessity and Progress of Civil Service Reform* (Washington, D.C.: Good Government, 1894), p. 3.
7. Woodrow Wilson, "The Study of Administration," *Political Science Quarterly* 56 (December 1941): 481–506 (originally copyrighted in 1887).
8. *Ibid.*, p. 481.
9. Frederick Taylor, *The Principles of Scientific Management* (New York: Harper and Bros., 1917).
10. Leonard D. White, *Introduction to the Study of Public Administration* (New York: Macmillan, 1926), pp. vii–viii. See also Herbert J. Storing, "Leonard D. White and the Study of Public Administration," *Pub. Adm. Rev.* 25 (March 1965): 38–51.
11. Luther Gulick and L. Urwick, eds., *Papers on the Science of Administration* (New York: Institute of Public Administration, 1937), pp. 192, 10.
12. Robert Simmons and Eugene Dvorin, *Public Administration* (Port Washington, N.Y.: Alfred Publishing, 1977), p. 217.
13. Max Weber, from *Max Weber: Essays in Sociology*, trans. and ed. H. H. Gerth and C. W. Mills (New York: Oxford University Press, 1958), pp. 196–244.
14. Peter Blau and Marshall Meyer, *Bureaucracy in Modern Society*, 2d ed. (New York: Random House, 1971), esp. p. 8. See also Victor Thompson, *Modern Organization* (New York: Knopf, 1961), pp. 58–80.
15. See Harold Seidman, *Politics, Position, and Power* (New York: Oxford University Press, 1970), chap. 1.
16. See Eugene Lewis, *American Politics in a Bureaucratic Age: Citizens, Constituents, Clients, and Victims* (Cambridge, Mass.: Winthrop, 1977).
17. Weber, *op. cit.*, p. 228.
18. Jay Shafritz et al., *Personnel Management in Government* (New York: Marcel Dekker, 1978), p. 94.
19. Ralph Hummel, *The Bureaucratic Experience* (New York: St. Martin's, 1977), pp. 24–25.
20. See Erving Goffman, *Asylums* (Garden City, N.Y.: Doubleday, 1961), esp. pp. 1–24; *Halderman v. Pennhurst State School*, 244 F. Supp. 1295 (1977); *Holt v. Sarver*, 304 F. Supp. 362 (1970); John Hersey, *The Algiers Motel Incident* (New York: Knopf, 1968).
21. See Amitai Etzioni, *Modern Organizations* (Englewood Cliffs, N.J.: Prentice Hall, 1964), chap. 4, for a brief, cogent description of the human relations approach. Victor Thompson, *op. cit.*, discusses bureau pathology at pp. 152–177.
22. Wallace Sayre, "Premises of Public Administration: Past and Emerging," in *Classics of Public Administration*, ed. Jay Shafritz and Albert Hyde (Oak Park, Ill.: Moore, 1978), p. 201. Dwight Waldo, *The Administrative State* (New York: Ronald Press, 1948), demonstrates how the basic value choices of managerial public administration are ultimately statements of political preference.
23. Paul Appleby, *Policy and Administration* (University, Ala.: University of Alabama Press, 1949); see also Theodore Lowi, *The End of Liberalism* (New York: W. W. Norton, 1969).
24. *Myers v. U.S.*, 52, 293 (1926).
25. David Nachmias and David H. Rosenbloom, *Bureaucratic Government, U.S.A.* (New York: St. Martin's, 1980).
26. The literature here is too vast to cite in its entirety. See Samuel Krislov and David H. Rosenbloom, *Representative Bureaucracy and the American Political System* (New York: Praeger, 1981) for a recent discussion.
27. Public Law 95-454, sect. 3 and sect. 2301 (b) (1). See also *Givhan v. Western Line Consolidated School District*, 99 S. Ct. 693 (1979), which enunciates constitutional conditions permitting a public employee to act as a "representative" within a public administrative structure.
28. Public Law 92-463.
29. See William Keefe and Morris Ogul, *The American Legislative Process*, 4th ed. (Englewood Cliffs, N.J.: Prentice Hall, 1977), p. 407.

30. See Frederick Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968); Ralph Hummel, *The Bureaucratic Experience*; Morris Janowitz, Deil Wright, and William Delany, *Public Administration and the Public* (Westport, Conn.: Greenwood, 1977); Lowi, op. cit.; William Morrow, *Public Administration* (New York: Random House, 1975); Bruce Smith and James D. Carroll, eds., *Improving the Accountability and Performance of Government* (Washington, D.C.: Brookings, 1982).
31. This was an implicit assumption of the 19th-century civil service reformers, who argued that “as the functions of government grow in extent, importance and complexity, the necessity grows of their being administered not only with honesty, but also with trained ability and knowledge” (Carl Schurz, *Congress and the Spoils System* [New York: George Peck, 1895], p. 4). See Harry Kranz, *The Participatory Bureaucracy* (Lexington, Mass.: Lexington Books, 1976); Samuel Krislov, *Representative Bureaucracy* (Englewood Cliffs, N.J.: Prentice Hall, 1974), for discussions of social representativeness and efficiency.
32. Marver Bernstein, *The Job of the Federal Executive* (Washington, D.C.: Brookings, 1958), p. 30.
33. *Ibid.*, pp. 26–37. See also Herbert Kaufman, *The Administrative Behavior of Federal Bureau Chiefs* (Washington, D.C.: Brookings, 1981), esp. chap. 2.
34. Seidman, op. cit., p. 13.
35. Norton Long, “Power and Administration,” in *Bureaucratic Power in National Politics*, ed. Francis Rourke (Boston: Little, Brown, 1965), p. 18.
36. Roger Davidson, “Congress and the Executive: The Race for Representation,” in *Congress: The First Branch of Government*, ed. A. DeGrazia (New York: Anchor, 1967), p. 383.
37. See Seidman, op. cit., chap. 1.
38. David Truman, *The Government Process* (New York: Knopf, 1951); see also Arthur Bentley, *The Process of Government* (Chicago: University of Chicago, 1908).
39. Lowi, op. cit., p. 71. See also Grant McConnell, *Private Power and American Democracy* (New York: Knopf, 1966), chaps. 4 and 5.
40. Frank Goodnow, *The Principles of the Administrative Law of the United States* (New York: G. P. Putnam’s Sons, 1905).
41. *Ibid.*, p. 17.
42. Marshall Dimock, *Law and Dynamic Administration* (New York: Praeger, 1980), p. 31.
43. Kenneth Davis, *Administrative Law and Government* (St. Paul: West, 1975), p. 6.
44. Dimock, op. cit., chap. 10.
45. *Ibid.*, p. 113. According to Charles Dullea, “Development of the Personnel Program for Administrative Law Judges,” *Administrative Law Review* 25 (winter 1973): 41–47, the title “Administrative Law Judge” was created by the U.S. Civil Service Commission.
46. The case law and literature are too voluminous to cite. See David H. Rosenbloom, *Public Administration and Law: Bench v. Bureau in the United States* (New York: Marcel Dekker, 1983).
47. See *Scheuer v. Rhodes*, 416 U.S. 322 (1974). See also Rosenbloom, op. cit., chap. 6.
48. *Wood v. Strickland*, 420 U.S. 308, 322 (1975); *Harlow v. Fitzgerald*, 50 Law Week 4815 (1982).
49. *Carlson v. Green*, 446 U.S. 14 (1980).
50. *Owen v. City of Independence*, 445 U.S. 622, 652 (1980).
51. David Bazelon, “The Impact of the Courts on Public Administration,” *Indiana Law Journal* 52 (1976): 101–110.
52. Abram Chayes, “The Role of the Judge in Public Law Litigation,” *Harvard Law Review* 89 (1976): 1281–1316; Roger Cramton, “Judicial Lawmaking in the Leviathan State,” *Pub. Adm. Rev.* 36 (September/October 1976): 551–555.
53. *Hannah v. Larche*, 363 U.S. 420 (1960).
54. See for instance, *Branti v. Finkel*, 445 U.S. 507, 518 (1980), which requires the public employer to “demonstrate that party affiliation is an appropriate requirement for the effective performance of the public

- office involved” when making a patronage dismissal.
55. *Hamilton v. Love*, 328 F. Supp. 1182, 1194 (1971).
 56. See Robert Vaughn, *The Spoiled System* (New York: Charterhouse, 1975); Richard A. Merrill, “Procedure for Adverse Actions against Federal Employees,” *Virginia Law Review* 59 (1973): 196–287.
 57. *Goldberg v. Kelly*, 397 U.S. 254 (1970); *Goss v. Lopez*, 419 U.S. 565 (1975).
 58. Dimock, op. cit., p. 114.
 59. *Cleveland Board of Education v. LaFleur*, 414 U.S. 632 (1974). Argued and decided with *Cohen v. Chesterfield Co. School Board*.
 60. *Wyatt v. Stickney*, 325 F. Supp. 781 (1971); 334 F. Supp. 387 (1972).
 61. See *Federalist* No. 10.
 62. See Peter Woll, *American Bureaucracy*, 2d ed. (New York: Norton, 1977). Woll is among several scholars with a constitutional focus who argue cogently that the administrative process is far more flexible than government according to the original constitutional scheme could be. See also Davis, op. cit. James O. Freedman, *Crisis and Legitimacy* (New York: Cambridge University Press, 1978), chap. 2, provides a brief description of the rise of the contemporary administrative state and the tension between its operation and the founders’ concept of the separation of powers.
 63. Henry Jacoby, *The Bureaucratization of the World* (Berkeley and Los Angeles: University of California Press, 1978).
 64. *Buckley v. Valeo*, 424 U.S. 1, 280–281 (1976).
 65. Freedman, op. cit.
 66. Allen Schick, “A Death in the Bureaucracy,” *Pub. Adm. Rev.* 33 (March/April 1973): 146–156; “Budgeting Expert Calls Carter Plan ‘Disaster,’” *Houston Post*, April 8, 1977, p. 14A, quotes Peter Phyrri, originator of zero based budgeting, as calling the federal effort to institute ZBB all-at-once “absolute folly.”

Agendas, Alternatives, and Public Policies

John W. Kingdon

When you lobby for something, what you have to do is put together your coalition, you have to gear up, you have to get your political forces in line, and then you sit there and wait for the fortuitous event. For example, people who were trying to do something about regulation of railroads tried to ride the environment for a while, but that wave didn't wash them in to shore. So they grabbed their surfboards and they tried to ride something else, but that didn't do the job. The Penn Central collapse was the big wave that brought them in. As I see it, people who are trying to advocate change are like surfers waiting for the big wave. You get out there, you have to be ready to go, you have to be ready to paddle. If you're not ready to paddle when the big wave comes along, you're not going to ride it in.

—An analyst for an interest group

The policy window is an opportunity for advocates of proposals to push their pet solutions, or to push attention to their special problems. Indeed, as the quotation above illustrates, advocates lie in wait in and around government with their solutions at hand, waiting for problems to float by to which they can attach their solutions, waiting for a development in the political stream they can use to their advantage. Sometimes, the window opens quite predictably. The scheduled renewal of a program, for instance, creates an opportunity for many participants to push their pet project or concern.

Source: The Policy Window, and Joining the Streams" In *Agendas, Alternatives, and Public Policies* (1984) John W. Kingdon. Reprinted by permission of the publisher (Longman).

At other times, it happens quite unpredictably. Policy entrepreneurs must be prepared, their pet proposal at the ready, their special problem well-documented, lest the opportunity pass them by.

We have just finished a series of chapters that considered separately the various streams flowing through the system. The separate streams come together at critical times. A problem is recognized, a solution is developed and available in the policy community, a political change makes it the right time for policy change, and potential constraints are not severe. This chapter deals with the processes by which the separate streams are joined. We begin by discussing what policy windows are and why they open, and then proceed to describe the coupling of the streams that takes place. Policy entrepreneurs play a major part in the coupling at the open policy window, attaching solutions to problems, overcoming the constraints by redrafting proposals, and taking advantage of politically propitious events. We then discuss the occurrence of open windows: their frequency, duration, and predictability. Finally, we discuss spillovers, a process in which the appearance of one item on the governmental agenda sets up the subsequent prominence of conceptually adjacent items.

What Policy Windows are and Why they Open

In space shots, the window presents the opportunity for a launch. The target planets are in proper alignment, but will not stay that way for long. Thus the launch must take place when the window is open, lest the opportunity slip away. Once lost, the opportunity may recur, but in the interim, astronauts and space engineers must wait until the window reopens.

Similarly, windows open in policy systems. These policy windows, the opportunities for action on given initiatives, present themselves and stay open for only short periods. If the

participants cannot or do not take advantage of these opportunities, they must bide their time until the next opportunity comes along. As one congressional committee staffer said of one such opportunity, “You might just say the stars were right.” The separate streams we have been discussing in the three previous chapters come together and are coupled at these times. Participants dump their conceptions of problems, their proposals, and political forces into the choice opportunity,¹ and the outcomes depend on the mix of elements present and how the various elements are coupled.

An open window affects the type of agenda we labeled a decision agenda in Chapter 1. As we have been discussing agendas, the *governmental agenda* is the list of subjects to which people in and around government are paying serious attention at any given point in time. We have essentially measured that agenda in this study by asking the participants what the list is. Within that governmental agenda, there is a smaller set of items that is being decided upon, a *decision agenda*. Proposals are being moved into position for legislative enactment, for instance, or subjects are under review for an imminent decision by the president or a department secretary. In the vernacular of the participants, the issue is “really getting hot,” which is a step up from saying that the participants are seriously occupied with it. Being on this decision agenda, of course, does not insure enactment or favorable bureaucratic decision, but it is a more active status than being on the governmental agenda.

Policy windows open infrequently, and do not stay open long. Despite their rarity, the major changes in public policy result from the appearance of these opportunities. In 1965–66, for instance, the fortuitous appearance of extra liberal Democratic seats in Congress brought about by the Goldwater debacle opened a window for the Johnson administration that resulted in the enactment of Medicare, Medicaid, the poverty program, aid to education, and all of the other programs collected into Johnson’s Great Society initiatives.

Think of a queue of items awaiting their turn on a decision agenda. Somehow, the items must be ordered in the queue. The opening of a window often establishes the priority in the queue. Participants move some items

ahead of others, essentially because they believe the proposals stand a decent chance of enactment. During the late 1970s, for instance, various transportation deregulation proposals were in the queue. The Carter administration chose to move aviation ahead of the others, not because it was conceptually the best but because it stood the best chance of passage. Senators Edward Kennedy and Howard Cannon had already agreed on a bill, the Hill had been softened up by a long set of hearings, the regulatory agency (the Civil Aeronautics Board) favored deregulation, and the industry groups were not unanimously opposed. Trucking deregulation, on the other hand, faced the unified and formidable opposition of the regulated truckers and the Teamsters. Change in the much larger and inertia-bound Interstate Commerce Commission, which dealt with both trucking and railroads, also seemed unlikely. Under the circumstances, aviation represented what various respondents called a “soft target” or a “quick hit,” at least by comparison with the alternatives.

Health respondents talked similarly about Medicare. As one of the prominent proponents of Medicare beautifully summarized the priority placed on the elderly during the early- to mid-1960s:

If you stop to think about this, it was a crazy way to go about it, from a rational point of view. Here we took the one group in the population, the elderly, that was the *most* expensive, needed the *most* health care, for whom medical care would do the *least* amount of good, for whom there was the *least* payoff from a societal point of view. But we did it because that’s politically what we could run with at the time. It didn’t make rational sense to start a health insurance scheme with this sector of the population, but it’s where we started anyway.

To take the other side of priority setting, without the prospect of an open window, participants slack off. They are unwilling to invest their time, political capital, energy, and other resources in an effort that is unlikely to bear fruit. Many potential items never rise on the agenda because their advocates conclude it isn’t worth their effort to

push them. They are so far away from coming to real action—legislative enactment or other authoritative decision—that they are never taken up at all. As one congressional staffer said, “We concentrate on issues that we think are going to be productive. If they’re not productive, then we don’t have unlimited time here, and we’re not going to go into them.” If trucking deregulation wasn’t a live option, for instance, most participants concentrated on something that was: aviation.

The same reasoning applies to bargaining. When the issue isn’t really hot, advocates hold firmly to their extreme positions. But when the issue has a serious chance of legislative or other action, then advocates become more flexible, bargaining from their previously rigid positions, compromising in order to be in the game, as we said in the last chapter. As another congressional staffer put it, referring to the Kennedy-labor stance of holding fast to their comprehensive national health insurance plan and then offering compromises when it looked in the late 1970s like some version of health insurance might stand a chance of passage, “Why should you bargain if there is no realistic chance of getting a bill anyway?” So one stakes out an extreme position early, then compromises when the window opens.

Why Windows Open and Close

Returning to our distinction between the agenda and the alternatives, and speaking rather generally of our three process streams, the agenda is affected more by the problems and political streams, and the alternatives are affected more by the policy stream. Basically, a window opens because of change in the political stream (e.g., a change of administration, a shift in the partisan or ideological distribution of seats in Congress, or a shift in national mood); or it opens because a new problem captures the attention of governmental officials and those close to them. A change of administration is probably the most obvious window in the policy system. In the words of one political appointee, “A new administration comes to town, and they ask, ‘What should we do first?’ Something right away.” The new administration gives some groups, legislators, and agencies their

opportunity—an open policy window—to push positions and proposals they did not have the opportunity to push with the previous administration, and it disadvantages other players.

The same is true of turnover of any of the political actors. The rise of a new congressional committee chair, a wholesale change in congressional membership (as in 1966 or 1974), and new members on a regulatory body all open windows for the advocates of proposals that might get a sympathetic hearing with the new cast of characters. Thus the new Reagan administration provided a window for a host of players previously disadvantaged: budget balancers, supply-siders, right-to-lifers, advocates of school prayer, and others. Likewise, new appointees to the Civil Aeronautics Board and the Interstate Commerce Commission during the Carter administration created a receptivity to deregulation initiatives that was not as marked before.

None of these political events—administration change, a redistribution of seats in Congress, national mood shifts—specifies in detail what is to be done. All of them set general themes that need to be filled out with specific proposals. A Carter administration wants to “get government off our backs,” for instance, and casts about for ways to do that. Or a taxpayer revolt makes members of Congress wary of expensive initiatives, but does not specify exactly where budget cuts should be made. The advocates of more detailed proposals use these general events and themes to push their own ideas to the fore. In other words, these political events and themes open windows for these advocates.

There are also occasions during which a problem becomes pressing, creating an opportunity for advocates of proposals to attach their solutions to it. For instance, gas lines bring governmental attention to energy shortages, and many transportation interests—mass transit, railroads, and others—argue that their programs should be seen as at least a partial solution to the prominent problem. As a congressional staffer put it, “Energy is the conversation of the year. It used to be the environment. If something was connected to the environment, everyone would genuflect. Now it’s energy.” Or medical care costs become such a pressing problem that

everybody must relate proposals to the search for solutions. Focusing events work this way as well. An airplane crash, for instance, opens a window for advocates of initiatives in aviation safety. If they have their proposals ready, the crash provides an opportunity to argue that the proposal should be enacted.

Once the window opens, it does not stay open long. An idea's time comes, but it also passes. There is no irresistible momentum that builds for a given initiative. The window closes for a variety of reasons. First, participants may feel they have addressed the problem through decision or enactment. Even if they have not, the fact that some action has been taken brings down the curtain on the subject for the time being.² Second, and closely related, participants may fail to get action. If they fail, they are unwilling to invest further time, energy, political capital, or other resources in the endeavor. As a bureaucrat said of the Carter administration's effort to pass a hospital cost containment bill, "When they can't get it passed, naturally attention turns to some other things."

Third, the events that prompted the window to open may pass from the scene. A crisis or focusing event, for example, is by its nature of short duration. People can stay excited about an airline crash or a railroad collapse for only so long. Or the pyramiding of resources that caused the window to open may not last long. A new administration, for instance, enjoys its honeymoon for only a few months, and its passing is inevitable. The moment the new president starts to make decisions of any kind—appointments, budgets, legislative proposals—he begins to disappoint some people and to satisfy others. Before those first decisions, everybody is looking to the president with eager anticipation. But the window provided by the honeymoon is most fleeting.³

Fourth, if a change in personnel opens a window, the personnel may change again. People in key positions come and go, and so do the opportunities that their presence furnishes. As one transportation committee staffer mused about his interest in changing the funding arrangements for infrastructure construction, "Staffers on this committee have thought about the issues a lot. It might be that we could, over four years' time or so, persuade members of

our point of view and pursue this thing actively. But it's quite likely that we'll leave here first. I'm not saying that we're going right away, but it's in the nature of turnover." And they were in fact gone in two years.

Finally, the window sometimes closes because there is no available alternative. In the chapter on the policy stream, we spoke of the need to soften up the system, to have a given proposal worked out, discussed, amended, and ready to go, long before the window opens. The opportunity passes if the ready alternative is not available.

The short duration of the open window lends powerful credence to the old saying, "Strike while the iron is hot." Anthony Downs's issue-attention cycle calls for quick action when the opportunity presents itself.⁴ He argues that intense desire to act gives way to a realization of the financial and social costs of action. As one reflective journalist put it, "I have a theory that the really big steps are always taken very quickly or not at all. The poverty program breezed through, and only after it passed did people start to have second thoughts about it. Until the time that national health insurance can be done in a groundswell, very quickly, it won't be done." Thus HEW Secretary Joseph Califano seized the occasion of his first months in office to jam through the reorganization of the department that created the Health Care Financing Administration. He did it so quickly and in such secrecy that only a handful of people knew what was up before the announcement. To prevent leaks, even the graphics to be used in the press conference announcing the move were made up by a friend in another department.

If the window passes without action, it may not open again for a long time. Consider the abject frustration of the official who wanted to cut Amtrak's budget, only to see the effort swallowed by the 1979 energy crisis:

In April and May we thought we were in real good shape. Then the gas shortage turned the whole thing around. The papers got into it, and there were all these articles about the demands for Amtrak. If the energy crisis had just held off for *five months*, we would have had our proposal approved. But it didn't.

As with the Amtrak case, the opponents of a change also know that the window closes soon. Thus is born the common expression, “Riding out the storm.” If one can delay, by studying the issue or by another expedient, the pressure for the change subsides. The longer people live with a problem, the less pressing it seems. The problem may not change at all, but if people can live with it, it appears less urgent. It becomes less a problem and more a condition than it seemed at the beginning.

Perceptions, Estimations, and Misestimations

We have been talking as if one can tell with some certainty when a policy window opens. Sadly for strategists trying to manipulate the process, the world is not quite that simple. Some objective features define a policy window, such as a change of administration, a renewal, or the imminent collapse of a major sector of the economy. But the window exists in the perceptions of the participants as well. They perceive its presence or absence, they estimate the likelihood of its future occurrence, and they sometimes misestimate or misperceive. Beyond misperceiving, even highly skilled and knowledgeable people may disagree on whether a window is or will be open because the nature of the beast is complex and a bit opaque.

The case of national health insurance proposals during the first years of the Carter administration nicely illustrates these differences in perception. Advocates of comprehensive national health insurance, particularly the alliance of Senator Kennedy and organized labor, looked upon the years 1977 and 1978 as an open policy window unlikely to emerge again for some time, an opportunity to push their proposals into agenda prominence and even into enactment. They thus entered into a series of negotiations with the Carter people, and even abandoned their previous insistence that the plan be financed through government rather than through mandated private insurance. One of them told me, “You have a president in office who is strongly and publicly committed to national health insurance, and an overwhelmingly Democratic Congress. You just don’t see these opportunities come along

very often.” Another put it more dramatically: “Our feeling is that if this is not done in the next Congress, it will be dead for a decade, and it might even be dead for a generation. All of us feel that this is the time. If we can’t bring the interests together now, we won’t be able to do it again for a long time.”

Others were skeptical that the window actually was open. One well-known health activist told me, “I don’t think it’s going anywhere, and if it’s not going anywhere, it’s not something I want to spend any time on.” An important congressional committee staffer also expressed his deep skepticism: “What you’re going to see is a lot of singing and dancing, a lot of sound and fury, a lot of playing the national anthem, and not much more than that. The fact is that there is no way to finance it, number one, and number two, there is no public demand for it. [Even catastrophic insurance] has by now been priced out of the market.” Advocates of comprehensive plans might disagree with these assessments of the budgetary and political realities, but that is precisely the point. In judging how wide a window is open, there is considerable room for disagreement even among reasonable people.

It turned out that the window closed, if it was ever open. Inflation and budgetary deficits, combined with such indicators of taxpayer revolt as California’s Proposition 13, made administration officials and members of Congress skittish about large new federal expenditures. Advocates also could not come to agreement, which meant that an alternative was not available. The project was thus left destroyed on the reefs of financial cost, dissension among advocates of various plans, and a lack of time to work out all of the substantive details and political bargains.

Savvy politicians often speak of the importance of timing. As one bureaucrat said, “The important thing is that a proposal come at the right time.” What they mean is that the proposal must be worked out beforehand, and must surface and be pushed when the window is open. Missing that window results in a wait until it opens again. Many national health insurance advocates portrayed labor intransigence in 1973–74 as a prominent example. During that brief period, Senator Kennedy and House Ways and Means Committee Chairman

Wilbur Mills introduced a compromise national health insurance plan. Many people felt at that time, before the major onslaught of taxpayer revolt and budgetary stringency, that the federal government could afford at least the Kennedy-Mills plan. Weakened by Watergate, Nixon might even have signed it as part of an attempt to save his presidency. But organized labor opposed the Kennedy-Mills plan, substantively because they would not approve of the deductibles and less-than-comprehensive benefits, and politically because they preferred to wait for what they judged would be more propitious times, particularly with a Democratic president. In retrospect, one advocate told me in 1978, “That was a big mistake on the part of labor. They opposed it because it was only a 40 billion dollar bill. Now they’re going to be lucky to get something that’s 10 or 15 billion.” Said another, “In my opinion, it was a terrific strategic mistake. You could have accepted [Kennedy-Mills], and built on it to get to the point where you want to be.” A labor participant, however, refused to accept such a characterization, arguing that Kennedy-Mills really was substantively unacceptable. When asked if Kennedy is too prone to compromise for his taste, he replied, “No, other than his brief flirtation with Kennedy-Mills. But he returned to the fold after that.” In any event, Kennedy-Mills *may* have been the window that national health insurance advocates were seeking for many years, though there was some disagreement about that. If it was, the time for seizing the opportunity passed, and as it turned out, the experience of the Carter administration and the subsequent election of Ronald Reagan resulted in the window closing for many years thereafter.

Coupling

In the policy stream, proposals, alternatives, and solutions float about, being discussed, revised, and discussed again. In contrast to a problem-solving model, in which people become aware of a problem and consider alternative solutions, solutions float around in and near government, searching for problems to which to become attached or political events that increase their

likelihood of adoption. These proposals are constantly in the policy stream, but then suddenly they become elevated on the governmental agenda because they can be seen as solutions to a pressing problem or because politicians find their sponsorship expedient. National health insurance, for example, has been discussed constantly for the better part of this century. The arguments and information about it are quite well honed by now. But the proposal rises on the agenda when the political stream, in the form of such events as a new administration or a shift in national mood, opens a window that makes its timing propitious.

An excellent example of the constant solution adapting to the changing mosaic of problems and politics is the case of urban mass transit. When a federal program for mass transit was first proposed, it was sold primarily as a straightforward traffic management tool.⁵ If we could get people out of their private automobiles, we would move them about more efficiently, and relieve traffic congestion in the cities, making them more habitable. When the traffic and congestion issues played themselves out in the problem stream, advocates of mass transit looked for the next prominent problem to which to attach their solution. Along came the environmental movement.⁶ Since pollution was on everybody’s minds, a prominent part of the solution could be mass transit: Get people out of their cars and pollution will be reduced. The environmental movement faded, and what was the next big push? You guessed it: energy. The way to solve the country’s energy problem, so reasoned the advocates of mass transit, was to get people out of their cars when commuting. Of course, the cities’ need for money and their interest in transferring substantial portions of the cost to the federal taxpayer were driving their advocacy of mass transit all along. But since that driving impetus could not successfully serve as the entire rationale, advocates were obliged to hook their solution onto whatever problem might be prominent at any given moment. As one such advocate summed it up, “There is a continuing interest in mass transit. The underlying goals exist and continue along. You want to do something, and you ask, ‘What will work this year? What’s hot this year that I can hang this on?’”

Thus solutions come to be coupled with problems, proposals linked with political exigencies, and alternatives introduced when the agenda changes. Their advocates hook them onto the problem of the moment, or push them at a time that seems propitious in the political stream. This is why, as one bureaucrat said, “Issues keep reemerging in other forms. You think you’d buried it one year, but it comes up in the next year in a different place. The issues get packaged differently, but they are just about the same.” One of those advocates doing the repackaging agreed: “There is nothing new. We are resurrecting old dead dogs, sprucing them up, and floating them up to the top.”

Problem Windows and Political Windows

What does an open window call for? The answer depends on what opened the window in the first place, or, to put it another way, what caused the agenda to change. As noted above, such change usually comes about in response to developments in the problems and political streams, not in the policy stream. So the two categories of windows—problem and political windows—call for different borrowings from the policy stream. If decision makers become convinced a problem is pressing, they reach into the policy stream for an alternative that can reasonably be seen as a solution. If politicians adopt a given theme for their administration or start casting about for proposals that will serve their reelection or other purposes, they reach into the policy stream for proposals.

Sometimes the window is opened by a problem that presses in on government, or at least comes to be regarded as pressing. The collapse of the Penn Central Railroad, for instance, demanded some sort of response. In the absence of federal government action, service to shippers all over the Northeast would have come to a halt. The Penn Central collapse thus opened a window for advocates of all sorts of proposals relating in more general terms to the financial condition of the nation’s railroads: subsidies, deregulation, nationalization, loan guarantees, roadbed rehabilitation, and many others. Advocates attempted to couple their pet solution to the problem at hand.

The prominence of the cost problem in the health area created similar pressures. With the

adoption of Medicare and Medicaid, health care costs rose dramatically. When people in and around government fixed on cost as *the* problem of the period, then everything had to be somehow tied to it. Various regulatory programs—Professional Standards Review Organizations, Health Planning, fraud and abuse—were adopted, justified in part by their supposed contribution to saving money. Health Maintenance Organizations were established with the hope that the competition between prepaid practice and fee-for-service practice would introduce competition into the medical marketplace and drive down costs. People became interested in restraining the introduction of high-cost technology and in working on prevention in order to contribute to a reduction of unnecessary expenditures. The problem of rising cost was so pressing and so pervasive in the thinking of health policy makers that it resulted in the consideration and adoption of a large battery of programs connected to it.

In addition to one opened by the emergence of a pressing problem, a window can be opened by an event in the political stream—a change of administration, a shift in national mood, an influx of new members of Congress. Politicians decide to undertake some sort of initiative on a particular subject, and cast about for ideas. Putting themselves in the market for proposals creates a window for advocates, and many alternatives are then advanced by their sponsors. One or more of the proposals worked up and available in the policy stream thus becomes coupled to the event in the political stream that changed the agenda. The problems may not have changed at all; nor did the solutions. But the availability of an alternative that responds in some way to a new political situation changes the policy agenda.

For example, available alternatives are coupled with general administration themes. The Ford administration put out a general call within the executive branch for proposals to reduce unemployment. They received a suggestion to hire unemployed people to maintain rail roadbeds. Rail specialists had been occupied with roadbed deterioration for years, and saw the administration’s interest in employment as an opportunity to address the roadbed problem.

The Carter administration's desire to undertake an urban initiative is another example. There had been some talk within transportation circles of encouraging intermodal terminals in cities, which would combine rail and bus, intercity and commuter travel. The administration's interest in programs for the cities opened a window for transportation specialists. As one bureaucrat told me, "When the urban initiative came along, we decided that would be a good thing to tack it to." And the proposal for intermodal terminals did indeed become a part of the urban initiative.

The problem windows and the political windows are related. When a window opens because a problem is pressing, the alternatives generated as solutions to the problem fare better if they also meet the tests of political acceptability. Proposals that cannot muster sufficient Hill support or that meet with administration opposition tend to be dropped, even though they might be perfectly logical solutions to the problem at hand. Similarly, when a political event opens a window, participants try to find a problem to which the proposed solution can be attached. The political event even results in the heightened preoccupation with a problem. When Senator Long decided to hold markup sessions on national health insurance in 1979, for instance, prominent references to the problems that created a need or constituency for national health insurance rose abruptly in the interviews, from 3 percent in 1978 to 42 percent in 1979. Discussion of national health insurance was in the air, necessitating attention to the problems it was supposed to address, even though these problems had not changed abruptly during the same time interval.

Seizing Opportunities

When a window opens, advocates of proposals sense their opportunity and rush to take advantage of it. When a commercial airliner collided with a private aircraft over San Diego, for instance, the publicity opened a window for advocates of greater control over private planes. Said a knowledgeable bureaucrat, "That crash provided FAA with a wonderful excuse to expand the traffic control areas. They want that kind of thing anyway." A budgeteer agreed: "Accidents are unfortunate, of course,

but you do get more money for facilities when they happen. Proposals for restricting general aviation had been considered and had been rejected, not on the merits but because of fears of objection to them. Then they came up again because the accident opened a little window, in which advocates of these proposals figured they could do something."

Sometimes the rush to hook one's own interests onto the problem or political event of the moment becomes a bit extreme. During the height of environmental action, for instance, the highway interests felt rather bombarded by arguments that highway construction and the encouragement of automobile use were environmentally unsound. In an effort to make highways compatible with environmental concerns, the highway administration studied various environmental issues. A bureaucrat picks up the action:

They got their people busy and made a big study to calculate what a big problem there would be with horse shit and mule shit if we hadn't invented the car. This was when everybody was hollering about pollution. So they wanted to make this argument that the car has actually helped on the pollution thing because without it the whole country would have a layer of mule shit two feet thick.

When opportunities come along, participants bring their problems to the deliberations, hoping that decision makers will solve them, and also bring their proposals, hoping they will be adopted. Among the energy initiatives advanced during the Carter years, for example, were proposals to levy a steep tax on crude oil, in hope of encouraging conservation, and to exact a windfall profits tax from energy companies in return for decontrol. For transportation actors, both proposals promised to be revenue bonanzas. Mass transit initiatives were proposed for the construction and operation of conventional and unconventional commuter systems. Highway interests talked of constructing "coal roads" to haul the coal on which the administration proposed to rely increasingly. Railroads talked of subsidies to haul coal as well. A multitude of transportation construction projects could be financed: airports, locks and dams, highways, rail roadbeds, bridges,

subways. One lobbyist observed, “It looks to be a way of resolving transportation financing problems that is an easier way than fighting over the trust fund.” In the flurry of activity, prominent mentions of new sources of financing transportation rose abruptly from 10 percent of my 1978 interviews to 44 percent in 1979.

A similar chain of events took place when the Nixon administration proposed the Health Maintenance Organization legislation in the early 1970s. When it arrived on the Hill, liberals saw it as their chance to insert a multitude of provisions not in the original legislation. As the legislation emerged from Congress, in order to qualify for federal status and support HMOs were required to offer a much richer package of benefits than the administration’s bill contemplated, including dental care and alcohol treatment; to allow for open enrollment; and to base membership on whole communities rather than selected groups. The merits of these various provisions could be debated at length, but the net effect, according to many of my respondents, was to load HMOs down with an impossible set of requirements that made it exceedingly difficult to get the program under way.

On reflection, it seems inevitable that such overloading will occur. More solutions are available than windows to handle them. So when a window does open, solutions flock to it. In addition, strategists sometimes deliberately overload an agenda to frustrate all action. If they want to prevent action on a particular item, they load in many other items to compete.

What happens when such an unmanageable multitude of problems and alternatives get dumped into the deliberations? One possibility, indeed not uncommon, is that the entire complex of issues falls of its own weight. Most participants conclude that the subject is too complex, the problems too numerous, and the array of alternatives too overwhelming. Their attention drifts away to other, more manageable subjects. If they are willing to invest considerable resources in the issues, however, then several alternatives are possible. Sometimes, herculean investment will resolve most or all of the problems and dispose of most or all of the alternatives. More likely, some problems and

alternatives will drift away from the particular choice at hand, leaving a set behind that is manageable.⁷ Those that can be disposed of without a great investment of resources are handled fairly easily. For the remainder, problems are resolved and decisions are made after a fashion, according to processes that are by now familiar in the literature on decision making: bargaining, majority coalition building, and building consensus. The key to understanding which outcome obtains is the level of resource commitment. The more the participants are willing to commit their resources, the more problems can be resolved and the more alternatives can be dispatched.

The working of resource commitment is illustrated nicely by the case of dangerous chemicals spilled from tank cars during railroad derailments. There was a rash of such accidents in 1977–78, the most prominent of them at Waverly, Tennessee. These accidents opened a window, and advocates of quite a wide variety of solutions pushed for their adoption. Some, including the governor of Tennessee, called for nationalization of the rail roadbed; others called for less ambitious repair of roadbed to prevent derailments. Why did the accidents fail to provide the opportunity to enact sweeping programs dealing with roadbed rehabilitation or even nationalization? The answer was that a less expensive alternative was considered at the same time: dealing with the tank cars themselves. Government could require chemical and petroleum companies to make their tank cars less susceptible to puncture. That solution would not require the investment of financial resources that fixing the roadbed would require, and would avoid the inevitable opposition to nationalization and to aiding the railroad “barons.” Under different conditions—if there had been a softening up of sentiment for nationalization, for instance—the Waverly accident might have been a window for roadbed upgrading or nationalization.

The outcomes, however, can be quite unpredictable. An administration proposes a bill, then is unable to control subsequent happenings and predict the result. Solutions become attached to problems, even though the problems themselves did not necessarily dictate those particular solutions. Thus a mine disaster

sparks legislation not only for mine safety, but also for black lung disease. A railroad collapse results in a measure of regulatory reform even though the regulatory climate may not have contributed in any significant degree to the railroad's financial condition. Since the outcome depends on the mix of problems and proposals under consideration, there is bound to be some happenstance, depending on which participants are present, which alternatives are available, and even what catches people's eyes.

This unpredictability and inability to control events once they are set in motion creates a dilemma for the participants in the process. To the extent that they have any discretion over the opening of a window, they need to ask themselves before unlatching it whether they risk setting in motion an unmanageable chain of events that might produce a result not to their liking. An administration, for instance, must decide whether pushing for a given proposal might produce legislation from Congress unlike their original intention, or might produce no legislation at all and leave in the wake of the controversy a generalized image of chaos that reflects poorly on the administration. The submission of a legislative proposal becomes a garbage can into which modifications, amendments, wholly new directions, and even extraneous items can be dumped as the bill wends its way through the legislative process. Once the agenda is set, control over the process is lost. Common language references for such a phenomenon include "opening Pandora's box," "the train went off the tracks," and "opening a can of worms." Sometimes participants choose not to open a window at all rather than risk an outcome that would be worse than the status quo.

The General Importance of Coupling

Problems or politics by themselves can structure the *governmental* agenda. But the probability of an item rising on the *decision* agenda is dramatically increased if all three streams—problems, policies, and politics—are joined. An alternative floating in the policy stream, for instance, becomes coupled either to a prominent problem or to events in the political stream in order to be considered seriously in a context broader than the community of specialists. If an

alternative is coupled to a problem as a solution, then that combination also finds support in the political stream. Similarly, if an alternative is seized upon by politicians, it is justified as a solution to a real problem. None of the streams are sufficient by themselves to place an item firmly on the decision agenda.

If one of the three elements is missing—if a solution is not available, a problem cannot be found or is not sufficiently compelling, or support is not forthcoming from the political stream—then the subject's place on the decision agenda is fleeting. The window may be open for a short time, but if the coupling is not made quickly, the window closes. A subject can rise on the agenda abruptly and be there for a short time. A president can place a high priority on it, for instance, or a focusing event like an airplane crash can open a window. But the item is likely to fade from view quickly without the critical joining of the three streams. Since it cannot move from governmental agenda status to a decision agenda, attention turns to other subjects.

If no available alternative is produced by the policy stream, for instance, the subject either fades from view or never rises in the first place. In the case of long-term medical care, both the problems and political streams are firmly in place. The present and future aging of the population indicates a problem that will become most pressing, and the "gray lobby" has shown sufficient political muscle to create abundant incentives for politicians to be interested. But advocates have not devised solutions that are affordable and that have worked out the modalities of matching patients to the appropriate facility or other type of care. As one respondent said, "Every problem does not have a good solution. In the case of long-term care, the first time somebody comes up with a viable solution, then it will become a front burner item in short order." A similar argument about the lack of an agreed-upon solution that would work and that would not be too expensive could be made about the problem of bettering the mental health of the population. Indeed, in my quantitative indicators combining the four years of health interviews, no long-term care variable rose above 13 percent of my respondents discussing it prominently, and no mental health variable rose above 5 percent.

On the other hand, if an alternative can be found, the subject really takes off. Construction of an interstate highway system, for example, was stalled for a number of years due to disagreement over the right financing. During the 1950s, when the Clay Commission advocated a pay-as-you-go earmarked fuel tax, planning accelerated rapidly and construction started. The joining of the three streams had been made: the problem of congestion was evident, there was plenty of political reason to undertake the project, and the acceptable alternative came along.

There are very few single-factor explanations for high placement on the agenda. Generally, the rise of an item is due to the joint effect of several factors coming together at a given point in time, not to the effect of one or another of them singly. When I asked respondents why a given subject got hot, they usually replied in terms of interactions among elements, rather than discussing a single factor or even the addition of several single factors together. It was their *joint* effects that were so powerful. Here are some of the expressions of that idea:

Several things came together at the same time.

There was a confluence of streams.

It was a combination of things.

A cluster of factors got blended into the mix.

It was an amalgam.

Generally, no one factor dominates or precedes the others. Each has its own life and its own dynamics. The combination of these streams, as well as their separate development, is the key to understanding agenda change.

NOTES

1. This phenomenon is captured nicely in Michael D. Cohen, James G. March, and Johan P. Olsen, "A Garbage Can Model of Organizational Choice," *Administrative Science Quarterly* 17 (March 1972): 1–25.
2. Murray Edelman, *The Symbolic Uses of Politics* (Urbana: University of Illinois Press, 1964), Chapter 2.
3. See Paul C. Light, *The President's Agenda* (Baltimore: Johns Hopkins University Press, 1982), Chapter 2.
4. Anthony Downs, "Up and Down with Ecology—The 'Issue-Attention Cycle,'" *The Public Interest* 28 (Summer 1972): 38–50.
5. See Alan Altshuler, "Changing Patterns of Public Policy," *Public Policy* 25 (Spring 1977): 186.
6. See William Lilley, "Transit Lobby Sights Victory," *National Journal* (4 March 1972): 39. He says that transit is "able to ride piggyback on the politically hot environmental issue."
7. The following discussion reflects the garbage can model's discussion of resolution, oversight, and flight. See Cohen, March, and Olsen, "A Garbage Can Model," op. cit.

The Possibility of Administrative Ethics

Dennis F. Thompson

Is administrative ethics possible? The most serious objections to administrative ethics arise from two common conceptions of the role of individuals in organizations—what may be called the ethic of neutrality and the ethic of structure. Both of these views must be rejected if administrative ethics is to be possible.

Administrative ethics involves the application of moral principles to the conduct of officials in organizations.¹ In the form with which we are primarily concerned here (ethics-in public organizations), administrative ethics is a species of political ethics, which applies moral principles to political life more generally. Broadly speaking, moral principles specify (a) the rights and duties that individuals should respect when they act in ways that seriously affect the well-being of other individuals and society; and (b) the conditions that collective practices and policies should satisfy when they similarly affect the well-being of individuals and society. Moral principles require a disinterested perspective. Instead of asking how an action or policy serves the interest of some particular individual or group, morality asks whether the action or policy serves everyone's interest, or whether it could be accepted by anyone who did not know his or her particular circumstances, such as race, social class, or nationality. Moral judgments presuppose the possibility of a person to make the judgment and a person or group of persons to be judged.

The most general challenge to administrative ethics would be to deny the possibility of ethics at all or the possibility of political ethics. Although a worthy challenge, it should not be the primary concern of defenders of administrative ethics. Theorists (as well as practitioners when they think about ethics at all) have been so preoccupied with general objections to ethics that they have neglected objections that apply specifically to ethics in administration. They have not sufficiently considered that even if we accept the possibility of morality in general and even in politics, we may have doubts about it in organizations.

To isolate more specifically the objections to administrative ethics, we should assume that the moral perspective can be vindicated and that some moral principles and some moral judgments are valid. Despite disagreement about how morality is to be justified and disagreement about its scope and content, we nevertheless share certain attitudes and beliefs to which we can appeal in criticizing or defending public actions and policies from a moral perspective.²

The more direct challenge to administrative ethics comes from those who admit that morality is perfectly possible in private life but deny that it is possible in organizational life. The challenge is that by its very nature administration precludes the exercise of moral judgment. It consists of two basic objections—the first calls into question the subject of the judgment (who may judge); the second, the object of judgment (who is judged). The first asserts that administrators ought to act neutrally in the sense that they should follow not their own moral principles but the decisions and policies of the organization. This is the ethic of neutrality. The second asserts that not administrators but the organization (and its formal officers) should be held responsible for its decisions and policies. This is the ethic of structure. Each is called an ethic because it expresses

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certain norms and prescribes conduct. But neither constitutes an ethic or a morality because each denies one of the presuppositions of moral judgment—either a person to judge or a person to be judged.

I. The Ethic of Neutrality

The conventional theory and practice of administrative ethics holds that administrators should carry out the orders of their superiors and the policies of the agency and the government they serve.³ On this view, administrators are ethically neutral in the sense that they do not exercise independent moral judgment. They are not expected to act on any moral principles of their own, but are to give effect to whatever principles are reflected in the orders and policies they are charged with implementing. They serve the organization so that the organization may serve society. Officials are morally obliged to serve the organization in this way because their acceptance of office is voluntary: it signifies consent. Officials know in advance what the duties of office will be, and if the duties (or their minds) change, officials can usually leave office.

The ethic of neutrality does not deny that administrators often must use their own judgment in the formulation of policy. But their aim should always be to discover what policy other people (usually elected officials) intend or would intend; or in the case of conflicting directives to interpret legally or constitutionally who has the authority to determine policy. The use of discretion on this view can never be the occasion for applying any moral principles other than those implicit in the orders and policies of the superiors to whom one is responsible in the organization. The ethic of neutrality portrays the ideal administrator as a completely reliable instrument of the goals of the organization, never injecting personal values into the process of furthering these goals. The ethics thus reinforces the great virtue of organization—its capacity to serve any social end irrespective of the ends that individuals within it favor.

A variation of the ethic of neutrality gives some scope for individual moral judgment until the decision or policy is “final.” On this view, administrators may put forward their own views, argue with their superiors, and contest

proposals in the process of formulating policy. But once the decision or policy is final, all administrators fall into line, and faithfully carry out the policy. Furthermore, the disagreement must take place within the agency and according to the agency’s rules of procedure. This variation puts neutrality in abeyance, but “suspended neutrality” is still neutrality, and the choice for the administrator remains to “obey or resign.”⁴

Three sets of criticisms may be brought against the ethic of neutrality. First, because the ethic underestimates the discretion that administrators exercise, it impedes the accountability of administrators by citizens. The discretion of administrators goes beyond carrying out the intentions of legislators or the superiors in the organization, not only because often there are no intentions to discover, but also because often administrators can and should take the initiative in proposing policies and mobilizing support for them.⁵ The ethic of neutrality provides no guidance for this wide range of substantive moral decision making in which administrators regularly engage. By reinforcing the illusion that administrators do not exercise independent moral judgment, it insulates them from external accountability for the consequences of many of their decisions.

A second set of objections centers on the claim that office-holding implies consent to the duties of office as defined by the organization. While it may be easier to resign from office than from citizenship, it is for many officials so difficult that failure to do so cannot be taken to indicate approval of everything the organization undertakes. For the vast majority of governmental employees, vested rights (such as pensions and seniority) and job skills (often not transferable to the private sector) supply powerful incentives to hold on to their positions. Even if on their own many would be prepared to sacrifice their careers for the sake of principle, they cannot ignore their responsibilities to their families. Higher level officials usually enjoy advantages that make resignation a more feasible option. They can return to (usually more lucrative) positions in business or in a profession. But their ability to do so may depend on their serving loyally while in government, demonstrating that they are the good “team players” on whom any organization, public or private, can rely.

Furthermore, the dynamics of collective decision making discourage even conscientious officials from resigning on principle. Many decisions are incremental, their objectionable character apparent only in their cumulative effect. An official who is involved in the early stages of escalations of this kind (such as aid increases, budget cuts, troop commitments) will find it difficult to object to any subsequent step. The difference between one step and the next is relatively trivial, certainly not a reason to resign on principle. Besides, many decisions and policies represent compromises, and any would-be dissenter can easily be persuaded that because his opponents did not get everything they sought, he should settle for less than what his principles demand. For these and other reasons, an official may stay in office while objecting to the policies of government; a failure to resign therefore does not signify consent.

Proponents of the ethic of neutrality may still insist that officials who cannot fulfill the duties of their office must resign, however difficult it may be to do so. But as citizens we should hesitate before endorsing this as a general principle of administrative ethics. If this view were consistently put into practice, public offices would soon be populated only by those who never had any reason to disagree with anything the government decided to do. Men and women of strong moral conviction would resign rather than continue in office, and we would lose the services of the persons who could contribute most to public life.

Because we do not want to drive persons of principle from office, we should recognize that there may be good moral reasons for staying in office even while disagreeing with the policies of the government. This recognition points to a third set of objections to the ethic of neutrality—that it simplifies the moral circumstances of public office. It tends to portray officials as assessing the fit between their moral principles and the policies of the organization, obeying if the principles and policies match, resigning if they diverge too much. What is important on this view is that in resigning, the individual express “ethical autonomy,” which Weisband and Franck, in their otherwise valuable plea for resignations in protest, define as “the willingness to assert one’s own principled judgment,

even if that entails violating rules, values, or perceptions of the organization, peer group or team.”⁶ “The social importance of ethical autonomy,” they write, “lies not in what is asserted but in the act of asserting.” The ethic of neutrality encourages this and similar portrayals of an isolated official affirming his or her own principles against the organization at the moment of resignation. The ethic thereby neglects important considerations that an ethical administrator should take into account in fulfilling the duties while in office.

First of all, as an official you have obligations to colleagues, an agency, and the government as a whole. By accepting office and undertaking collective tasks in an organization, you give others reason to rely on your continued cooperation. Your colleagues begin projects, take risks, make commitments in the expectation that you will continue to play your part in the organization. If you resign, you disappoint these expectations, and in effect break your commitments to your colleagues. A resignation may disrupt many organizational activities, some of which may be morally more important than the policy that occasions the resignation. Presidential Assistant Alexander Haig deployed this kind of argument in October 1973 in an effort to persuade Attorney-General Elliot Richardson to fire Special Prosecutor Archibald Cox. Richardson claimed that he would resign rather than dismiss Cox. Haig argued that resignation or disobedience at this time would jeopardize the president’s efforts, which were at a critical stage, to reach a peace settlement in the Middle East.⁷ The argument understandably did not convince Richardson (his commitment to Congress and Cox were too clear, and the connection between his resignation and the Middle East settlement too tenuous), but the *form* of the argument Haig invoked was sound. An official must consider his commitments to all of his associates in government and the effect of his intended resignation on the conduct of government as a whole. Officials also have more general obligations to the public. Officials should not decide simply whether they can in good conscience continue to associate themselves with the organization. This could be interpreted as merely wanting to keep one’s own hands clean—a form of what some have called “moral self-indulgence.”⁸

A third way in which the ethic of neutrality distorts the duties of public administrators is by limiting their courses of action to two—obedience or resignation. Many forms of dissent may be compatible with remaining in office, ranging from quiet protest to illegal obstruction. Some of these, of course, may be morally wrong except under extreme circumstances, but the ethic of neutrality provides no guidance at all here because it rules out, in advance, the possibility of morally acceptable internal opposition to decisions of the organization, at least “final decisions.”

The problem, however, is how we can grant officials scope for dissent without undermining the capacity of the organization to accomplish its goals. If the organization is pursuing goals set by a democratic public, individual dissent in the organization may subvert the democratic process. We should insist, first of all, that would-be dissenters consider carefully the basis of their disagreement with the policy in question. Is the disagreement moral or merely political? This is a slippery distinction since almost all important political decisions have moral dimensions. But perhaps we could say that the more directly a policy seems to violate an important moral principle (such as not harming innocent persons), the more justifiable dissent becomes. An official would be warranted in stronger measures of opposition against decisions to bomb civilian targets in a guerrilla war than against decisions to lower trade barriers and import duties.⁹ In cases of political disagreement of the latter sort, straightforward resignation seems the most appropriate action (once the decision is final). Dissenters must also consider whether the policy they oppose is a one-time incident or part of a continuing pattern and whether the wrongness of the policy is outweighed by the value of the other policies the organization is pursuing. Furthermore, dissenters must examine the extent of their own involvement and own role: how (formally and informally) responsible are they for the policy? What difference would their opposition make to the policy and to the other policies of the organization? To what extent does the policy violate the ethics of groups to

which they are obligated (such as the canons of the legal or medical professions)?

These considerations not only determine whether an official is justified in opposing the organization’s policy, but they also help to indicate what methods of dissent the official may be justified in using to express opposition. The more justified an official’s opposition, the more justified the official is in using more extreme methods. The methods of dissent may be arrayed on a continuum from the most extreme to the most moderate. Four types of dissent will illustrate the range of this continuum and raise some further issues that any would-be dissenter must consider.

First, there are those forms of dissent in which an official protests within the organization but still helps implement the policy, or (a slightly stronger measure) asks for a different assignment in the organization. In its weakest form, this kind of dissent does not go much beyond the ethic of neutrality. But unlike that ethic, it would permit officials to abstain from active participation in a policy they oppose and to continue their protest as long as they do so in accordance with the accepted procedures of the organization.¹⁰

One danger of this form of protest is what has been called the “domestication of dissenters.”¹¹ A case in point is George Ball, who as undersecretary of state in the Johnson administration persistently argued against the government’s Vietnam policy in private meetings:

Once Mr. Ball began to express doubts, he was warmly institutionalized: he was encouraged to become the in-house devil’s advocate on Vietnam.... The process of escalation allowed for periodic requests to Mr. Ball to speak his peace; Ball felt good... (he had fought for righteousness); the others felt good (they had given a full hearing to the dovish option); and there was minimal unpleasantness.¹²

In this way dissenters can be “effectively neutralized,” and contrary to their intentions, their dissent can even help support the policy they oppose. It is important therefore to consider whether this effect is inevitable, and, if not, to discover the conditions under which it can be avoided.

In a second form of dissent, officials, with the knowledge of, but against the wishes of their superiors, carry their protest outside the organization while otherwise performing their jobs satisfactorily. This is the course of action taken by most of the 65 Justice Department attorneys who protested the decision to permit delays in implementing desegregation decrees in Mississippi in August of 1969.¹³ The attorneys signed and publicized a petition denouncing the attorney-general and the president for adopting a policy the attorneys believed violated the law and would require them to act contrary to the ethical canons of the legal profession. They also believed that resignation would not fulfill their obligation to act affirmatively to oppose illegality. Several of the dissenters argued for stronger actions that would directly block the policy, and some gave information to the NAACP Legal Defense Fund, which was opposing the Justice Department in court. Most of the attorneys declined to engage in these stronger actions, however, on the grounds that obstruction would weaken public support for their dissent.

This kind of dissent usually depends, for its efficacy as well as its legitimacy, on the existence of some widely accepted standards to which the dissenters can appeal outside the organization. Professional ethics or even the law may not be sufficient, since people disagree on how to interpret both, but appealing to such standards may at least reassure the public that the dissenters are not using their office to impose the dictates of their private consciences on public policy. When dissenters oppose democratically elected officials, they must find ways to show that they are defending principles that all citizens would endorse.

The third form of dissent is the open obstruction of policy. Officials may, for example, withhold knowledge or expertise that the organization needs to pursue the policy, refuse to step aside so that others can pursue it, or give information and other kinds of assistance to outsiders who are trying to overturn the policy. A few officials may adopt this strategy for a short time, but organizations can usually isolate the dissenters, find other officials to do the job, and mobilize its own external support to counter any opposition that arises outside the

organization. In any such event, the dissenters are not likely to retain much influence within the organization. Effective and sustained opposition has to be more circumspect.

We are therefore led to a fourth kind of dissent: covert obstruction. Unauthorized disclosure—the leak—is the most prominent example. Leaks vary greatly in purpose and effect. Some simply provide information to other agencies that are entitled to receive it; others embarrass particular officials within an agency but do not otherwise subvert the agency's policies; others release information to the press or public ultimately reversing a major government policy; and at the extreme, still others give secrets to enemy agents and count as treason. Short of that extreme, we still may want to say that unauthorized disclosure is sometimes justified even when it breaches government procedures or violates the law, as in the release of classified documents.

An analogy is sometimes drawn between official disobedience and civil disobedience. Many democratic theorists hold that citizens in a democracy are justified in breaking the law with the aim of changing a law or policy, but only in certain ways and under certain conditions. Citizens must (1) act publicly; (2) commit no violence; (3) appeal to principles shared by other citizens; (4) direct their challenge against a substantial injustice; (5) exhaust all normal channels of protest before breaking a law; and (6) plan their disobedience so that it does not, in conjunction with that of other citizens, disrupt the stability of the democratic process.¹⁴

Even if one thinks that civil disobedience is justifiable, one may not agree that official disobedience is warranted. Officials cannot claim the same rights as citizens can, and, it may be said, the analogy does not in general hold. But the analogy may not hold for the opposite reason. In extreme cases of governmental wrongdoing, so much is at stake that we should give officials greater scope for disobedience than we allow citizens. In these cases we might be prepared to argue that the standard conditions for civil disobedience are too restrictive for officials. If we insist, for example, that disobedience always be carried out in public, we may in effect suppress much valuable criticism of government. Fearful of the consequences of public

action, dissenting officials may decide against providing information that their superiors have declared secret but that citizens ought to know. The point of relaxing the requirement of publicity would be not to protect the rights of dissenters for their own sake but to promote public discussion of questionable actions of government. We may wish to retain some form of the requirement of publicity, perhaps by establishing an authority to whom a dissenter must make his or her identity known. But this requirement, as well as the others, should be formulated with the goal of maximizing the responsibility of governmental officials, not with the aim of matching exactly the traditional criteria of civil disobedience.

The important task, with respect to disobedience as well as the other forms of dissent, is to develop the criteria that could help determine when each is justifiable in various circumstances. The ethic of neutrality makes that task unnecessary by denying that ethics is possible in administration. But, as we have seen, that administrative neutrality itself is neither possible nor desirable.

II. The Ethic of Structure

The second major obstacle to administrative ethics is the view that the object of moral judgment must be the organization or the government as a whole. This ethic of structure asserts that, even if administrators may have some scope for independent moral judgment, they cannot be held morally responsible for most of the decisions and policies of government. Their personal moral responsibility extends only to the specific duties of their own office for which they are legally liable.

Moral judgment presupposes moral agency. To praise or blame someone for an outcome, we must assume that the person is morally responsible for the action. We must assume (1) that the person's actions or omissions were a cause of the outcome; and (2) that the person did not act in excusable ignorance or under compulsion. In everyday life, we sometimes withhold moral criticism because we think a person does not satisfy one or both of these criteria. But since usually so few agents are involved and because

the parts they play are obvious enough, we are not normally perplexed about whether anyone can be said to have brought about a particular outcome. The main moral problem is what was the right thing to do, not so much who did it. In public life, especially organizations, the problem of identifying the moral agents, of finding the persons who are morally responsible for a decision or policy, becomes at least as difficult as the problem of assessing the morality of the decision or policy. Even if we have perfect information about all the agents in the organizational process that produced an outcome, we may still be puzzled about how to ascribe responsibility for it. Because many people contribute in many different ways to the decisions and policies of an organization, we may not be able to determine, even in principle, who is morally responsible for those decisions and policies. This has been called "the problem of many hands,"¹⁵ and the assumption that it is not soluble underlies the ethic of structure.

Proponents of the ethic of structure put forward three arguments to deny the possibility of ascribing individual responsibility in organizations and thereby to undermine the possibility of administrative ethics. First, it is argued that no individual is a necessary or sufficient cause of any organizational outcome.¹⁶ The contributions of each official are like the strands in a rope. Together they pull the load: no single strand could do the job alone, but the job could be done without any single strand. Suppose that for many decades the CIA has had a policy of trying to overthrow third-world governments that refuse to cooperate with their operatives, and suppose further that many of these attempts are morally wrong. No one presently in the agency initiated the practice, let us assume, and no one individual plays a very important role in any of the attempts. If any one agent did not do his or her part, the practice would continue, and even particular attempts would still often succeed. How could we say that any individual is the cause of the practice?

A second argument points to the gap between individual intention and collective outcomes. The motives of individual officials are inevitably diverse (to serve the nation, to help citizens, to acquire power, to win a promotion, to ruin a rival). Many praiseworthy

policies are promoted for morally dubious reasons, and many pernicious policies are furthered with the best of intentions. In many organizations today, for example, we may well be able to say that no official intends to discriminate against minorities in the hiring and promoting of employees; yet the pattern of appointments and advancements still disadvantages certain minorities. Here we should want to condemn the pattern or policy (so the argument goes), but we could not morally blame any individual official for it.

A third argument stresses the requirements of role. The duties of office and the routines of large organizations require individual actions which, in themselves harmless or even in some sense obligatory, combine to produce harmful decisions and policies by the organization. Although the policy of the organization is morally wrong, each individual has done his or her moral duty according to the requirements of office. The collective sum is worse than its parts. In a review of the policies that led to financial collapse of New York City in the mid-1970s and endangered the welfare and livelihoods of millions of citizens, one writer concludes that no individuals can be blamed for the misleading budgetary practices that helped bring about the collapse: “The delicately balanced financial superstructure was a kind of evolutionary extrusion that had emerged from hundreds of piecemeal decisions.”¹⁷

If we were to accept these arguments, we would let many guilty officials off the moral hook. Without some sense of personal responsibility, officials may act with less moral care, and citizens may challenge officials with less moral effect. Democratic accountability is likely to erode. How can these arguments be answered so that individual responsibility can be maintained in organizations?

First, we should not assess an official’s moral responsibility solely according to the proportionate share he or she contributes to the outcome. “Responsibility is not a bucket in which less remains when some is apportioned out.”¹⁸ If a gang of 10 thugs beats an old man to death, we do not punish each thug for only one-tenth of the murder (even if no single thug hit him hard enough to cause his death). Further, in imputing responsibility we should consider not

only the acts that individuals committed but also the acts they omitted. Even though in the CIA example no one initiated the wrongful policy, many officials could be blamed for failing to try to halt the practice. Admittedly, there are dangers in adopting a notion of “negative responsibility.”¹⁹ One is that such a notion can make individuals culpable for almost anything (since there seems to be no limit to the acts that an individual did not do). But in the context of organizations we can more often point to specific omissions that made a significant difference in the outcome and that are ascribable to specific persons. Patterns of omissions can be predicted and specified in advance.

The force of the second argument, which points to the gap between individual intention and collective outcome, can be blunted if we simply give less weight to intentions than to consequences in assessing moral culpability of officials, at least in two of the senses that “intention” is commonly understood—as motive and as direct goal. It is often hard enough in private life to interpret the motives of persons one knows well; in public life it may be impossible to discover the intentions of officials, especially when the motives of so many of those questioning the motives of officials are themselves questionable. Insofar as we can discover motives, they are relevant in assessing character and may sometimes help in predicting future behavior, but administrative ethics does better to concentrate on actions and results in public life.²⁰

What about officials who directly intend only good results but, because of other people’s mistakes or other factors they do not foresee, contribute to an unjust or harmful policy? Here the key question is not whether the officials actually foresaw this result, but whether they should have foreseen it.²¹ We can legitimately hold public officials to a higher standard than that to which we hold ordinary citizens. We can expect officials to foresee and take into account a wider range of consequences, partly because of the general obligations of public office. Where the welfare of so many are at stake, officials must make exceptional efforts to anticipate consequences of their actions.

Moreover, the nature of organization itself often forestalls officials from plausibly pleading

that they did not foresee what their actions would cause. Organizations tend to produce patterned outcomes; they regularly make the same mistakes in the same ways. While officials may once or twice reasonably claim they should not have been expected to foresee a harmful outcome to which their well-intentioned actions contributed, there must be some (low) limit to the number of times they may use this excuse to escape responsibility. In the example of discrimination in employment, we would say that officials should recognize that their organizational procedures (combined with social forces) are still producing unjust results in personnel decisions; they become partly responsible for the injustice if they do not take steps to overcome it as far as they can.

The requirements of a role insulate an official from blame much less than the earlier argument implied.²² The example of the New York City fiscal crisis actually tells against that argument as much as for it. Mayor Beame was one of the officials who disclaimed responsibility for the allegedly deceptive accounting practices on the grounds that they were part of organizational routines established many years earlier and could not be changed in the midst of a crisis. But Beame had also served as comptroller and in the budget office during the years when those accounting practices were initiated.²³ In ascribing responsibility to public officials, we should keep in mind that it attaches to persons, not offices. It cannot be entirely determined by any one role a person holds, and it follows a person through time. These features of personal responsibility are sometimes ignored. Public officials are blamed for an immoral (or incompetent) performance in one role but then appear to start with a clean slate once they leave the old job and take up a new one. This recycling of discredited public figures is reinforced by the habit of collapsing personal responsibility into role responsibility. Another way that officials may transcend their roles should also be emphasized. Even when a role fully and legitimately constrains what an official may do, personal responsibility need not be completely extinguished. Officials may escape blame for a particular decision, but they do not thereby escape responsibility for seeking to change the constraints of role and structure

that helped produce that decision, and they do not escape responsibility for criticizing those constraints. Criticism of one's own past and current performance, and the structures in which that performance takes place, may be the last refuge of moral responsibility in public life.

Administrative ethics is possible—at least, the two major theoretical views that oppose its possibility are not compelling. We are forced to accept neither an ethic of neutrality that would suppress independent moral judgment, nor an ethic of structure that would ignore individual moral agency in organizations. To show that administrative ethics is possible is not of course to show how to make it actual. But understanding why administrative ethics is possible is a necessary step not only toward putting it into practice but also toward giving it meaningful content in practice.

NOTES

1. It may be assumed that there is no important philosophical distinction between “ethics” and “morality.” Both terms denote the principles of right and wrong in conduct (or the study of such principles). When we refer to the principles of particular professions (e.g., legal ethics or political ethics), “ethics” is the more natural term; and when we refer to personal conduct (e.g., sexual morality), “morality” seems more appropriate. But in their general senses, the terms are fundamentally equivalent. For various definitions of the nature of morality or ethics, see William Frankena, *Ethics*, 2d ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1973), pp. 1–11; Alan Donagan, *The Theory of Morality* (Chicago: University of Chicago Press, 1977), pp. 1–31; G. J. Warnock, *The Object of Morality* (London: Methuen and Co., 1971), pp. 1–26.
2. Cf. the method of “reflective equilibrium” presented by John Rawls, *A Theory of Justice* (Cambridge, Mass.: Harvard University Press, 1971), pp. 48–51.
3. For citations and analysis of some writers who adopt part or all of the ethic of neutrality, see Joel L. Fleishman and Bruce L. Payne, eds., *Ethical Dilemmas and the Education*

- of *Policymakers* (Hastings-on-Hudson, N.Y.: The Hastings Center, 1980), pp. 36–38. Cf. John A. Rohr, *Ethics for Bureaucrats* (New York: Dekker, 1978), pp. 15–47.
4. Cf. George Graham, “Ethical Guidelines for Public Administrations,” *Pub. Adm. Rev.* 34 (January/February 1974): 90–92.
 5. Donald Warwick, “The Ethics of Administrative Discretion,” in *Public Duties*, ed. Joel Fleishman et al. (Cambridge, Mass.: Harvard University Press, 1981), pp. 93–127.
 6. Edward Weisband and Thomas M. Franck, *Resignation in Protest* (New York: Penguin, 1976), p. 3.
 7. J. Anthony Lukas, *Nightmare: The Underside of the Nixon Years* (New York: Bantam, 1977), p. 588.
 8. On “complicity,” see Thomas E. Hill, “Symbolic Protest and Calculated Silence,” *Philosophy & Public Affairs* (fall 1979): 83–102. For a defense against the charge of moral self-indulgence, see Bernard Williams, *Moral Luck* (Cambridge: Cambridge University Press, 1981), pp. 40–53.
 9. For an example of the latter, see Weisband and Franck, op. cit., p. 46.
 10. Cf. Graham, op. cit., p. 92.
 11. James C. Thomson, “How Could Vietnam Happen?” *Atlantic*, April 1968, p. 49. Also see Albert Hirschman, *Exit, Voice, and Loyalty* (Cambridge, Mass.: Harvard University Press, 1970), pp. 115–119.
 12. Thomson, op. cit., p. 49.
 13. Gary J. Greenberg, in *Inside the System*, eds. Charles Peters and T. J. Adams (New York: Praeger, 1970), pp. 195–209.
 14. See Rawls, op. cit., pp. 363–391.
 15. Dennis F. Thompson, “Moral Responsibility of Public Officials: The Problem of Many Hands,” *Am. Pol. Sci. Rev.* 74 (December 1980): 905–916.
 16. John Ladd, “Morality and the Ideal of Rationality in Formal Organizations,” *Monist* 54 (October 1970): 488–516.
 17. Charles R. Morris, *The Cost of Good Intentions* (New York: W. W. Norton, 1980), pp. 239–240. For some other examples of structuralist analyses, see Herbert Kaufman, *Red Tape* (Washington, D.C.: Brookings, 1977), pp. 27–28; Richard J. Stillman, *Public Administration: Concepts and Cases*, 2d ed. (Boston: Houghton Mifflin, 1980), p. 34.
 18. Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), p. 130.
 19. Cf. Bernard Williams, “A Critique of Utilitarianism,” in *Utilitarianism*, by J. J. C. Smart and Williams (Cambridge: Cambridge University Press, 1973), pp. 93–118.
 20. But cf. Joel L. Fleishman, “Self-Interest and Political Integrity,” in *Public Duties*, ed. Joel Fleishman et al. (Cambridge, Mass.: Harvard University Press, 1981), pp. 52–92.
 21. But cf. Charles Fried, *Right and Wrong*, (Cambridge, Mass.: Harvard University Press, 1978), esp. pp. 21–22, 26, 28, 202–205. More generally on “intention,” see Donagan, op. cit., pp. 112–142, and J. L. Mackie, *Ethics* (New York: Penguin, 1977), pp. 203–226.
 22. On role responsibility, see H. L. A. Hart, *Punishment and Responsibility* (New York: Oxford University Press, 1968), pp. 212–214; R. S. Downie, *Roles and Values* (London: Methuen, 1971), pp. 121–145.
 23. Dennis F. Thompson, “Moral Responsibility and the New York City Fiscal Crisis,” in *Public Duties*, ed. Joel Fleishman et al. (Cambridge, Mass.: Harvard University Press, 1981), pp. 266–285.

American Federalism: Madison's Middle Ground in the 1980s

Martha Derthick

"Let it be tried ... whether any middle ground can be taken, which will at once support a due supremacy of the national authority, and leave in force the local authorities so far as they can be subordinately useful."

So wrote James Madison to Edmund Randolph not long before the constitutional convention.¹ Much of American constitutional experience has consisted, as did much of Madison's work in Philadelphia, of a search for that middle ground.

At the convention, even partisans of the states conceded that there must be a stronger central government than the Articles of Confederation provided. And even supporters of national supremacy conceded that the states should not be abolished.² So the convention settled on a "composition" or "compound republic," as Madison termed it in *The Federalist*.³ That is, the new government combined features of federal and purely national forms, most obviously in the structure of its legislature, wherein the states were represented, equally, in one house, and the people directly, in proportion to their numbers, in the other.

Eventually, this creation came to be widely regarded as the prototype of federal government, or at least as the most important and successful example of it. K. C. Wheare, writing a basic text on federal government in 1953, began by looking to the Constitution of the United

States for his definition. The basic principle, he concluded, "is that of the division of powers between district and co-ordinate governments."⁴ In certain matters, for example the coining of money and the making of treaties, the general government was independent of the state governments, whereas the states, in turn, were independent of the general government in other matters.

One wonders if the Founders believed that their "composition" would be stable. Some evidently doubted it. At the outset of the convention, after explaining the distinction between a federal government as it was then understood ("as mere compact resting on the good faith of the parties") and a national one ("having a complete and *compulsive* operation"), Gouverneur Morris seemed to say that the convention must choose one or the other: "He contended that in all communities there must be one supreme power, and one only."⁵ "A National Government must soon of necessity swallow [the states] all up," George Read of Delaware predicted.⁶ "Mr. Bedford [also of Delaware] contended, that there was no middle way between a perfect consolidation, and a mere confederacy of the States."⁷ In 1828, when the composition was nearly 40 years old and under severe strain, Madison seemed uncertain about its prospects but still hopeful. "It will be fortunate if the struggle [between the nation and states] should end in a permanent equilibrium of powers," he wrote.⁸

As the "composition" approaches 200 years of age, it is still not easy to render a simple, indisputable judgement on the outcome. Surely the national government has proved supreme. It got the better of the states in the original contest, as well as in the major tests of subsequent centuries. The nineteenth century, embracing the great debates over nullification and secession and culminating in the Civil War, virtually disposed of the doctrine that the states have the right to decide disputes over the

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distribution of governmental power. The twentieth century then proceeded to dispose of the original precept that the powers of the national government are confined to those enumerated in a written constitution—a development that was far enough advanced by the end of World War II to cast doubt even then on Wheare's definition.⁹

On the other hand, even now the national government does not operate alone. State governments survive, not as hollow shells (as their detractors often charge and their defenders always fear), but as functioning entities, with their own constitutions, laws, elected officials and independently-raised revenues. Though Congress has pervasively invaded domains once thought exclusively those of the states and though it very much constrains their conduct with commerce clause regulations applying directly to them and with grant-in-aid conditions, on the whole it has refrained from displacing them—apart, that is, from piecemeal pre-emptions of regulatory functions under the commerce clause, a practice that is well within the bounds of constitutional tradition and indubitably sanctioned by the supremacy clause. As a general rule, when Congress essays new domestic responsibilities it relies on cooperation of the states, with the result that the two levels of government in our federal system are today massively and pervasively intertwined—a fact that is of utmost importance for the conduct of public administration.

As it happens, quite apart from the impending bicentennial of the Constitution, the 1980s are an eminently suitable time for taking stock of the federal system for two reasons. First, because the Reagan era has provided surcease from the passage of expansive new federal legislation, we can pause to appraise the changes that took place between 1965 and 1980, a period marked by numerous innovations in intergovernmental relations. Second, within the Supreme Court and between the Court and the Reagan Administration's second attorney general, a rather heated debate has developed over the importance of federalism and the judicial behavior required to preserve it.

The Practice of Intergovernmental Relations: Shared Programs

For a student of federalism to make sense of the events of 1965–1980 is no easy task. A great deal happened. Grant-in-aid programs proliferated in the customary categorical pattern and then were revised by the introduction of general revenue-sharing and three broad-based grants—two (for community development and employment and training) which the Nixon Administration designed and a third (social services) that developed unintentionally when several powerful, populous states successfully exploited a loophole in the federal law providing for public assistance grants.¹⁰ As of 1984, following attempts by the Reagan Administration to expand block grants and reduce general revenue-sharing, 20 percent of federal grants were classified as broad-based or general-purpose.

Against the decentralization embodied in less-conditioned grants, however, must be set numerous centralizing acts of Congress that occurred in the same period. Congress replaced several public assistance grant programs with a direct federal program of income support (Supplemental Security Income or SSI) and displayed a heightened willingness to try to make national policy for the remaining category of public assistance, Aid to Families with Dependent Children. It experimented boldly and sometimes irresponsibly with a new grant-in-aid technique, what the Advisory Commission on Intergovernmental Relations has called the “cross-cutting requirement.”¹¹ Employed mainly to prevent discrimination in the use of grants, this technique encompasses in one statutory stroke *all* grant programs or some large class of them, in contrast to Congress's earlier practice of attaching conditions specifically to particular categorical programs.¹²

Related to the “cross-cutting requirement,” yet clearly distinguishable from it, is another new and bold grant technique, that which ACIR calls the “cross-over sanction.”¹³ Historically, Congress has confined the sanction of withholding grant funds quite narrowly within grant categories. Withholding would apply only to the activity wherein the recipient's transgression of federal requirements was alleged, but in the 1970s Congress began to threaten sanctions

that crossed the boundaries of particular programs. Thus, for example, if states do not meet the pollution control standards of the Clean Air Act, they may be penalized by the withholding of highway aid funds. To assure that the states supplemented federal payments under SSI to the extent that Congress wished, it threatened them with loss of Medicaid grants. Numerous other examples exist. In general, categorical grant-in-aid programs of the 1970s, whether newly enacted or only amended, displayed a much enlarged willingness to intrude in state and local affairs. Statements of federal objectives were often as expansive as grant-in-aid techniques were inventive.

Nor was Congress's inventiveness confined to grant-in-aid programs. In the process of enacting dozens of laws in the 1970s for the regulation of environmental, work-place, and product hazards, Congress repeatedly applied a new technique of intergovernmental relations that has become known as "partial preemption."¹⁴ Very roughly, it is to regulatory programs what the conditioned, categorical grant-in-aid is to spending programs—that is, a way of propounding national objectives and inducing the states to cooperate in pursuing them; the two are often used in tandem. Partial preemption entails the setting of federal regulatory standards but gives the states the option of various forms of participation in the regulatory regime. More often than not, the federal government relies heavily on them for enforcement.

Under the Clean Air Act, for example, Congress sets standards for permissible levels of common pollutants and deadlines for meeting them. States are instructed to adopt implementation plans designed to attain the standards, and the federal Environmental Protection Agency (EPA) reviews the state plans.¹⁵ If a state fails to act or fails to secure EPA's approval of its plan, EPA can develop its own plan for the state. Both the state and federal governments may take action against polluters.

The Surface Mining Control and Reclamation Act uses a similar technique. The act sets forth numerous, detailed performance standards that coal-mining operations must meet. States wishing to assume regulatory responsibility must submit plans

for approval by the Office of Surface Mining (OSM) of the Department of the Interior. State laws, regulations, and administrative performance must meet the requirements of the federal act. If a state chooses not to regulate, fails to gain approval of its plan, or fails to implement the plan satisfactory, OSM is required to take charge.¹⁶

As a third example, under the Occupational Safety and Health Act of 1970 the Secretary of Labor is required to promulgate standards, but states may regulate those matters that federal regulations fail to address, and they may also assume responsibility in areas where the federal government has acted if their own standards are "at least as effective" as the federal standards.¹⁷

The Persistence of State Discretion. From the perspective of the mid-1980s, one can hardly say that the result of this outburst of congressional activity are clear, but it is perhaps not too soon to say that they are clearly ambiguous. Even where the urge to centralize was strongest—in income support and environmental protection programs—state governments retain a great deal of discretion in policy making and freedom from federal administrative supervision. Despite fears of some partisans of the states that they were being turned into mere administrative agents of an overbearing central government, federalism lives. It is manifest in the persistence of interstate differences in program characteristics and in the ineffectiveness of much federal oversight of state administration.

Probably no more striking proof of the persistence of states' individuality exists than the SSI program, in which they are free to supplement the federal minimum payment. Congress in 1973 required supplementation to the extent necessary to hold current recipients harmless against the changes associated with federalization, and some states have also provided optional supplements. Only seven states do not supplement at all, according to a study done in 1984.¹⁸ As of January 1985, the minimum federal payment for an aged individual living alone and having no countable income was \$325, but differences in state supplements meant that the actual legal minimum ranged from \$325 to a high of \$586 in Alaska. Because many recipients have countable income, monthly payments

are on average less than these minimums; in August 1985 they ranged from \$90.95 per aged recipient in Maine to \$252.83 in Alaska.¹⁹

The persistence of federalism is perhaps even more vividly demonstrated, though, by the administrative features of SSI. Twenty-seven states administer their own supplements. No federal regulations apply to supplements in these states, which remain free to supplement whomever they please in whatever amounts they please. As one would expect, practices vary widely. At an extreme, Illinois continues to calculate an individual budget amount for each of its nearly 30,000 recipients of state supplements.

Nor is the situation vastly different in those 16 states (plus the District of Columbia) that have accepted Congress's offer to have the Social Security Administration administer supplements for them. Eager to get the program under way with the states' cooperation, SSA at the outset agreed to administer a number of variations in supplementation. Variations are permitted among benefit categories, three geographic divisions within a state, and five different living arrangements. One analyst has calculated that there are about 300 different SSI benefits nationally; he counted 158 state-administered variations and 130 federally-administered variations.²⁰ Perversely, the result of the "national" take-over has been to burden a national administrative agency, the SSA, with many of the accommodations to local circumstances that ordinarily take place through the medium of state administration. The SSA has found this to be a very large burden indeed, as a history of administrative troubles in SSI shows.

In Aid to Families with Dependent Children, which is still basically a state-run program despite prolonged attempts under both Nixon and Carter to achieve a "welfare reform" that would federalize it, interstate payment differences likewise persist, of course. In the second quarter of 1984, the average monthly payment per recipient ranged from \$31 in Mississippi to \$217 in Alaska. Twenty-three states were providing AFDC-UP—that is, were using welfare to compensate for parental unemployment as well as the absence of an employed adult from the home—but the rest were not.²¹ Encouraged by Congress after 1981 to set up

work programs for welfare recipients, the states adopted "a flurry of initiatives," according to a report in *The National Journal*. In most states, however, work and training programs were limited to a few counties and to small subgroups of those eligible because of financial, administrative, or geographical constraints.²² In short, after a decade or more of the most intense effort in Washington to supplant AFDC, the program survived, interstate and even intrastate variations in it remained the norm, and states were quite conspicuously functioning as "laboratories of experiment."

These laboratories were only lightly supervised by federal administrators. Close, detailed supervision of state administration of welfare, which had been attempted by the Bureau of Public Assistance in the years following passage of the Social Security Act, had collapsed by the end of the 1960s, to some extent destroyed by the growth of caseloads, to some extent deliberately abandoned by leaders of the Department of Health, Education and Welfare who believed that the BPA's administrative style had produced too much red tape while failing to contain the caseloads. In the late 1960s, the very detailed guidance developed by the BPA over decades was cancelled in favor of much more general and permissive regulations.²³

However, in the face of caseloads which continued to mount along with pressures to contain federal spending, the new permissiveness and simplicity did not last long. HEW in the early 1970s initiated an effort to control error rates in AFDC by designing sample studies, setting performance objectives, and manipulating incentives—rewards *and* penalties—in the fashion of new-style management experts and policy analysts rather than old-style social workers, who had a more patronizing and less scientific approach to dealing with the states. The idea, incorporated in HEW regulations promulgated at the end of 1972, was that the states would be penalized with the loss of federal funds if they had excessive error rates. But thereafter various secretaries of HEW kept postponing sanctions while various subordinates negotiated with one another and with the states over what would be practicable and acceptable. Eventually, 13 states won a judgment from the U.S. District Court in the District

of Columbia that the tolerance levels for error set by HEW were arbitrary and capricious. Negotiations resumed, and weak quality control regulations, with which most states would find it easy to comply, were promulgated in 1979.²⁴ In the Tax Equity and Fiscal Responsibility Act of 1982, Congress set four percent as an allowable error rate in AFDC payments for 1983 and three percent thereafter, with the proviso that the Secretary of Health and Human Services should make no reimbursements for erroneous payments in excess of that rate. However, the Secretary might waive all or part of the reduction in grants if “a State is unable to reach the allowable error rate ... despite a good faith effort. ...”²⁵

Bargaining and negotiation, not command and obedience, appear to characterize the practice of intergovernmental programs now as in the past, even if the past was far more mindful of a tradition called states' rights. To these negotiations, states bring some newly-acquired strengths that partially offset Congress's diminished sensitivity to their interests, and federal administrative agencies bring some weaknesses of long standing.

State Strengths and Federal Weaknesses. One of the states' strengths consists of organization. Both state and local governments have banded together in various organizations which perform service and lobbying functions on their behalf. When HEW officials were seeking to develop their AFDC quality control program in the 1970s, they negotiated with a group composed of representatives of the National Association of Counties, the National Conference of State Legislatures, National League of Cities/U.S. Conference of Mayors, the National Governors Conference, and the American Public Welfare Association, in which the NGC took the lead. The rise of the “inter-governmental lobby” is well documented, and at least one influential article attributed the passage of general revenue-sharing largely to its existence.²⁶ A second new-found strength of the states—one not unique to them but widely shared in our society—is their capacity to bring suit. Individually, in *ad hoc* groups or through their formal lobbying organizations, they resort to the courts when they feel that Congress or

the executive agencies have transgressed constitutional or statutory bounds.

In general, their constitutionally-based challenges have not succeeded. Courts have found nothing constitutionally impermissible in partial preemptions or the newer grant-in-aid techniques. They typically hold that if a valid national purpose is being served (and under the commerce clause or the power to tax and spend for the general welfare, one always is), and if the states are not being coerced (and under grant-in-aid programs and partial preemptions, the states technically do retain the option of not participating), then the law is valid.

Statutory challenges are another matter, however, as the example of HEW's failed attempt to promulgate strict AFDC quality control regulations shows. Throughout their negotiations with the states, HEW officials in that case were hampered both by intradepartmental differences of view and by a well-founded apprehension over what the courts would permit. Courts are not loathe to find that federal executive agencies have exceeded their statutory authority in promulgating regulations for intergovernmental programs.

Probably the most telling and significant use of the courts' powers of statutory review came in the late 1970s in a set of cases that arose out of the Environmental Protection Agency's promulgation of standards for transportation control plans. Under threat of various civil sanctions, including injunctions, the imposition of receiverships on certain state functions, and fines and contempt citations for state officials, EPA would have required the states to adopt and enforce such measures as parking bans and surcharges, bus lanes, and computerized car-pool matching. Three out of four appellate courts which reviewed these regulations found that they had exceeded Congress's intent and strongly hinted that they violated the Constitution as well. The states could be offered the choice of whether to participate in pollution control and could be fully preempted if they chose not to participate, but they could not be ordered to carry out federal regulations.²⁷

If negotiation works well for the states, though, it is not just because they are well organized and sometimes victorious in the courts. It is because federal agencies bring serious

weaknesses to the bargaining table. Neither of their principal weapons—to withhold funds in grant-in-aid programs, to take charge of enforcement in regulatory programs—is readily usable.

Withholding funds is self-defeating and risks congressional intervention and reprimand. (The HEW officials who struggled with AFDC quality control issues in the 1970s felt under pressure from Congress to do something yet doubted that Congress would come to their defense if they did anything drastic.) Withholding, though occasionally threatened, is rarely used. When issues arise, the contestants negotiate.²⁸

The threat to take charge of administration likewise lacks credibility except in isolated cases because federal agencies generally lack the capacity to supersede the states, and everyone knows it. Congress is unwilling to spend the funds or otherwise to bear the onus of creating a large federal bureaucracy; that is why it chooses to rely so heavily on intergovernmental techniques.

Where partial preemption has been employed, giving states the option of assuming responsibility for enforcement and federal agencies' responsibility for approving state plans and supervising their execution, states in general have opted to participate, and federal agencies have in general made the necessary delegations. Among the new regulatory regimes, only that for occupational health and safety remains overwhelmingly a federal responsibility, and that is only because the AFL-CIO successfully challenged the Department of Labor's criteria for delegation in court during the Ford Administration, raising a set of issues that have since remained unresolved. In practice, about half of the states run their own occupational safety and health programs even if the federal government remains nominally in charge almost everywhere.²⁹

When state defiance or default requires federal agencies to assume enforcement responsibilities in regulatory programs based on partial preemption, the results are not invariably felicitous. One consequence of the use of partial preemption has been to demonstrate, through various "natural experiments," that federal administration is not necessarily superior to state administration.

In 1981 the Idaho legislature, irritated by the U.S. Environmental Protection Agency (EPA), voted not to fund the state's air quality program, forcing EPA to administer it. Both state and federal officials concluded after a year that the federal takeover caused more problems than it solved. EPA reportedly spent almost five times as much to maintain the Idaho program that year as the state would have spent to do the same job. In another case, Iowa's environmental budget was cut 15 percent in 1982, causing a loss of federal matching funds. The state then returned responsibility for its municipal water-monitoring program to EPA, which managed to conduct only about 15 percent of the inspections formerly performed by the state.³⁰

The Office of Surface Mining in 1984 found it necessary to reclaim responsibility from Tennessee and Oklahoma, but nothing in the administrative performance of the federal agency gives grounds for confidence that it can do much better.³¹

A study by the Congressional Research Service in 1983 sought systematically to compare occupational injury rates in states with federally-run programs with those where state agencies remained in charge, in a tentative test of the effectiveness of programs in the two sets. The study concluded that states with state-run programs had a somewhat better performance record.³² Organized labor has complained that inspections are fewer in states where the Occupational Safety and Health Administration (OSHA) remains responsible for enforcement, although this has not caused it to re-examine its abiding preference for a federal regime. Current failures of federal performances can be blamed on the Republican administration.³³

The new regulatory regimes are still new enough that one cannot be sure that they have stabilized. The arrival of the Reagan Administration, committed to a sharp reduction in federal spending and a revival of states' rights—or states' responsibilities, as Reagan officials sometimes insist—accelerated delegations to state governments and correspondingly contracted the size and hence administrative capacities of the federal regulatory agencies. Yet it is doubtful that a future change in the election returns would work more than marginal changes in the

administrative arrangements that have emerged. Apparently, these arrangements leave much for the states to do and much room for them to negotiate with their federal-agency supervisors over how and how fast to do it.

The Role of the Courts

Insofar as centralization has occurred in the past decade or two, the courts have been at least as influential as Congress, arguably much more so. This is not so much because courts have preferred the national side in overt contests between the national government and the states as because federal courts have aggressively pursued the extension of individual rights with little regard for the effect on the states' prerogatives as governments in their own right.³⁴

By steadily enlarging the application of the due process and equal protection clauses of the Fourteenth Amendment, the Supreme Court carried into the late 1960s and early 1970s the vigorous extension of the constitutional rights of individuals begun in the 1950s with *Brown v. Board of Education* (or, if one prefers, in 1925 with *Gitlow v. New York*, in which the Court first read the Bill of Rights into the Fourteenth Amendment). Such celebrated cases as *Roe v. Wade* (1973), which struck down state laws prohibiting abortion; *Goldberg v. Kelly* (1970), which required that a welfare recipient be afforded an evidentiary hearing *before* the termination of benefits; and *Shapiro v. Thompson* (1969), which invalidated state residency requirements for welfare applicants, boldly asserted national power at the states' expense.³⁵

In the area of voting rights, statutory construction as well as constitutional interpretation has been the Court's route to a radically altered federalism. Since its decision in 1969 in *Allen v. State Board of Elections*, the Department of Justice has had power to review municipal annexations, the redrawing of district lines, and the choice of at-large versus district elections in jurisdictions covered by the Voting Rights Act—power that it has used to increase the probability that minority candidates will win office. Such methods of protecting the franchise of blacks and other minorities to whom the law's protection has been extended are far more

problematic and intrusive than those contemplated when it was passed in 1965.³⁶

Rather less publicized than Supreme Court decisions, yet arguably at least as intrusive, have been the numerous decisions of lower federal courts in the so-called institution cases, in which state governments were ordered to increase their expenditures on facilities for the mentally ill or retarded, criminals, and juvenile detainees. The decrees in these cases have mandated massive and often detailed changes in the operation of institutions and their programs—changes involving the physical condition of the facility, staffing, and quality of services.³⁷

In some especially intrusive grant-in-aid programs, notably the Education for all Handicapped Children Act of 1975, Congress has been emboldened by courts. That act requires, as a condition of grants-in-aid, that states have in effect a policy assuring all handicapped children between the ages of 3 and 21 the right to a free appropriate public education and that local educational agencies maintain and annually review an individualized program for each handicapped child. This law built upon federal district court decisions of 1971 in Pennsylvania and 1972 in the District of Columbia.³⁸

Where newly-sweeping grant-in-aid conditions have been particularly effective, it has ordinarily been because courts have reinforced and elaborated them, in effect working in tandem with the administrative agency. *Together*, the courts and the Office of Education (and then the Office of Civil Rights, after it was separately constituted) brought about the extraordinary desegregation of Southern schools in the late 1960s. Title VI of the Civil Rights Act of 1964, with a “cross-cutting requirement” which prohibited racial discrimination in the use of federal grants-in-aid, when combined with the grants to elementary and secondary schools that were freshly enacted in 1965, complemented *Brown v. Board* and the successor decisions. Also, it was crucially complemented by them. As Gary Orfield notes in his definitive study of the application of Title VI to Southern schools, the decisive federal response came in 1968 in a case involving the schools of New Kent County, Virginia. “Once again the work of black attorneys and the response of the

judiciary [created] a shield behind which the administrative techniques of HEW could be effectively employed.”³⁹

The influence of the courts is shown not just in what they have done, but, less directly, in what they have declined to prevent Congress from doing. For a fleeting moment, in *National League of Cities v. Usery* (1976), the Supreme Court seemed willing to revive *and apply* the precept that states’ sovereignty imposes some limit on Congress’s exercise of the commerce clause. In that decision it held that Congress could not use the Fair Labor Standards Act to regulate the states’ determination of their employees’ wages and hours.⁴⁰ Successor decisions, however, rather than building on *National League of Cities*, led to the repudiation of it in *Garcia v. San Antonio Metropolitan Transit Authority* in 1985.⁴¹ While the Court has never said that states’ sovereignty imposes *no* limit on Congress’s commerce clause powers, it has backed away from trying to define one.

It is little wonder that the Reagan Administration’s attempt to construct protection for the states had by late 1985 come to focus on judicial appointments. In its own legislative and administrative choices, the Reagan Administration has been far from consistent in its commitment to strengthening the states. When budget reduction and other objectives have conflicted with that aim, the Administration’s devolutionary objectives have often been compromised, as Timothy Conlan has shown in a careful analysis.⁴² To that, Reagan officials might well reply that for the preservation of the states as a coordinate element of government, it is the federal bench that matters most.

Current Debates

As of the mid-1980s, the value of federalism was very much at issue within the Supreme Court and between the Court and the Reagan Administration’s second attorney general. Today’s conservatives profess to value the federal principle highly, whereas liberals, in their preoccupation with perfecting individual rights, are either indifferent to questions of

government structure or reflexively prefer national to state action.

The current debate, as yet imperfectly joined for lack of a full exposition on either side, appears to turn on essentially the issues which divided federalists and antifederalists 200 years ago. Both sides profess to value liberty and democracy above all. They differ in their judgments of the distribution of governmental power that will best serve those ends.

“A substantive issue like abortion is a matter of public or civic morality,” Attorney General Edwin Meese has argued, and “should be decided upon through a free and robust discussion at the level [of government] most appropriate to its determination.” In his view, that is the level of state and local government, for “big government does not encourage a sense of belonging. . . . An essential sense of community is far more likely to develop at the local level.” A proper understanding of federalism, in this view, would permit such matters as abortion, prayer in the schools, pornography, and aid to parochial schools to be deliberated on by state governments and resolved by the sense of the particular community, there to be incorporated in statutes, rather than being treated at the national level as subjects of constitutional doctrine.⁴³

Much as Meese in these remarks argued the superior communal qualities of the states, Justice Lewis F. Powell in a dissent to *Garcia v. SAMTA* argued the inferior quality of the federal government’s policy processes. Federal laws are drafted by congressional committee staffs and federal regulations, often more important than the laws, by the staffs of agencies, he wrote. A realistic comparison of the different levels of government, in Powell’s view, shows state and local governments to be more accessible and responsive, hence more democratic, than the government based in Washington. That government in the national capital would become remote and alienated from ordinary people was one of the fears of the anti-federalists. Their intellectual heirs on the Supreme Court say it has happened.

Perhaps the most important events in the federal system in the recent past are those which bear on the potential power of such arguments as Meese’s and Powell’s by affecting either the

public's receptivity to them or their plausibility. Even as centralization proceeds—indeed, perhaps because it has proceeded so far—the federal government seems to have suffered a decline in popular esteem. Confidence in its performance dropped sharply in the 1970s, and by the mid-1980s it was doing poorly in polls asking the public to compare it to state and local governments.⁴⁴ By contrast, scholarly and journalistic accounts of the performance of state governments uniformly judge it much improved over two or three decades ago, enhanced by legislatures more active, more professional, and better-staffed than formerly—and more representative of their constituencies, with ironic thanks to the reapportionment decisions of the Supreme Court.⁴⁵

Governmental competence and perceptions of it aside, all discussions of American federalism must henceforth be altered by what is arguably the most important new social and political datum of our times: the end to Southern exceptionalism. Until now, arguments favoring the state's side in any dispute over federalism suffered fatally from the burden of the South's deviant social system. Whether or not blacks have been successfully integrated into American society (a separate question), there can be little doubt that the South as a region has been integrated. That change, even if achieved very largely by the instrumentalities of the federal government, holds the possibility that the case for the states can at last begin to be discussed on its merits.

That case deserves a more careful contemporary exposition than it has yet received, with due regard for the purposes and exceptions of the Founders. The Founders did not make a strong argument for the federal aspects of their "composition." *The Federalist* is "rather inexplicit and ambiguous in its treatment of federalism," for the reason that its authors were at heart nationalists.⁴⁶ Madison saw the size of the new republic, not its compound quality, as crucial to the achievement of liberty. His most eloquent and memorable statements were made in support of "extending the sphere."⁴⁷ He told the convention that "Were it practicable for the General Government to extend its care to every requisite object without the

co-operation of the State Governments, the people would not be less free as members of one great Republic, than as members of thirteen small ones."⁴⁸

Yet Madison's willingness to preserve the states was more than a concession to the fact that their abolition, then as now, was politically unacceptable. Prudent and practical, he thought they would be useful, even if subordinately. He doubted that the national government would be suited to the entire task of governing "so great an extent of country, and over so great a variety of objects."⁴⁹

In this, as in so much else, Madison was very wise. As the burdens of governing grow, the inability or unwillingness of the federal government to bear them alone is manifest.⁵⁰ The states therefore remain vigorous, although they are more nearly the subordinately useful governments that Madison anticipated in 1787 than the coordinate ones posited by Wheare's definition.

NOTES

The author is indebted for comments to Wayne Anderson, David R. Beam, Michael D. Reagan, Sarah Ryder, Abigail Thernstrom, and Dwight Waldo.

1. Cited in Irving Brant, *The Fourth President: A Life of James Madison* (Indianapolis: The Bobbs-Merrill Company, 1970), p. 146.
2. "[A] consolidation of the States is not less unattainable than it would be inexpedient," the nationalist Madison wrote, in the same letter to Randolph.
3. The leading statement is No. 39. For an interpretation, see Martin Diamond, "What the Framers Meant by Federalism," in Robert A. Goldwin, ed., *A Nation of States: Essays on the American Federal System* (Chicago: Rand McNally & Co., 1963), pp. 24–41.
4. *Federal Government* (New York: Oxford University Press, 1953), p. 2. Wheare defines the federal principle by reference to the particular features of the United States government, for "The modern idea of what federal government is has been determined by the United States of America," p. 1.

5. *Journal of the Federal Convention kept by James Madison* (Chicago: Albert, Scott & Co., 1893), p. 74.
6. *Ibid.*, p. 120.
7. *Ibid.*, p. 280.
8. *The Letters and Other Writings of James Madison* (Congress edition: R. Worthington, 1884), vol. III, p. 625.
9. Cf. Edward S. Corwin, "The Passing of Dual Federalism," *Virginia Law Review*, vol. 36 (1950).
10. The Advisory Commission on Intergovernmental Relations (ACIR), in studies of the intergovernmental grant system done in the late 1970s, also counted as block grants those authorized by the Partnership for Health Act of 1966, which had consolidated seven categorical grants, and the Omnibus Crime Control and Safe Streets Act of 1968. See Advisory Commission on Intergovernmental Relations, *Block Grants: A Comparative Analysis* (Washington, D.C.: ACIR, 1977).
11. Advisory Commission on Intergovernmental Relations, *Regulatory Federalism: Policy, Process, Impact and Reform* (Washington, D.C.: ACIR, 1984), pp. 8, 71–78.
12. In truth, the technique was not altogether new but had antecedents as old as the Hatch Act, which was amended in 1940 to prohibit partisan political activity by any "officer or employee of any State or local agency whose principal employment is in connection with any activity which is financed in whole or in part by loans or grants made by the United States. ..." Failure to comply was punishable by the withholding of funds. *54 Stat. 767* (1940). Cross-cutting requirements did not become common until the 1960s, however.
13. *Ibid.*, pp. 9, 78–82.
14. *Ibid.*, pp. 9, 82–88. I am much indebted to David R. Beam for enlightenment on the newer techniques of federal influence vis-à-vis the states, derived both from personal conversations and from his work at the ACIR as one of the authors of *Regulatory Federalism*.
15. *84 Stat. 1676* (1970). The law says that "Each State ... shall ... adopt ... a plan. ..."
16. *91 Stat. 445* (1977).
17. *84 Stat. 1590* (1970).
18. Renato A. DiPentima, "The Supplemental Security Income Program: A Study of Implementation," Ph.D. dissertation (University of Maryland, 1984), p. 80.
19. *Social Security Bulletin*, vol. 48 (October 1985), p. 19, and (November 1985), p. 42. These data published by the federal government cover only those states—slightly more than half of the total—in which the Social Security Administration has responsibility for administering supplemental payments. The SSA lacks comparable data from states that have chosen to administer themselves whatever program of supplementation exists. See the text, *infra*, for further explanation of federal versus state administration of supplements.
20. DiPentima, *op. cit.*, p. 85.
21. U.S. Department of Health and Human Services, *Quarterly Public Assistance Statistics* (April–June 1984), Tables 7 and 15.
22. Julie Kosterlitz, "Liberals and Conservatives Share Goals, Differ on Details of Work for Welfare," *National Journal* (October 26, 1985), pp. 2418–2422.
23. Martha Derthick, *The Influence of Federal Grants: Public Assistance in Massachusetts* (Cambridge: Harvard University Press, 1970), pp. 225–229, and *Uncontrollable Spending for Social Services Grants* (Washington, D.C.: The Brookings Institution, 1975), pp. 15–24.
24. "Controlling AFDC Error Rates," Kennedy Schools of Government Case C 14-80-302 (copyright by President and Fellows of Harvard College, 1980).
25. H. Rept. 97–760, p. 79.
26. Donald H. Haider, *When Governments Come to Washington: Governors, Mayors, and Intergovernmental Lobbying* (New York: Free Press, 1974); Samuel H. Beer, "The Adoption of General Revenue Sharing: A Case Study in Public Sector Politics," *Public Policy*, vol. 24 (Spring 1976). The impending demise of general revenue-sharing calls into question the hypothesis that the intergovernmental lobby was responsible for its passage,

- for there is no reason to suppose that the lobby is less well-organized today than it was in the early 1970s.
27. *Brown v. Environmental Protection Agency*, 521 F. 2d 827 (9th Cir., 1975); *Maryland v. Environmental Protection Agency*, 530 F. 2d 215 (4th Cir., 1975); *District of Columbia v. Train*, 521 F. 2d 971 (D.C. Cir., 1975); *Pennsylvania v. Environmental Protection Agency*, 500 F. 2d 246 (3rd Cir., 1974).
 28. Cf. Derthick, *The Influence of Federal Grants*, chap. 8. However, the willingness of courts since 1970 to discover private rights of action in federal statutes has to some extent offset the weakness of federal agencies in regard to the use of withholding. As R. Shep Melnick has written, "The private right of action has special significance in joint federal-state spending programs. If an alleged beneficiary could only bring suit against a federal administrator for failing to enforce federal standards, the only relief the court could offer successful plaintiffs would be an injunction cutting off federal funds to the state. ... But when potential recipients can bring suit against the state for failure to comply with federal requirements, the court can compel the state to pay the plaintiff the money owed. The private right of action, thus, significantly alters the balance of power between the federal government and the states." "The Politics of Partnership," *Public Administration Review*, vol. 45 (November 1985), pp. 656–57.
 29. On intergovernmental relations in occupational safety and health, see the oversight hearings held annually by the Subcommittee on Health and Safety of the Committee on Education and Labor, U.S. House of Representatives. The most important titles are: *OSHA Oversight—State of the Agency Report by Assistant Secretary of Labour for OSHA*, 97 Cong. 2 sess. (1983), pp. 212–36; *OSHA Oversight—Staffing Levels for OSHA Approved State Plans*, 98 Cong. 1 sess. (1983); and *Oversight on OSHA: State of the Agency*, 99 Cong. 1 sess. (1985), serial no. 99–12.
 30. *State of the Environment: An Assessment at Mid-Decade* (Washington, D.C.: The Conservation Foundation, 1984), p. 458.
 31. Rochelle L. Stanfield, "Mine Disaster," *National Journal* (October 12, 1985), p. 2342.
 32. U.S. House of Representatives, Committee on Education and Labor, *OSHA Oversight—Staffing Levels for OSHA Approved State Plans*, Hearings before the Subcommittee on Health and Safety, 98 Cong., 1 sess. (1983), pp. 295–327. See also the work of Frank J. Thompson and Michael J. Scicchitano: "State Implementation Effort and Federal Regulatory Policy: The Case of Occupational Safety and Health." *Journal of Politics*, vol. 47 (1985), pp. 686–703, and "State Enforcement of Federal Regulatory Policy: The Lessons of OSHA," *Policy Studies Journal*, vol. 13 (March 1985), pp. 591–598.
 33. Michael Wines, "Auchter's Record at OSHA Leaves Labor Outraged, Business Satisfied," *National Journal* (October 1, 1983), pp. 2008–13.
 34. For a critique, see Robert F. Nagel, "Federalism as a Fundamental Value: National League of Cities in Perspective," *Supreme Court Review* (1981), pp. 81–109.
 35. For a good summary of the Court's use of the Fourteenth Amendment to extend civil liberties, see David Fellman, "The Nationalization of American Civil Liberties," in M. Judd Harmon, ed., *Essays on the Constitution of the United States* (Port Washington, NY: Kennikat Press, 1978), pp. 49–60.
 36. Abigail M. Thernstrom, "The Odd Evolution of the Voting Rights Act," *Public Interest* (Spring 1979), pp. 49–76.
 37. Gerald E. Frug, "The Judicial Power of the Purse," *University of Pennsylvania Law Review*, vol. 126 (April 1978), pp. 715–794.
 38. Erwin L. Levine and Elizabeth M. Wexler, *PL 94–142: An Act of Congress* (New York: Macmillan, 1981), pp. 38–41. In the field of voting rights, statutory amendments and court decisions have interacted to produce the surprisingly far reach of federal action described above. These events are analyzed in detail in a forthcoming book by Abigail M. Thernstrom.
 39. Gary Orfield, *The Reconstruction of Southern Education: The Schools and the 1964 Civil Rights Act* (New York: John Wiley

- and Sons, 1969), p. 262. See also Jeremy Rabkin, "Office for Civil Rights," in James Q. Wilson, ed., *The Politics of Regulation* (New York: Basic Books, 1980), chap. 9.
40. 426 U.S. 833.
 41. Slip opinion No. 82–1913, decided February 19, 1985.
 42. Timothy J. Conlan, "Federalism and Competing Values in the Reagan Administration," in Laurence J. O'Toole, Jr., ed., *American Intergovernmental Relations* (Washington, D.C.: CQ Press, 1985), pp. 265–80.
 43. Address before the American Enterprise Institute, Sept. 6, 1985.
 44. Seymour Martin Lipset and William Schneider, *The Confidence Gap: Business, Labor and Government in the Public Mind* (New York: Free Press, 1968), and Advisory Commission on Intergovernmental Relations, *Changing Public Attitudes on Governments and Taxes: 1984* (Washington, D.C.: ACIR, 1984).
 45. Alan Rosenthal, *Legislative Life: People, Process, and Performance in the States* (New York: Harper & Row, 1981), and William K. Muir, Jr., *Legislature: California's School for Politics* (Chicago: University of Chicago Press, 1982).
 46. Martin Diamond, "The Federalist's View of Federalism," in *Essays in Federalism* (Claremont, Calif.: Institute for Studies in Federalism, 1961), pp. 21–62. The quotation appears at p. 24. It was left to the anti-federalists to make the case for the states at the time of the founding. See Herbert J. Storing, *What the Anti-Federalists Were For* (Chicago: University of Chicago Press, 1981), chap. 3.
 47. The classic statement is contained in *Federalist* No. 10.
 48. *Journal*, p. 212.
 49. *Ibid.* Later, as the author of the Virginia resolution of 1798 protesting the Alien and Sedition Acts, Madison would find the states to be useful more fundamentally, as a medium for resisting unconstitutional acts of the general government. According to his biographer, Irving Brant, this was an instance of putting "political objectives ahead of abstract thought. . . . He had no desire to exalt state sovereignty, but used it as a weapon. . . ." *James Madison: Father of the Constitution, 1787–1800* (Indianapolis: Bobbs-Merrill, 1950), p. 470. As the experience of even this exceptionally thoughtful and principled man shows, positions on federalism (as perhaps on institutional questions generally), are susceptible to change under the impact of new issues and configurations of interest.
 50. Cf. Martha Derthick, "Preserving Federalism: Congress, the States, and the Supreme Court," *The Brookings Review*, vol. 4 (Winter/Spring 1986), pp. 32–37.

The Organizational Culture Perspective

J. Steven Ott

This book is about organizational culture, a phrase that means two different but related things. First, it is the culture that exists in an organization. When the phrase is used in this sense, it means something similar to the culture in a society and consists of such things as shared values, beliefs, assumptions, perceptions, norms, artifacts, and patterns of behavior. It is the unseen and unobservable force that is always behind organizational activities that can be seen and observed. According to Kilmann and associates (1985), organizational culture is a social energy that moves people to act. "Culture is to the organization what personality is to the individual—a hidden, yet unifying theme that provides meaning, direction, and mobilization."

Second, organizational culture is a way of looking at and thinking about behavior of and in organizations, a perspective for understanding what is occurring. When used in this sense, organizational culture refers to a collection of theories that attempt to explain and predict how organizations and the people in them act in different circumstances. For clarity, *organizational culture* is used in this book to mean the culture of an organization, and the *organizational culture perspective* means the use of organizational culture as a frame of reference for the way one looks at, attempts to understand, and works with organizations.

The organizational culture perspective represents a counterculture within organization theory. Its assumptions, theories, and approaches are very different from those of the dominant structural and systems perspectives.

The organizational culture perspective is challenging the views of the structural and systems perspectives about basic issues: for example, how organizations make decisions, and how and why people in organizations behave as they do.

Organizational culture is ... perhaps the most controversial of the organization theory perspectives. Its theories are based on assumptions about organizations and people that depart radically from those of the mainline perspectives. One important difference is that the organizational culture perspective does not believe that quantitative, experimental-type, logical-positivist, scientific research is especially useful for studying organizations.

In the structural and systems perspectives of organization theory, organizations are assumed to be institutions whose primary purposes are to accomplish established goals. Goals are set by people in positions of formal authority. In these two schools of thought, the primary questions for organization theory involve how best to design and manage organizations so that they achieve their declared purposes effectively and efficiently. The personal preferences of organizational members are restrained by systems of formal rules, by authority, and by norms of rational behavior. In a 1982 article Karl Weick, a leading writer about symbolic management, argues that four organizational conditions must exist in order for the basic assumptions of the structuralists and systemists to be valid:

1. A self-correcting system of interdependent people.
2. Consensus on objectives and methods.
3. Coordination is achieved through sharing information.
4. Organizational problems and solutions must be predictable.

However, Weick is forced to conclude that these conditions seldom exist in modern organizations.

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Assumptions of the Organizational Culture Perspective

The organizational culture school rejects the assumptions of the modern structural and systems schools. Instead, it assumes that many organizational behaviors and decisions are almost predetermined by the patterns of basic assumptions existing in the organization. Those patterns of assumptions have continued to exist and influence behaviors because they have repeatedly led people to make decisions that usually worked for the organization. With repeated use, the assumptions slowly drop out of people's consciousness but continue to influence organizational decisions and behaviors—even when the organization's environment changes. They become the underlying, unquestioned—but virtually forgotten—reasons for “the way we do things here,” even when the ways are no longer appropriate. They are so basic, so pervasive, and so totally accepted as the truth that no one thinks about or remembers them. Thus a strong organizational culture controls organizational behavior; for example, it can block an organization from making changes needed to adapt to a changing environment.

From the organizational culture perspective, the personal preferences of organizational members are not restrained by systems of formal rules, authority, and norms of rational behavior. Instead, they are controlled by cultural norms, values, beliefs, and assumptions. In order to understand or predict how an organization will behave under different circumstances, one must know what its patterns of basic assumptions are—its organizational culture.

Every organizational culture is different for several reasons. First, what has worked repeatedly for one organization does not for another, so the basic assumptions differ. Second, an organization's culture is shaped by many factors, including, for example, the societal culture in which it resides; its technologies, markets, and competition; and the personality of its founder(s) or most dominant early leaders. Some organizational cultures are more distinctive than others. Some organizations have

strong, unified, pervasive cultures, whereas others have weaker cultures; some organizational cultures are quite pervasive, whereas others have many subcultures in different functional or geographical areas.

Research Bias of the Organizational Culture Perspective

Knowledge of an organization's structure, information systems, strategic planning processes, markets, technology, goals, etc., provides clues about an organizational culture—but not accurately or reliably. As a consequence, an organization's behavior cannot be understood or predicted by studying its structural or systems elements: its organizational culture must be studied. And, the quantitative quasi-experimental research methods used by the structural and systems perspectives *cannot* identify or measure unconscious, virtually forgotten basic assumptions. Van Maanen, Dabbs, and Faulkner (1982) describe a growing wave of disenchantment with the use of quantitative quasi-experimental research methods for studying organizations, mainly because such methods have produced very little useful knowledge about organizations over the last twenty years. Yet quantitative research using quasi-experimental designs, control groups, computers, multivariate analyses, heuristic models, and the like are the essential “tools” of the structural and systems perspectives. More and more the organizational culture perspective is turning to qualitative research methods such as ethnography and participant observation.

The reasons for terming the organizational culture perspective a *counterculture* within the field of organization theory should be becoming evident. The organizational culture perspective believes that the mainstream structural and systems perspectives of organization theory are using the wrong “lenses” to look at the wrong organizational elements in their attempts to understand and predict organizational behavior. Their tools are as ineffective as a hammer is for fixing a leaking pipe. In effect, they are wasting their time.

Radical Change in Organizations

It takes courage to challenge the basic views of a mainstream perspective in any profession or academic discipline. Yet this is just what the organizational culture perspective is doing when it advocates radically different ways of looking at and working with organizations. ...

The organizational culture perspective is especially useful for describing, explaining, and, to a limited extent, predicting behavior when organizations are facing fundamental changes, particularly changes involving their identities. This is what I refer to in this book as *radical change*. ...

The usefulness of the organizational culture perspective is not limited to radical change in organizations. It also is helpful for understanding and predicting a host of other types of holistic organizational phenomena and behaviors involving, for example, employee commitment and loyalty, leadership effectiveness, leadership succession, creativity, and innovation and organizational survival strategies. Furthermore, it seems logical to expect that there are strong relationships between aspects of organizational culture and an organization's productivity and quality of outputs—but the existence of culture-productivity relationships has yet to be established.

Other perspectives of organizations (in other words, other groupings of organization theories) are not well suited for explaining or predicting these kinds of holistic organizational phenomena. Moreover, they are least useful during periods of major organizational change, especially when change in an organization's identity is involved. For now, please accept the unsubstantiated and oversimplified assertion that other existing perspectives of organizations do not provide the correct "lenses" through which to "see" organizational culture nor the analytical methods for working with it. By analogy, using any other perspective to work with organizational culture is like trying to watch a three-dimensional movie without those special "3-D glasses."

The organizational culture perspective is important to practicing managers as well as students of organizations, for it provides a new

approach for viewing, thinking about, analyzing, understanding, explaining, and predicting organizational behavior. ...

Despite its usefulness, the organizational culture perspective has major problems and limitations. First, it is only one of many ways of looking at organizations. It is not the ultimate answer—the magic key for understanding all complexities of organizations. Second, the organizational culture perspective has many problems that reflect its youthfulness. Although the phrase "culture of a factory" was used by Elliott Jaques as long ago as 1952, and "organizational culture" was used by Philip Selznick in 1957, few students of management or organizations paid much attention to organizational culture until about 1978. Even then, the subject typically was addressed narrowly, and the writings did not receive much notice. The turning point for the organizational culture perspective came in 1981 and 1982, when it suddenly became a very "hot" topic in books, journals, and periodicals aimed at both management practitioners and academicians.

The perspective's problems and limitations of youthfulness remain today. Minimal consensus exists about much of anything concerned with organizational culture, even among its proponents. The disagreements start with what an organizational culture is. So, it is no surprise that the debates are even more pronounced and heated about its nature, components, and the appropriate situations and methods for applying the perspective. Lack of agreement about these very basic issues causes serious problems for those inclined to use the organizational culture perspective for managing or studying organizations. It creates doubts about the very legitimacy of the perspective.

To be more concrete: consider a few conflicting views about changing an organizational culture. Should a manager even try to do so? If so, what change strategy should be used? For example, Allen and Kraft (1982) are proponents of changing organizational cultures by changing behavioral norms. Davis (1984) disagrees, arguing for chief executive officer–imposed, top-to-bottom, organization-wide change efforts. Schein (1985); Sathe (1985); and Martin and Siehl (1983) all predict failure for any single-strategy organizational culture change

program. Schein (1985) cautions that attempts to change organizational cultures can be harmful and, in many situations, should not even be tried.

Leadership provides an excellent second example of the debates. Can a manager change existing leadership styles and practices in an organization by changing the organizational culture, or does one modify the organizational culture by changing leadership practices? Or both? Some writers, including Davis (1984), postulate that dominant, charismatic, organizational founders and chief executive officers are the primary sources, transmitters, and maintainers of organizational cultures. On the other hand, Sergiovanni (1984) describes organizational leadership and the leaders' decision patterns as cultural artifacts. He believes that leaders, leadership styles and practices, and patterns of decisions are created and shaped more by organizational culture than by the leaders themselves.

The youthfulness of the organizational culture perspective is evident in the dearth of comprehensive and integrative writing about it.¹ Schein (1985) and Sathe (1985) bemoaned the problem:

Unfortunately, most of the writers on organizational culture use different definitions, different methods of determining what they mean by culture, and different standards for evaluating how culture affects organizations. These conceptual and methodological differences make it almost impossible to assess the various claims made. (Schein, 1985, p. x)

Although the importance of corporate culture is now widely acknowledged in both business and academic circles, the available literature leaves something to be desired. . . . This literature is also generally not well grounded in systematic theory and research. (Sathe, 1985, p. 1)

Depending on one's viewpoint, the first comprehensive and integrative studies of organizational culture did not appear until 1984 or 1985. There are now only a few such studies. Schein's (1985) *Organizational Culture and Leadership* is the most notable. Sathe's (1985) *Culture and Related Corporate Realities* is a theoretically sound textbook with readings and cases. Sergiovanni and Corbally's (1984)

Leadership and Organizational Culture is a stimulating collection of theoretical papers mostly concerned with educational administration.² There are several excellent chapters in H. P. Sims, D. A. Gioia, and Associates' (1986) reader, *The Thinking Organization: Dynamics of Organizational Social Cognition*.

As useful as these works are, there has been no serious attempt to present a historical analytical study of the organizational culture perspective in its totality. The situation is equally bleak relative to methods for identifying or deciphering organizational cultures.³

Why is there a dearth of good comprehensive integrative writing about organizational culture? The answer requires some reasoned speculation. The first reason has been discussed previously. The perspective is young, and there are few good precedents for researchers and writers to follow and build on. Second, since the late 1960s, the dominant, mainstream perspectives on organizations have assumed that organizations are rational, goal-oriented institutions whose behaviors can be understood by studying their goals, structures, and processes for making decisions. For example, the dominant mainstream perspective, usually termed the *structural and systems school* or the *structural/systems framework* (Bolman and Deal, 1984, chs. 9, 10, and 12), relies on quantitative analytical methods to analyze structures, information, information systems, and decision processes. In contrast, the organizational culture perspective does not assume that organizations are necessarily rational, goal-oriented entities. Whereas the mainstream perspectives tend to work with hard, tangible, quantifiable, organizational variables—often using computer models—the organizational culture perspective focuses on soft, less tangible, more ethereal variables such as basic assumptions, cognitive patterns, values, myths, and unspoken beliefs. Using another analogy, organizational culture is like ordinary air. Usually, it cannot be touched, felt, or seen. It is not noticed unless it changes suddenly. The mainstream perspectives of organizations are not comfortable with air-like variables and concepts. Computerized information systems and statistical, quasi-experimental research methods of the structural and systems perspectives are not designed to measure ethereal concepts

such as values, myths, and preconscious underlying assumptions.

Thus, the organizational culture perspective is a counterculture within organization theory. The assumptions, theories, and approaches of countercultures are not readily accepted by members of dominant cultures (Kuhn, 1970, ch. II). They are challenging existing assumptions and beliefs about what is important, how organizations function, and ways of designing and conducting research. It takes courage to advocate new and different ways of looking at and working with organizations—just as the organizational culture perspective is doing.

Third, a comprehensive and integrative study of organizational culture requires analyzing and synthesizing theories and research findings from a wide array of academic disciplines. The task is formidable. Just for starters, the fields of organization theory, archaeology, anthropology, psychology, social psychology, sociology, organizational communication, and even biology contain knowledge, theories, and research methods that are important for understanding organizational culture and using the organizational culture perspective. When one also considers contributions from sub-disciplines such as material anthropology, cultural anthropology, learning theory, cognitive social psychology, social constructionism, clinical psychology, and transactional analysis, it becomes readily apparent why few attempts have been made to synthesize it, to “pull it all together.”

Despite the problems, or, more important, because of the problems, the need for an integrative, pulling-it-all-together study is evident. The perspective holds too much potential to be ignored or to remain in its current state of rampant disagreement about even its most basic concepts. ...

Conclusion

... Children must crawl before they walk, walk before they run. They also must develop through a sequence of levels of moral reasoning ability (Kohlberg, 1968, 1969) and psychological or intellectual development (Piaget, 1973).

Any development ... supposes duration, and the childhood lasts longer as the species becomes more advanced; the childhood of a kitten and that of a chick are much shorter than that of the human infant since the human infant has much more to learn. (Piaget, 1973, p. 1)

The development of schools of organization theory appears to go through analogous stages. The organizational culture perspective will need to pass through a sequence of developmental steps before it achieves its full potential or becomes a mature perspective. Reaching agreement about what organizational culture is, is the first level—akin to an infant crawling. A definition does not accomplish very much in and of itself, but just like crawling before walking, it is a necessary precondition for advancing to the second developmental level, the level at which organizational cultures can be identified other than through lengthy participant observation.

Once it has become possible to identify or decipher organizational culture with a reasonable amount of effort, the perspective's ability to explain and predict organization behavior—as well as its array of “action tools” for leading effectively and managing organizational change—should expand rapidly. Results of efforts to date to “run” with the organizational culture perspective (to apply it in complex practical situations) while it is still in an early stage of development are predictable (Allen & Kraft, 1982; Davis, 1984; Kilmann, 1984). As with a toddler, its legs are not strong enough; and its sense of balance is not adequate for the task. The organizational culture perspective per se usually is not the problem. Rather, the problem lies in attempting to use the perspective to accomplish that which is beyond its current stage of development.

While a child is in an early stage of moral development, he or she cannot comprehend moral reasoning from more advanced stages—it is beyond the child's mental grasp (Kohlberg, 1968, 1969). Likewise, not enough is known yet about organizational culture and its perspective to appreciate their full potential and, thus, to grasp all that we do not know about them. This book attempts to decrease what is not yet known. ...

Although this may sound good, it isn't easy to achieve in practice. Systems of homogeneous organizational values, beliefs, and basic assumptions are functional. Multiple viewpoints may be desirable for long-term flexibility and adaptability, but they often create short-term inefficiencies and divisiveness.

Of the many unanswered questions associated with organizational culture, this one may have the most immediate need for answers. Especially considering our social constructionist leanings, how can an organization balance its simultaneous needs for a strong pervasive culture and diverse realities? ...

With organizational culture, it seems as though every issue raised or question asked only generates one more set of unanswered questions or one more chain of related issues to ponder. Some of the questions raised above in the discussions about "Selecting and Shaping Organizational Leadership" and "Rigidity and Overconformance" almost seem to argue for leaving culture alone. Yet the potential implications of being able to predict organizational decision patterns are too great—too heady—to permit blissful ignorance of the subject.

When the subject is organizational culture, few things or assertions are absolute. Nevertheless, there is one such certainty. Regardless of the future of the organizational culture perspective, organizational cultures themselves are and will remain permanent parts of organizations' realities. Organizational culture is here to stay. It serves necessary purposes. People in organizations need culture for identity, purpose, feelings of belongingness, communication, stability, and cognitive efficiency.

NOTES

1. The term *integrative* is used throughout this study in its ordinary sense, meaning multidisciplinary in approach, sources, and methods, and not directed toward justifying, supporting, or proving a single viewpoint.
2. Bolman and Deal (1984) provides an excellent but brief overview of the "symbolic

framework." Kilmann, Saxton, Serpa, and Associates (1985) contains excellent articles but makes no effort to integrate the information.

3. Martin and Siehl (1983); Siehl and Martin (1984); Sathe (1985); Harrison (1972); Pettigrew (1979); Van Maanen, Dabbs, and Faulkner (1982); and Van Maanen (1983) have contributed usefully to aspects of the issue.

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From Affirmative Action to Affirming Diversity

R. Roosevelt Thomas, Jr.

Sooner or later, affirmative action will die a natural death. Its achievements have been stupendous, but if we look at the premises that underlie it, we find assumptions and priorities that look increasingly shopworn. Thirty years ago, affirmative action was invented on the basis of these five appropriate premises:

1. Adult, white males make up something called the U.S. business mainstream.
2. The U.S. economic edifice is a solid, unchanging institution with more than enough space for everyone.
3. Women, blacks, immigrants, and other minorities should be allowed in as a matter of public policy and common decency.
4. Widespread racial, ethnic, and sexual prejudice keeps them out.
5. Legal and social coercion are necessary to bring about the change.

Today all five of these premises need revising. Over the past six years, I have tried to help some 15 companies learn how to achieve and manage diversity, and I have seen that the realities facing us are no longer the realities affirmative action was designed to fix.

To begin with, more than half the U.S. work force now consists of minorities, immigrants, and women, so white, native-born males, though undoubtedly still dominant, are themselves a statistical minority. In addition, white males will make up only 15% of the increase in the workforce over the next ten years. The

so-called mainstream is now almost as diverse as the society at large.

Second, while the edifice is still big enough for all, it no longer seems stable, massive, and invulnerable. In fact, American corporations are scrambling, doing their best to become more adaptable, to compete more successfully for markets and labor, foreign and domestic, and to attract all the talent they can find. . . .

Third, women and minorities no longer need a boarding pass, they need an upgrade. The problem is not getting them in at the entry level; the problem is making better use of their potential at every level, especially in middle-management and leadership positions. This is no longer simply a question of common decency, it is a question of business survival.

Fourth, although prejudice is hardly dead, it has suffered some wounds that may eventually prove fatal. In the meantime, American businesses are now filled with progressive people—many of them minorities and women themselves—whose prejudices, where they still exist, are much too deeply suppressed to interfere with recruitment. The reason many companies are still wary of minorities and women has much more to do with education and perceived qualifications than with color or gender. Companies are worried about productivity and well aware that minorities and women represent a disproportionate share of the undertrained and undereducated.

Fifth, coercion is rarely needed at the recruitment stage. There are very few places in the United States today where you could dip a recruitment net and come up with nothing but white males. Getting hired is not the problem—women and blacks who are seen as having the necessary skills and energy get into the work force relatively easily. It's later on that many of them plateau and lose their drive and quit or get fired. It's later on that their managers' inability to manage diversity hobbles them and the companies they work for.

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In creating these changes, affirmative action had an essential role to play and played it very well. In many companies and communities it still plays that role. But affirmative action is an artificial, transitional intervention intended to give managers a chance to correct an imbalance, an injustice, a mistake. Once the numbers mistake has been corrected, I don't think affirmative action alone can cope with the remaining long-term task of creating a work setting geared to the upward mobility of all kinds of people, including white males. It is difficult for affirmative action to influence upward mobility even in the short run, primarily because it is perceived to conflict with the meritocracy we favor. For this reason, affirmative action is a red flag to every individual who feels unfairly passed over and a stigma for those who appear to be its beneficiaries.

Moreover, I doubt very much that individuals who reach top positions through affirmative action are effective models for younger members of their race or sex. What, after all, do they model? A black vice president who got her job through affirmative action is not necessarily a model of how to rise through the corporate meritocracy. She may be a model of how affirmative action can work for the people who find or put themselves in the right place at the right time.

If affirmative action in upward mobility meant that no person's competence and character would ever be overlooked or undervalued on account of race, sex, ethnicity, origins, or physical disability, then affirmative action would be the very thing we need to let every corporate talent find its niche. But what affirmative action means in practice is an unnatural focus on one group, and what it means too often to too many employees is that someone is playing fast and loose with standards in order to favor that group. Unless we are to compromise our standards, a thing no competitive company can even contemplate, upward mobility for minorities and women should always be a question of pure competence and character unmuddled by accidents of birth.

And that is precisely why we have to learn to manage diversity—to move beyond affirmative action, not to repudiate it. Some of

what I have to say may strike some readers—mostly those with an ax to grind—as directed at the majority white males who hold most of the decision-making posts in our economy. But I am speaking to all managers, not just white males, and I certainly don't mean to suggest that white males somehow stand outside diversity. White males are as odd and as normal as anyone else.

The Affirmative Action Cycle

If you are managing diverse employees, you should ask yourself this question: Am I fully tapping the potential capacities of everyone in my department? If the answer is no, you should ask yourself this follow-up: Is this failure hampering my ability to meet performance standards? The answer to this question will undoubtedly be yes.

Think of corporate management for a moment as an engine burning pure gasoline. What's now going into the tank is no longer just gas, it has an increasing percentage of, let's say, methanol. In the beginning, the engine will still work pretty well, but by and by it will start to sputter, and eventually it will stall. Unless we rebuild the engine, it will no longer burn the fuel we're feeding it. As the work force grows more and more diverse at the intake level, the talent pool we have to draw on for supervision and management will also grow increasingly diverse. So the question is: Can we burn this fuel? Can we get maximum corporate power from the diverse work force we're now drawing into the system?

Affirmative action gets blamed for failing to do things it never could do. Affirmative action gets the new fuel into the tank, the new people through the front door. Something else will have to get them into the driver's seat. That something else consists of enabling people, in this case minorities and women, to perform to their potential. This is what we now call managing diversity. Not appreciating or leveraging diversity, not even necessarily understanding it. Just managing diversity in such a way as to get from a heterogeneous work force the same productivity, commitment, quality, and profit that we got from the old homogeneous work force.

The correct question today is not “How are we doing on race relations?” or “Are we promoting enough minority people and women?” but rather “Given the diverse work force I’ve got, am I getting the productivity, does it work as smoothly, is morale as high, as if every person in the company was the same sex and race and nationality?” Most answers will be, “Well, no, of course not!” But why shouldn’t the answer be, “You bet!”?

When we ask how we’re doing on race relations, we inadvertently put our finger on what’s wrong with the question and with the attitude that underlies affirmative action. So long as racial and gender equality is something we grant to minorities and women, there will be no racial and gender equality. What we must do is create an environment where no one is advantaged or disadvantaged, an environment where “we” is everyone. What the traditional approach to diversity did was to create a cycle of crisis, action, relaxation, and disappointment that companies repeated over and over again without ever achieving more than the barest particle of what they were after.

Affirmative action pictures the work force as a pipeline and reasons as follows: “If we can fill the pipeline with *qualified* minorities and women, we can solve our upward mobility problem. Once recruited, they will perform in accordance with our promotional criteria and move naturally up our regular developmental ladder. In the past, where minorities and women have failed to progress, they were simply unable to meet our performance standards. Recruiting qualified people will enable us to avoid special programs and reverse discrimination.”

This pipeline perspective generates a self-perpetuating, self-defeating, recruitment-oriented cycle with six stages:

1. *Problem Recognition.* The first time through the cycle, the problem takes this form—We need more minorities and women in the pipeline. In later iterations, the problem is more likely to be defined as a need to retain and promote minorities and women.
2. *Intervention.* Management puts the company into what we may call an Affirmative Action Recruitment Mode. During the first cycle, the goal is to recruit minorities

and women. Later, when the cycle is repeated a second or third time and the challenge has shifted to retention, development, and promotion, the goal is to recruit *qualified* minorities and women. Sometimes, managers indifferent or blind to possible accusations of reverse discrimination will institute special training, tracking, incentive, mentoring, or sponsoring programs for minorities and women.

3. *Great Expectations.* Large numbers of minorities and women have been recruited, and a select group has been promoted or recruited at a higher level to serve as highly visible role models for the newly recruited masses. The stage seems set for the natural progression of minorities and women up through the pipeline. Management leans back to enjoy the fruits of its labor.
4. *Frustration.* The anticipated natural progression fails to occur. Minorities and women see themselves plateauing prematurely. Management is upset (and embarrassed) by the failure of its affirmative action initiative and begins to resent the impatience of the new recruits and their unwillingness to give the company credit for trying to do the right thing. Depending on how high in the hierarchy they have plateaued, alienated minorities and women either leave the company or stagnate.
5. *Dormancy.* All remaining participants conspire tacitly to present a silent front to the outside world. Executives say nothing because they have no solutions. As for those women and minorities who stayed on, calling attention to affirmative action’s failures might raise doubts about their qualifications. Do they deserve their jobs, or did they just happen to be in the right place at the time of an affirmative action push? So no one complains, and if the company has a good public relations department, it may even wind up with a reputation as a good place for women and minorities to work.

If questioned publicly, management will say things like “Frankly, affirmative action is not currently an issue,” or “Our numbers are okay,” or “With respect to minority representation at the upper levels, management is aware of this remaining challenge.”

In private and off the record, however, people say things like “Premature plateauing is a problem, and we don’t know what to do,” and “Our top people don’t seem to be interested in finding a solution,” and “There’s plenty of racism and a sexism around this place—whatever you may hear.”

6. *Crisis.* Dormancy can continue indefinitely, but it is usually broken by a crisis of competitive pressure, governmental intervention, external pressure from a special interest group, or internal unrest. One company found that its pursuit of a Total Quality program was hampered by the alienation of minorities and women. Senior management at another corporation saw the growing importance of minorities in their customer base and decided they needed minority participation in their managerial ranks. In another case, growing expressions of discontent forced a break in the conspiracy of silence even after the company had received national recognition as a good place for minorities and women to work.

Whatever its cause, the crisis fosters a return to the Problem Recognition phase, and the cycle begins again. This time, management seeks to explain the shortcomings of the previous affirmative action push and usually concludes that the problem is recruitment. This assessment by a top executive is typical: “The managers I know are decent people. While they give priority to performance, I do not believe any of them deliberately block minorities or women who are qualified for promotion. On the contrary, I suspect they bend over backward to promote women and minorities who give some indication of being qualified.

“However, they believe we simply do not have the necessary talent within those groups, but because of the constant complaints they have heard about their deficiencies in affirmative action, they feel they face a no-win situation. If they do not promote, they are obstructionists. But if they promote people who are unqualified, they hurt performance and deny promotion to other employees unfairly. They can’t win. The answer, in my mind, must be an ambitious new recruitment effort to bring in quality people.”

And so the cycle repeats. Once again blacks, Hispanics, women, and immigrants are dropped into a previously homogeneous, all-white, all-Anglo, all-male, all native-born environment, and the burden of cultural change is placed on the newcomers. There will be new expectations and a new round of frustration, dormancy, crisis, and recruitment.

Ten Guidelines for Learning to Manage Diversity

The traditional American image of diversity has been assimilation: the melting pot, where ethnic and racial differences were standardized into a kind of American puree. Of course, the melting pot is only a metaphor. In real life, many ethnic and most racial groups retain their individuality and express it energetically. What we have is perhaps some kind of American mulligan stew; it is certainly no puree.

At the workplace, however, the melting pot has been more than a metaphor. Corporate success has demanded a good deal of conformity, and employees have voluntarily abandoned most of their ethnic distinctions at the company door.

Now those days are over. Today the melting pot is the wrong metaphor even in business, for three good reasons. First, if it ever was possible to melt down Scotsmen and Dutchmen and Frenchmen into an indistinguishable broth, you can’t do the same with blacks, Asians, and women. Their differences don’t melt so easily. Second, most people are no longer willing to be melted down, not even for eight hours a day—and it’s a seller’s market for skills. Third, the thrust of today’s nonhierarchical, flexible, collaborative management requires a ten- or twenty fold increase in our tolerance for individuality.

So companies are faced with the problem of surviving in a fiercely competitive world with a work force that consists and will continue to consist of unassimilated diversity. And the engine will take a great deal of tinkering to burn that fuel.

What managers fear from diversity is a lowering of standards, a sense that “anything goes.” Of course, standards must not suffer. In fact, competence counts more than ever. The goal is

to manage diversity in such a way as to get from a diverse work force the same productivity we once got from a homogeneous work force, and to do it without artificial programs, standards—or barriers.

Managing diversity does not mean controlling or containing diversity, it means enabling every member of your work force to perform to his or her potential. It means getting from employees, first, everything we have a right to expect, and, second—if we do it well—everything they have to give. If the old homogeneous work force performed dependably at 80% of its capacity, then the first result means getting 80% from the new heterogeneous work force too. But the second result, the icing on the cake, the unexpected upside that diversity can perhaps give as a bonus, means 85% to 90% from everyone in the organization.

For the moment, however, let's concentrate on the basics of how to get satisfactory performance from the new diverse work force. There are few adequate models. So far, no large company I know of has succeeded in managing diversity to its own satisfaction. But any number have begun to try.

On the basis of their experience, here are my ten guidelines:

1. *Clarify Your Motivation.* A lot of executives are not sure why they should want to learn to manage diversity. Legal compliance seems like a good reason. So does community relations. Many executives believe they have a social and moral responsibility to employ minorities and women. Others want to placate an internal group or pacify an outside organization. None of these are bad reasons, but none of them are business reasons, and given the nature and scope of today's competitive challenges, I believe only business reasons will supply the necessary long-term motivation. In any case, it is the business reasons I want to focus on here.

In business terms, a diverse work force is not something your company ought to have; it's something your company does have, or soon will have. Learning to manage that diversity will make you more competitive.

2. *Clarify Your Vision.* When managers think about a diverse work force, what do they

picture? Not publicly, but in the privacy of their minds?

One popular image is of minorities and women clustering on a relatively low plateau, with a few of them trickling up as they become assimilated into the prevailing culture. Of course, they enjoy good salaries and benefits, and most of them accept their status, appreciate the fact that they are doing better than they could do somewhere else, and are proud of the achievements of their race or sex. This is reactionary thinking, but it's a lot more common than you might suppose.

Another image is what we might call "heightened sensitivity." Members of the majority culture are sensitive to the demands of minorities and women for upward mobility and recognize the advantages of fully utilizing them. Minorities and women work at all levels of the corporation, but they are the recipients of generosity and know it. A few years of this second-class status drives most of them away and compromises the effectiveness of those that remain. Turnover is high.

Then there is the coexistence-compromise image. In the interests of corporate viability, white males agree to recognize minorities and women as equals. They bargain and negotiate their differences. But the win-lose aspect of the relationship preserves tensions, and the compromises reached are not always to the company's competitive advantage.

"Diversity and equal opportunity" is a big step up. It presupposes that the white male culture has given way to one that respects difference and individuality. The problem is that minorities and women will accept it readily as their operating image, but many white males, consciously or unconsciously, are likely to cling to a vision that leaves them in the driver's seat. A vision gap of this kind can be a difficulty.

In my view, the vision to hold in your own imagination and to try to communicate to all your managers and employees is an image of fully tapping the human resource potential of every member of the work force. This vision sidesteps the question of equality, ignores the tensions of coexistence, plays down the uncomfortable realities of difference, and focuses instead on individual enablement. It doesn't say, "Let us give *them* a chance." It assumes a diverse

work force that includes us and them. It says, “Let’s create an environment where everyone will do their best work.”

Several years ago, an industrial plant in Atlanta with a highly diverse work force was threatened with closing unless productivity improved. To save their jobs, everyone put their shoulders to the wheel and achieved the results they needed to stay open. The senior operating manager was amazed.

For years he had seen minorities and women plateauing disproportionately at the lower levels of the organization, and he explained that fact away with two rationalizations. “They haven’t been here that long,” he told himself. And “This is the price we pay for being in compliance with the law.”

When the threat of closure energized this whole group of people into a level of performance he had not imagined possible, he got one fleeting glimpse of people working up to their capacity. Once the crisis was over, everyone went back to the earlier status quo—white males driving and everyone else sitting back, looking on—but now there was a difference. Now, as he put it himself, he had been to the mountaintop. He knew that what he was getting from minorities and women was nowhere near what they were capable of giving. And he wanted it, crisis or no crisis, all the time.

3. *Expand Your Focus.* Managers usually see affirmative action and equal employment opportunity as centering on minorities and women, with very little to offer white males. The diversity I’m talking about includes not only race, gender, creed, and ethnicity but also age, background, education, function, and personality differences. The objective is not to assimilate minorities and women into a dominant white male culture but to create a dominant heterogeneous culture.

The culture that dominates the United States socially and politically is heterogeneous, and it works by giving its citizens the liberty to achieve their potential. Channeling that potential, once achieved, is an individual right but still a national concern. Something similar applies in the workplace, where the keys to success are individual ability and a corporate destination. Managing disparate talents to achieve common goals is what companies learned to do when they set

their sights on, say, Total Quality. The secrets of managing diversity are much the same.

4. *Audit Your Corporate Culture.* If the goal is not to assimilate diversity into the dominant culture but rather to build a culture that can digest unassimilated diversity, then you had better start by figuring out what your present culture looks like. Since what we’re talking about here is the body of unspoken and unexamined assumptions, values, and mythologies that make your world go round, this kind of cultural audit is impossible to conduct without outside help. It’s a research activity, done mostly with in-depth interviews and a lot of listening at the water cooler.

The operative corporate assumptions you have to identify and deal with are often inherited from the company’s founder. “If we treat everyone as a member of the family, we will be successful” is not uncommon. Nor is its corollary “Father Knows Best.”

Another widespread assumption, probably absorbed from American culture in general, is that “cream will rise to the top.” In most companies, what passes for cream rising to the top is actually cream being pulled or pushed to the top by an informal system of mentoring and sponsorship.

Corporate culture is a kind of tree. Its roots are assumptions about the company and about the world. Its branches, leaves, and seeds are behavior. You can’t change the leaves without changing the roots, and you can’t grow peaches on an oak. Or rather, with the proper grafting, you *can* grow peaches on an oak, but they come out an awful lot like acorns—small and hard and not much fun to eat. So if you want to grow peaches, you have to make sure the tree’s roots are peach friendly.

5. *Modify Your Assumptions.* The real problem with this corporate culture tree is that every time you go to make changes in the roots, you run into terrible opposition. Every culture, including corporate culture, has root guards that turn out in force every time you threaten a basic assumption.

Take the family assumption as an example. Viewing the corporation as a family suggests not only that father knows best; it also suggests that sons will inherit the business, that daughters should stick to doing the company dishes,

and that if Uncle Deadwood doesn't perform, we'll put him in the chimney corner and feed him for another 30 years regardless. Each assumption has its constituency and its defenders. If we say to Uncle Deadwood, "Yes, you did good work for 10 years, but years 11 and 12 look pretty bleak; we think it's time we helped you find another chimney," shock waves will travel through the company as every family-oriented employee draws a sword to defend the sacred concept of guaranteed jobs.

But you have to try. A corporation that wants to create an environment with no advantages or disadvantages for any group cannot allow the family assumption to remain in place. It must be labeled dishonest mythology.

Sometimes the dishonesties are more blatant. When I asked a white male middle manager how promotions were handled in his company, he said, "You need leadership capability, bottom-line results, the ability to work with people, and compassion." Then he paused and smiled. "That's what they say. But down the hall there's a guy we call Captain Kickass. He's ruthless, mean-spirited, and he steps on people. That's the behavior they really value. Forget what they say."

In addition to the obvious issue of hypocrisy, this example also raises a question of equal opportunity. When I asked this young middle manager if he thought minorities and women could meet the Captain Kickass standard, he said he thought they probably could. But the opposite argument can certainly be made. Whether we're talking about blacks in an environment that is predominantly white, whites in one predominantly black, or women in one predominantly male, the majority culture will not readily condone such tactics from a member of a minority. So the corporation with the unspoken kickass performance standard has at least one criterion that will hamper the upward mobility of minorities and women.

Another destructive assumption is the melting pot I referred to earlier. The organization I'm arguing for respects differences rather than seeking to smooth them out. It is multicultural rather than culture blind, which has an important consequence: When we no longer force people to "belong" to a common ethnicity or culture, then the organization's leaders must work all the harder to define belonging in terms

of a set of values and a sense of purpose that transcend the interests, desires, and preferences of any one group.

6. *Modify Your Systems.* The first purpose of examining and modifying assumptions is to modify systems. Promotion, mentoring, and sponsorship comprise one such system, and the unexamined cream-to-the-top assumption I mentioned earlier can tend to keep minorities and women from climbing the corporate ladder. After all, in many companies it is difficult to secure a promotion above a certain level without a personal advocate or sponsor. In the context of managing diversity, the question is not whether this system is maximally efficient but whether it works for all employees. Executives who only sponsor people like themselves are not making much of a contribution to the cause of getting the best from every employee.

Performance appraisal is another system where unexamined practices and patterns can have pernicious effects. For example, there are companies where official performance appraisals differ substantially from what is said informally, with the result that employees get their most accurate performance feedback through the grapevine. So if the grapevine is closed to minorities and women, they are left at a severe disadvantage. As one white manager observed, "If the blacks around here knew how they were really perceived, there would be a revolt." Maybe so. More important to your business, however, is the fact that without an accurate appraisal of performance, minority and women employees will find it difficult to correct or defend their alleged shortcomings.

7. *Modify Your Models.* The second purpose of modifying assumptions is to modify models of managerial and employee behavior. My own personal hobgoblin is one I call the Doer Model, often an outgrowth of the family assumption and of unchallenged paternalism. I have found the Doer Model alive and thriving in a dozen companies. It works like this:

Since father knows best, managers seek subordinates who will follow their lead and do as they do. If they can't find people exactly like themselves, they try to find people who aspire to be exactly like themselves. The goal is predictability and immediate responsiveness because the doer manager is not there to

manage people but to do the business. In accounting departments, for example, doer managers do accounting, and subordinates are simply extensions of their hands and minds, sensitive to every signal and suggestion of managerial intent.

Doer managers take pride in this identity of purpose. “I wouldn’t ask my people to do anything I wouldn’t do myself,” they say. “I roll up my sleeves and get in the trenches.” Doer managers love to be in the trenches. It keeps them out of the line of fire.

But managers aren’t supposed to be in the trenches, and accounting managers aren’t supposed to do accounting. What they are supposed to do is create systems and a climate that allow accountants to do accounting, a climate that enables people to do what they’ve been charged to do. The right goal is doer subordinates, supported and empowered by managers who manage.

8. *Help Your People Pioneer.* Learning to manage diversity is a change process, and the managers involved are change agents. There is no single tried and tested “solution” to diversity and no fixed right way to manage it. Assuming the existence of a single or even a dominant barrier undervalues the importance of all the other barriers that face any company, including, potentially, prejudice, personality, community dynamics, culture, and the ups and downs of business itself.

While top executives articulate the new company policy and their commitment to it, middle managers—most or all of them still white males, remember—are placed in the tough position of having to cope with a forest of problems and simultaneously develop the minorities and women who represent their own competition for an increasingly limited number of promotions. What’s more, every time they stumble they will themselves be labeled the major barriers to progress. These managers need help, they need a certain amount of sympathy, and, most of all, perhaps, they need to be told that they are pioneers and judged accordingly.

In one case, an ambitious young black woman was assigned to a white male manager, at his request, on the basis of her excellent company record. They looked forward

to working together, and for the first three months, everything went well. But then their relationship began to deteriorate, and the harder they worked at patching it up, the worse it got. Both of them, along with their superiors, were surprised by the conflict and seemed puzzled as to its causes. Eventually, the black woman requested and obtained reassignment. But even though they escaped each other, both suffered a sense of failure severe enough to threaten their careers.

What could have been done to assist them? Well, empathy would not have hurt. But perspective would have been better yet. In their particular company and situation, these two people had placed themselves at the cutting edge of race and gender relations. They needed to know that mistakes at the cutting edge are different—and potentially more valuable—than mistakes elsewhere. Maybe they needed some kind of pioneer training. But at the very least they needed to be told that they were pioneers, that conflicts and failures came with the territory, and that they would be judged accordingly.

9. *Apply the Special Consideration Test.* I said earlier that affirmative action was an artificial, transitional, but necessary stage on the road to a truly diverse work force. Because of its artificial nature, affirmative action requires constant attention and drive to make it work. The point of learning once and for all how to manage diversity is that all that energy can be focused somewhere else.

There is a simple test to help you spot the diversity programs that are going to eat up enormous quantities of time and effort. Surprisingly, perhaps, it is the same test you might use to identify the programs and policies that created your problem in the first place. The test consists of one question: Does this program, policy, or principle give special consideration to one group? Will it contribute to everyone’s success, or will it only produce an advantage for blacks or whites or women or men? Is it designed for *them* as opposed to us? Whenever the answer is yes, you’re not yet on the road to managing diversity.

This does not rule out the possibility of addressing issues that relate to a single group. It

only underlines the importance of determining that the issue you're addressing does not relate to other groups as well. For example, management in one company noticed that blacks were not moving up in the organization. Before instituting a special program to bring them along, managers conducted interviews to see if they could find the reason for the impasse. What blacks themselves reported was a problem with the quality of supervision. Further interviews showed that other employees too—including white males—were concerned about the quality of supervision and felt that little was being done to foster professional development. Correcting the situation eliminated a problem that affected everyone. In this case, a solution that focused only on blacks would have been out of place.

Had the problem consisted of prejudice, on the other hand, or some other barrier to blacks or minorities alone, a solution based on affirmative action would have been perfectly appropriate.

10. *Continue Affirmative Action.* Let me come full circle. The ability to manage diversity is the ability to manage your company without unnatural advantage or disadvantage for any member of your diverse work force. The fact remains that you must first have a work force that is diverse at every level, and if you don't, you're going to need affirmative action to get from here to there.

The reason you then want to move beyond affirmative action to managing diversity is because affirmative action fails to deal with the root causes of prejudice and inequality and does little to develop the full potential of every man and woman in the company. In a country seeking competitive advantage in a global economy, the goal of managing diversity is to develop our capacity to accept, incorporate, and empower the diverse human talents of the most diverse nation on earth. It's our reality. We need to make it our strength.

Toward a Feminist Perspective in Public Administration Theory

Camilla Stivers

At present there is virtually no published theoretical work from a feminist perspective in the field of public administration. I hope to make clear in this essay what I mean by a “feminist perspective,” to offer from this base some questions that have occurred to me, and to begin to sketch out some initial ideas about what a feminist approach to public administration theory might be like.

To begin requires reviewing some background on the nature of feminist thinking, in order to make clear what I mean by a feminist perspective. I then suggest four current areas in public administration theory¹ where feminist thought might be productively used: the question of administrative knowledge; the model of the ideal public servant; the nature of administrative discretion; and the dimensions of the administrative state. Each of these issues might—and I hope one day will—serve as the focus of in-depth feminist treatment. My purpose in touching on all four in a single essay is to indicate that there are many possible applications of feminist theory to public administration (no doubt many more than the ones I offer here), and to try to stimulate dialogue on this general topic.

Feminist Theory

Most if not all feminist theorists agree that, whatever else it is, feminist theory is critical of existing reality. Feminists view women’s

historical exclusion from certain human pursuits (such as politics) and confinement to others (such as homemaking) as, if not always deliberate on the part of individual men, certainly not “natural.” Feminists argue that such arrangements make women more likely than men to encounter neglected perspectives and to ask submerged questions about the terms and characteristics of our common existence. Feminists are in general agreement that to be a feminist means to bring up these left out or ignored ideas. Understandably, these tend to be experienced by those who take existing reality for granted in the way they usually are intended: as criticism of business-as-usual.

Under the general rubric of criticism fall a host of different perspectives, ranging from liberal-incremental to quite radical ideas about the proper focus and scope of the critique and the extent of the remedies thought necessary. Over the course of a dialogue that has been going on in the feminist community for some 20 years, two very general sorts of perspective have emerged. One, typically but not exclusively associated with liberal feminists, addresses the historical dichotomy in sex roles by seeking to wipe it out to various degrees. This perspective treats perceived differences in men’s and women’s behavior as largely a side effect of societal sex roles and argues that, by opening up existing arrangements to women, such differences, or at least our feelings that they are important, will largely disappear. Existing values such as those on which liberal politics is based are largely accepted. Individual rights, procedural justice, and so on form the basis for critique (hoisting the system on its own petard, so to speak) rather than being the object of it. The Equal Rights Amendment, affirmative action, and comparable worth policies are products of critique from the liberal feminist perspective.

The second perspective, which has emerged somewhat in reaction to the first, takes the position that perceived differences between men and women, whether natural or not, *matter*.

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Existing societal systems and norms are seen not as “human” but as the products of male experiences and values. In this view, women’s experiences and the values emerging from them are not only different, they are worthy in their own right, and need to be injected in one way or another into existing arrangements, which are seen as unnecessarily one-sided. Presumptive “feminine” values such as nurturance, connectedness, and intuition are to be celebrated, even idealized, rather than left behind in the quest for equality. The work of theorists like Nancy Chodorow (1978), Carol Gilligan (1982), and Mary O’Brien (1981) generally reflect this point of view. Some feminists, such as Mary Daly (1978), even see these values as the basis for a complete paradigm shift.

Recently, a third feminist perspective has made an appearance. It, too, is in response to previous thinking, but attempts to transcend the tension set up by the first two. This perspective suggests that while the celebratory view of women’s experiences provides important support for neglected values and capacities, it glosses over real differences among women, which have been produced by influences of race, class, history, and culture. These theorists ask, for example, whether the experiences of poor black women and upper middle class white women may not be significantly different rather than (or possibly as well as) basically alike. In addition, feminists in this framework point to the fact that many if not most feminine values and behaviors have developed within—and continue to be used to support and justify—a context of male dominance. If so, they say, it may not be safe to assume that “women’s values,” if they do exist, are what they might have been if history and culture had developed differently. Given the shortcomings of the celebratory perspective, the question becomes whether there is a sense of difference that involves neither idealizing nor canceling out women’s varied experiences, which are still seen as the source of important neglected questions and problems, but which offer no easy “better way.” The direction taken by these arguments is that in proposing a “different” view or standard, the aim should not be to *replace* one framework with another but to *call into question the very terms that constitute the difference between them*

and, hence, “to write what cannot be written” (Mary Jacobus, “The Difference of View,” quoted in Heilbrun 1988, p. 41). The standpoint that would make this possible is still emerging; but clearly it requires a process of evolution rather than whole-cloth discovery. The work of theorists like Wendy Brown (1988), Joan Landes (1988), Jean Grimshaw (1986), and Lynne Segal (1987) is rich with material suggestive of possible directions.

My intent in thinking about public administration from a feminist perspective is to work from this potentially evolutionary perspective. Within it, I believe, a conversation could develop that might suggest or support new ways of thinking about important issues, concepts and questions in public administration: ways that use rather than ignore the neglected perspectives reflected in particular experiences of particular groups of women. Ultimately, a conversation that takes this sort of direction can transform the field in a positive way. But such a project will not be easily accomplished even if there could be universal agreement about its desirability—and I do not fool myself about the possibility that such a consensus may emerge. The requirements include trying to open up the discourse of public administration to these perspectives; being willing to be radically critical in doing so; but also building from, rather than casting aside, ideas that are already central and valued in the field. I believe that to reject, cast aside, or treat as irrelevant the central issues in the field would amount not to constructing a “feminist perspective on public administration” but to advocating a revolution rather than a transformation. Nevertheless, I am prepared to admit that if public administration deals seriously with feminist theory, the result is likely to strike many as a revolution, albeit, I trust, a bloodless one.

With these initial thoughts about a feminist perspective sketched out, we can move on to the more central part of the discussion: What might a feminist perspective in public administration theory be like? Obviously the development of such a framework is a much more ambitious exercise than one paper, or one person, can encompass. But simply to get a discussion going, I want to suggest some apparently promising avenues along which to approach this work: to sound familiar public

administration themes, but, in line with the feminist project, to raise neglected aspects and suggest possible new approaches. Many public administration theorists will note that not all these ideas are “new.” A feminist perspective in many cases supports theoretical trends already at work in the field.

The Quest for Neutrality

Woodrow Wilson’s (1978 [1887]) groundbreaking essay argued that administration was legitimate only if it was apolitical, taking its orders from the representative legislature and executing them according to dictates of rationality, comprehensiveness, and efficiency. It may be true, as Paul Van Riper (1984) suggests, that nobody paid much attention to Wilson’s essay for the first 50 years or so after its appearance. Clearly, however, the issue Wilson raised has been and is still at the center of the field. The idea that administration can and should be neutral, and with it the notion that a politics-administration dichotomy legitimates the activities of public bureaucracies, today seem simplistic and unrealistic to many. Despite numerous attempts to sound its death knell, however, the culture of neutral expertise is alive and well, as Rosenbloom (1987)—to just take one example—argues.

This is a many-sided dilemma; but one particularly vexing aspect appears to be that we can neither live with the idea of neutral technique nor do without it. Administrators long for right answers in the form of incontrovertible facts at the same time as they recognize the undeniably value-laden nature of their enterprise. No one is naive enough to cling to the idea of a simple fact-value dichotomy any longer; yet we all do obedience to apparent objectivity.

What can a feminist perspective bring to this problem? No easy answers, surely. But feminism does appear to me to offer some different, potentially fruitful, ways of looking at the situation. For one thing, feminist theorists have argued that the importance of the idea of neutrality can be traced to liberal individualism’s insistence that the state maintain moral neutrality with respect to the preferences of autonomous persons. They suggest that the notion of a state—or a state of nature—made up of isolated

individuals is an idea foreign to the experiences of most women, whose child bearing and child rearing responsibilities make them acutely aware of the extent to which human beings must depend upon each other to survive. If, instead, we had predicated the nature of modern state upon the essential interconnectedness of human beings, we might be able to conceptualize public values somewhat differently. For example, we might base the public interest dimensions of administrative decision-making as much on the discovery of mutual needs as on the adjudication of competing claims among disconnected utility maximizers. Indeed, mothering (see Chodorow, 1978) and “maternal thinking” (Ruddick, 1989)—despite the neologism “parenting,” the activities in question are still largely women’s province—are principal counterfactuals to the notion that human behavior can be adequately summarized as self-interested. We have yet, however, to develop a political understanding of interconnectedness, or community, which does not depend for its coherence on an explicitly apolitical view of traditionally feminine activities such as is reflected in the works of Aristotle and Rousseau, and thus on an implicitly masculine understanding of politics (an issue I expand upon below).

On the question of objectivity, feminists have criticized for their masculinity both linear rational thinking and the attempt to achieve unbiased knowledge by means of detached observation. To be sure, human systems organized according to and seemingly dependent upon this mode of thought have been historically male. Sandra Harding (1987) and Evelyn Fox Keller (1985) have each written compellingly in this vein. Keller’s treatment of the Baconian metaphor linking the inductive acquisition of knowledge about nature with the act of taking a woman by force exemplifies this stream of thinking in a vivid way. (According to Bacon, the scientific method has “the power to conquer and subdue [Nature], to shake her to her foundations.”) In an intensification of recent tendencies in the philosophy of science, Harding argues that there is no such thing as unbiased knowledge in the sense of knowledge unaffected by the characteristics of the knower. She suggests that feminist claims may actually be scientifically preferable because they

originate in a more complete, therefore less distorting, social experience.

This work is of great interest, but I approach it with some caution because of its tendency to neglect the diversity of women's—and men's—experiences. What I do think feminism usefully emphasizes is the *partiality of the dominant*. In other words, it seems counterproductive to assume that there is something inherently masculine about linear thinking or the quest for objectivity, as it appears both that women are as capable of such thinking as men and that men are similarly able to think intuitively and wholistically. In a similar way, talk of an essential “women's experience” or “women's values” cancels out the great variety in perspectives, life chances, behaviors, and so on of people of different races, classes, and cultures. But it does seem misguided to take values as universal simply because they are pervasive, and to assume that the men who set up and still predominate in social systems, and their demonstrated values whatever they may be in particular settings, represent the human norm. Although there may not be universal male or female experiences, clearly there *are* in every society socially constructed genders, which carry with them propensities to look at the world in quite different ways. We can use this awareness to expose the incompleteness of our understandings: to undercut, for example, the taken-for-grantedness of values like efficiency, comprehensiveness, and objectivity. From this perspective, a substitute for or way of moving beyond neutrality of technique and standards might be to take steps to assure that the full diversity of perspectives reflected in the field of concern become ingredients in the administrative process. I suggest, further, that it is similarly one-sided to *assume* that out of diversity must come conflict rather than collaboration, or that, when conflict does occur, it must be solved by reference to “objective” standards or techniques.²

The Model of the Ideal Public Servant

Because of the decade-long epidemic of bureaucrat-bashing characterizing the public conversation, public administration has been

preoccupied with restoring the public servant to a position of societal respect. In the community of theorists, this effort has taken the form of trying to reconceptualize the nature of public service. According to Mitchell and Scott (1987), the American people are disenchanted not so much with their institutions as with the people who run them; in particular, they note, the trustworthiness of people in public life has been called into question. Out of this sort of awareness have come examinations of the ideal personal characteristics or “image” of the public administrator. For example, the 1988 meeting of the American Society for Public Administration featured a symposium on the image of the public administrator and a panel dealing with the life stories of several “exemplary” public servants. The sense of need for this dialogue can be traced to the argument made by the framers of the Constitution, that men [sic] of virtue would be attracted to public life by the possibility of winning public honor and fame, a motivation not only considered noble at the time but perhaps even heroic. Fame is a *public* virtue, one that must be earned through the effort to be a force in history, one bestowed by an audience of the wise and the good (Adair, 1974). In his examination of the lives of Alexander, Wellington, and Ulysses Grant, John Keegan (1987) argues that heroic leadership is a public performance, which validates the hero's authority through the display of virtue. Hero worship, or recourse to exemplars as guidance, becomes structural, a way of stabilizing the political order. Given this, it is understandable that public administration should be seeking an exemplary—even heroic—image. While the typical public servant may have to continue to labor in anonymity, at least the public service as a whole might take on heroic qualities and in so doing validate its authority.

The question of what this image ought to be, however, remains an open one. Feminists have not been slow to take up the question of the nature of heroism, nor to point to its essential masculinity, at least in traditional terms. Certainly most of us would agree that our administrative heroes need not all be men, but we have not yet begun to think about the extent to which the inclusion of women in the pantheon of administrative heroes changes the

canons based on which we decide what an exemplary public servant is. Feminist examinations of heroism (e.g., Edwards, 1984; Pearson, 1986) stress the masculinity of the traditional physical mode dating back to ancient Greece, which emphasizes culturally male characteristics such as aggressiveness, physical prowess, and the performance of visible deeds—including actual battle—as the basis for meriting public glory and honor. This heroic image is still not far beneath the surface of our understanding of public life; an example is Garry Will's mocking reference in a recent review of Larry Speake's book on life in the Reagan administration: "This is a world, like the Greek poem's, where heroes buckle on bean-pod greaves before they thump the foe with mock epithets, inflicting pygmy terrors on each other." (Will's review is entitled, "All the President's Mice.")

A feminist approach to the question of heroism, on the other hand, makes it possible to emphasize the challenging, even transformative, potential of the heroic figure—one who explains us to ourselves not so much by reasons as by imaginative projection, and in so doing transforms consciousness. From this perspective the function of the heroic symbol is embodiment of a wide range of otherwise in-effable qualities, rather than performance in the public eye of a narrow set of capacities. If we can come to see women as heroes (rather than as heroines, whom heroes rescue), this calls into question at least a couple of accepted ways of thinking. One is the relationship between gender and behavior. If women do classically heroic—for example, physically courageous—things, then the link between physical courage and masculinity is attenuated. Similarly, the connection between heroism and maleness is weakened when we recognize that traditionally female acts of compassion and nurturance can also be heroic. As Wendy Brown (1988, p. 206) puts it: "In the terms of manliness, courage is overcoming bodily fears and overcoming concerns for life. In contrast, I am suggesting that we need courage to sustain life, to fight for freedom as bearers of life and hence of possibility."

It may well be that, because women's societal position is still marginal in a way that men's isn't, the female hero figure is a particularly potent challenge to existing consciousness and

institutions. But, its persistence in myth suggests that the heroic quest is a lesson of the deepest spiritual significance (see, for example—though I take issue with some of its interpretations—Campbell's [1968] great *The Hero with a Thousand Faces*). Thus the feminist challenge to the idea of heroism is positive in essence, though stress may be attached to the social transformation that could result.

Among the possible implications for public administration of reshaping our understanding of heroism may be the need to rethink the desirability of public honor and fame. The framers of the Constitution believed that only a minority of men [sic]—the "better sort"—were qualified to lead the nation. Are the "best" public administrators attracted to public service, as the founders thought, by the opportunity to act before an audience of the wise and the good? Should they be? It appears that many of the modern images of the public administrator, such as the entrepreneur, the advocate, the decision-maker, derive their legitimacy and their appeal from their potential for individual visibility—for glory. Yet it may be that glory is possible for only a few and less widely attractive than might be thought. The need to re-win the public's trust may call for more broadly interactive images.

Administrative Discretion

Theorists who reject the notice of public administration as a neutral technique view it instead as a form of governance. They see governance in the exercise of discretion, when administrators, in order to breathe life into vague legislative mandates, make substantive judgments about the nature of the public interest in particular situations, decisions that have impacts for good or ill on people's lives. The "Blacksburg Manifesto" (Wamsley et al., 1987), to take one example, is an attempt to substantiate the legitimacy of administrative governance. As the Blacksburg theorists point out, the exercise of public authority is an inescapable fact of post-industrial life. Administrative governance is the use of bureaucratic authority for the purpose of system steering; the Manifesto takes the position that the fragmented nature of our system of government makes this a

positive opportunity. Norton Long (1981) has also argued along these lines, to the effect that it is a good thing that administrators see themselves to be governing, because no one else is.

The key question is the basis on which discretion shall be exercised. The Blacksburg theorists argue that legitimate administrative discretion is informed and guided by an agency-specific set of normative elements, including the Constitution, laws, regulations, history, agency culture, and a commitment to the “widest possible interpretation of the public interest.”

The Blacksburg and similar perspectives do much to counter public administration’s overly technocratic tendencies, but their vulnerability to charges of elitism still seems significant. Clearly the Manifesto is meant as a thoughtful reply to the charge that, because administrators are not elected and cannot take detailed orders from the legislature, their decisions are not legitimate. The issue remains a live one, however. In addition, justifications of administrative governance have a hollow ring unless they confront the essentially undemocratic nature of bureaucratic hierarchy.

Questions of power, authority, and hierarchy are central to a growing body of feminist literature, although no one writing in this vein has yet taken up the issue of administrative governance. (Kathy Ferguson’s *The Feminist Case against Bureaucracy* [1984], to my mind, despite its virtues neglects fundamental differences between public and private organizations.) But clearly certain feminist ideas appear relevant to an understanding of administrative governance that is less hierarchical and more interactive, therefore less elitist and more democratic. Feminist theories, for example, support a view of power not only as a mode of domination but also as a form of enabling capacity. Similarly, they emphasize the possibility of leadership as facilitation rather than the giving of orders, and authority as accountable expertise rather than as chain of command. Ultimately, working within such a perspective, we should be able to ground administrative legitimacy in accountability that not only is exercised in the privacy of the individual conscience or in the internal processes of a particular agency, but is also tangibly enacted in substantive collaboration with affected others,

including members of the general public. The strengthening of these kinds of interpretations should reinforce arguments already being heard in the field to the effect that efforts at centralized control over societal—including administrative—processes appear more and more tenuous and misguided in a world of increasing complexity and unpredictability (a good example is Korten [1981]). If this is true, then the inclusion of a more diverse range of perspectives is one possible way to avoid what Dunn (1981) calls a “Type III” error—incorrect interpretation of the nature of the problem. Collaboration and participation thus become protection against bureaucratic pathology rather than a source of inefficiency.

The Administrative State

Dwight Waldo’s classic *The Administrative State* (1948) first introduced the idea that public administration theory is a theory of the state and administrative practice a form of statecraft. Waldo wanted to show how seemingly neutral techniques and principles have normative implications where applied in a public context. But in addition, he called our attention to the existence of *the state* in American society, a problematic insight to many whose political comfort depends upon viewing the United States as an exception to the inevitable development—at least in industrializing countries—of institutional capacity for system steerage. Since Waldo, we have had to acknowledge the substantive, organized exercise of (presumably) legitimate coercion by an “integrated network of institutions, procedures, and human talents ...” (Skowronek, 1982, p. 15). The persistence of work in the field stressing the fractionated nature of the American system of governance and the need for administration as a balance wheel or fulcrum, attests to our continuing ambivalence about the American administrative state (as Skowronek points out, an institution built *around* administrative capacity rather than one presuming its absence): we want it to be an entity capable of significant power; but as administrators we are reluctant to see this power as oppressive, even potentially. Therefore we stress its necessity. Critics to the right and left of mainstream

public administration, of course, remind us of this potential continually, though the nature of the oppression is viewed differently from the two vantage points.

It seems to me that our mixed feelings about the existence of a positive state have to do with our ambivalence about the nature of freedom and what sort of state is required in order to ensure it. I see two problems, and feminist thinking helps to shed light on both.

The first has to do with the dichotomy between the public and private realms on which our liberal heritage depends. The liberal state, as we know, developed in opposition to monarchy, a patriarchal system if ever there was one. Feminist political theorists join with others in pointing out that the liberal case against monarchy depended on justifying a societal space beyond the reach of “*letat c'est moi*,” but they see the development of that space as resting on the exclusion of women from it. From their perspective, we are still operating within an intellectual inheritance in which freedom for some (i.e., men) is profoundly dependent on limiting the freedom of others (women).

For example, Joan Landes' (1988) study of the French Revolution argues that monarchy feminized men by keeping men and women equally helpless in the face of the king's power. Her account portrays an age in which a performative public sphere, while ultimately controlled by the king, offered, in the institution of the *salon*, opportunities for both men and women to be and act in public. The *salon*, known literally as “*le monde*” (the world) was a social institution and cultural terrain controlled by women, who hosted the gatherings. There, new individuals were taught the style, language, and art necessary in order to operate in public—to be seen, to have access to the public conversation. Landes argues that men came to see women's power in the *salons* as analogous to the king's monopoly on the terms of political life. The challenge to patriarchy thus came to be equated in men's minds with the silencing and banishment of women.

This vision has deep roots, of course, dating back to ancient Greece. The *polis*, idealized by so many as the quintessential public space, depended for its existence on the simultaneous presence of a household where women were

confined and where the necessities of life could be taken care of by women and slaves, thus freeing men for the life of action-beyond-purpose portrayed so glowingly by Hannah Arendt (1963). (For a devastating critique of this aspect of the Athenian city-state, see Keuls [1985].)

The political theory that freedom depends on a separation between public and private life was reinforced in the modern era by economic restructuring. Numerous observers, feminist and otherwise, have delineated the widening of the gap between the public and private worlds that took place during industrialization; work became something done outside the home, so that women's traditional duties were no longer carried out alongside men's but in isolation. The spread of wage labor, of course, also meant that women's domestic labor was no longer viewed as “work.” The banished activities of women were imbued with public purpose by viewing home and family as responsible for developing [male] citizens for their proper place in the state and women as responsible for keeping male aggressiveness in check. Thus the extent to which the state depended on women's silence was masked by assigning them a political “role.”

Landes argues that once banished in order that a masculine public sphere can be constructed, women who attempt to fashion public languages violate the code of natural behavior. Having become, because of their exclusion, unutterably different, women's voices can only be heard as partial, while the discourse that constructs the public sphere can be viewed by those taking part in it as universal. Landes suggests that, once the terms of this development are understood, it becomes clear that women (unless they “become men,” i.e., obliterate their difference) cannot take possession of a public sphere constructed on masculine lines. We must transform discourse in order to authorize women's participation.

There has been a great deal of attention in public administration, particularly recently, to its essential publicness and what this implies for the nature of administrative practice in the public sector. We have yet to turn our attention, however, to the sense of difference obscured by our taken-for-granted notion of the public. For example, we tend to see intrusion of the state

into family life as a violation of privacy, or at least as not Constitutionally mandated (for example, the Supreme Court recently ruled in a child abuse case that the 14th Amendment protects us from the state but does not imply any positive obligation on the part of the state to protect us from violent family members). From women's vantage point, however, the "haven in a heartless world" is frequently cruel, almost always fundamentally limiting.

Let me push this line of thought one notch further by turning to the second of the two problems referred to above, that is, regarding our notions of freedom. Here I draw on Wendy Brown's (1988) critique of our understanding of freedom as existing in a plane beyond necessity. Using material from Aristotle, Arendt, Machiavelli, and Weber, Brown lays out the development and persistence of a culturally masculine idea of politics. She points out the gender origins and dimensions of state-creating: political action (that is, virtue, from *vir* = man), giving form to matter (from *mater*, or mother/woman). By taking political action, men achieve mastery over circumstances (in Machiavelli's terms, they outwit *fortuna*—as Hanna Pitkin [1984] has shown, a woman); they rise above necessity. Forming and controlling the body politic, which becomes an instrument, they can move into the realm where freedom means not being confined by the body. In essence, they can (at least for a time) cheat death. Women meanwhile, as we saw above, remain in the realm of necessity, the world of food, dirt, blood, crying children, and soiled clothing: in sum, the world of subsistence.

As Brown points out, Arendt's form of political action takes this dichotomy to such extremes—any connection whatever with purpose, for Arendt, contaminates action—that her public sphere is completely empty of content: what, then, is all this action to be about? In this view, the true politician lives for, rather than as a result of, politics. He [sic] becomes disembodied by rising above necessity, that is, by relegating it to the care of women. He becomes pure mind, dominating the body, giving it form and purpose but also standing beyond these. As a

result, Brown suggests, politics can legitimize the pursuit of aims higher than life (such as "the national interest"). She argues that instead we need to recognize that freedom is embodied: that living things cannot overcome themselves, but must engage with the materials of existence to draw forth possibilities rather than to try to impose form on them (childrearing is Brown's partial model here).

If, as Skowronek suggests, statecraft is institution-building, perhaps this is not too far from Brown's idea of imposing form on matter. I would argue, however, that our emphasis on the administrative state as virtue and administrative discretion as an "opportunity" for positive action in a fragmented polity, is our bid to establish and reserve to ourselves a sphere of freedom: constrained, it is true, by the Constitution, laws, and agency norms, but nonetheless action not fully resolvable to following a set of rules and therefore, at its core, "free." Beguiled by this freedom, we may be slow to ask ourselves the extent to which its exercise depends on the unfreedom of others and our distaste for challenging it, or to look for a mode of action that accepts its embodied nature (that is, its grounding in The People not as an abstraction but as a group of real human beings) and thereby begins to rejoin the body politic with its head and putative mind: the administrative state.

Feminist theory sees the barrier between public and private, erected ostensibly to protect the freedom of all, as supportive of the oppression of many. In a space constructed out of the exclusion of half the human race, as long as this exclusion remains unexamined no heroism of practice is possible. Nor can women be counted in without changing the terms of the dialogue, since in order to enter the public sphere as given, women must leave behind part of ourselves—as must men. The transformation suggested by feminist thought is the opportunity to become whole in the process of writing what has not yet been written. It seems to me that we public administrators need to consider the challenges represented in feminist theory, and use them as a source of creativity. Let us begin the conversation.

NOTES

1. By “theory,” of course, I mean something much closer to political philosophy than what is arrived at by linking empirically tested hypotheses. I view public administration as a form of governance. As such, its most interesting questions are inherently value-laden and must therefore be dealt with by means of reasoned argument rather than proof.
2. The only well-known woman among classic public administration theorists, Mary Parker Follett, made an argument along these lines that was strikingly different from the perspectives of her contemporaries (see Follett [1918] 1965, [1924] 1951). The field has yet to deal with the radical political implications of Follett’s ideas.

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The Motivational Bases of Public Service

James L. Perry and Lois Recascino Wise

The past two decades have brought enormous changes in the environment for public service. Beginning in the mid-1960s, public confidence in American institutions began a two-decade decline.¹ Nowhere is the decline in public trust more apparent than in government. At the start of this last decade of the twentieth century, only one in four Americans expressed confidence in government to “do what is right.”

The decline in public trust has precipitated a “quiet crisis” in the federal civil service.² The recent report of the National Commission on the Public Service, more commonly referred to as the Volcker Commission after its chair, Paul Volcker, the former chairman of the Federal Reserve Board, recited a litany of shortcomings in the federal personnel system.³ Although no comparable evidence is available on the status of state and local government civil service systems, they no doubt have suffered problems similar to those experienced at the federal level.

In the face of these long-term trends and their associated consequences, political leaders have begun to call for a rebirth of the public service ethic. The 1988 presidential race was the first in over a decade in which bureaucrat bashing was not one of the favorite pastimes of the candidates. President Bush has been joined in his call for a renewal of interest in public service by other prominent public servants, including former Secretary of State George Shultz and former Comptroller General Elmer B. Staats.⁴

Calls for a recommitment of Americans to values associated with government service, among them personal sacrifice and duty to the public interest, raise practical questions about the power of these values to stimulate and direct human behavior. At their core, calls for a renewal of public service motivation assume the importance of such motivations for an effective and efficient public service. Those who advocate using public service motivation as the primary steering mechanism for bureaucratic behavior perceive that it is essential for achieving high levels of performance.

At least two developments of recent years, one intellectual and one practical, call into question the strength of a public service ethic. One is the rise of the public choice movement, which is predicated on a model of human behavior that assumes that people are motivated primarily by self interest.⁵ According to this view, because self interest is at the root of human behavior, incentives, organizations, and institutions must be designed to recognize and to take advantage of such motivations. A related development, this one arising within government, is the growing popularity of monetary incentive systems, especially at top organizational levels.⁶ Extrinsic rewards controlled by one’s supervisor are now seen as a major means for directing and reinforcing managerial and executive behavior. These related trends stand in opposition to the view that public service motives energize and direct the behavior of civil servants.

The present study seeks to clarify the nature of public service motivation and to identify and evaluate research related to its effects on public employee behavior. The article reviews existing literature about public service motivation to identify the phenomena more precisely. It then discusses the implications of public service motivation for behavior in public organizations. Needs for future research are discussed in conclusion.

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Theories of Public Service Motivation

Public service is often used as a synonym for government service embracing all those who work in the public sector. But public service signifies much more than one's locus of employment. For example, Elmer Staats has written: "Public service' is a concept, an attitude, a sense of duty—yes, even a sense of public morality."⁷ Staats' observation reflects both the breadth and depth of meaning that has been associated with the idea of public service.

Public service motivation may be understood as an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations.⁸ The term "motives" is used here to mean psychological deficiencies or needs that an individual feels some compulsion to eliminate. Following Knoke and Wright–Isak, this discussion recognizes that these motives may fall into three analytically-distinct categories: rational, norm-based, and affective.⁹ Rational motives involve actions grounded in individual utility maximization. Norm-based motives refer to actions generated by efforts to conform to norms. Affective motives refer to triggers of behavior that are grounded in emotional responses to various social contexts.

The motivational characteristics of public service have drawn the attention of scholars dating to the beginnings of the field of public administration. The concern that motives affect the quality and content of public outputs is equally long. The most prominent stream of research on public service motivation historically has focused on attitudes of citizens and various elites toward government employment. Most recognizable among these contributions is Leonard White's *The Prestige Value of Public Employment in Chicago* and Kilpatrick, Cummings, and Jennings', *The Image of the Federal Service*.¹⁰ Although prestige is a factor that influences the attractiveness of public sector jobs, it does not set apart the motivational bases of public service from other sectors of employment. Early incentive theorists identified prestige as an incentive derived from the size and growth of an organization.¹¹

Despite obvious differences in extrinsic rewards, other research has looked

comparatively at motivation levels of public and private managers and generally has found few differences in overall measures of motivation.¹² However, this research has not identified what other motives public employment serves to compensate for its limited appeal to traditional rational motives. Do specific motives exist that are associated with public service primarily or exclusively, and, if there are, what are they?

Rational

Little of the literature on public service motivation acknowledges that some of the motives unique to public service are rational in nature; motives are usually treated as wholly altruistic. A strong case can be made, however, that public service motivation is sometimes grounded in individual utility maximization.

In a recent article, Steven Kelman posed the question: "What are the distinctive advantages that might draw people to government?"¹³ One of his answers was that public servants are drawn to government to participate in the formulation of good public policy. Although Kelman associates an individual's desire to participate in the formulation of good public policy with the norm of public spirit, it is likely to appeal to many civil servants in more rational terms. *Participation in the process of policy formulation* can be exciting, dramatic, and reinforcing of an individual's image of self importance. Rawls asserts that a greater realization of self emanates from "skillful and devoted exercises of social duties."¹⁴ Someone drawn to the public sector to participate in policy making may therefore be satisfying personal needs while serving social interests.

Anthony Downs argued that some civil servants are motivated by *commitment to a public program because of personal identification* with the program.¹⁵ He offered Billy Mitchell and the military use of aircraft as an example of such a motivational base, but other examples such as J. Edgar Hoover and Hyman Rickover come readily to mind. Rickover, for example, was so dedicated to the nuclearization of the U.S. Navy that, even in the face of opposition to his amassing influence and power, he remained at his post well beyond normal retirement age.

A related rational motive that for many individuals may not be served outside of government is *advocacy for a special interest*. Individuals may be drawn to government or pursue particular courses of action within government because of their belief that their choices will facilitate the interests of special groups. One of the arguments frequently found in the literature on representative bureaucracy is that a widely representative bureaucracy facilitates inclusion of a range of policy perspectives in a society.¹⁶ Such an argument assumes that one motive prevalent in pluralistic societies is an individual's conscious or unconscious advocacy for special interests.

Norm-Based

Frederickson and Hart have argued that one of the primary reasons why American public administration has had difficulty coping in recent years is its excessive and uncritical reliance upon the values of business administration.¹⁷ Careerism has displaced idealism as a guide for bureaucratic behavior, although there are some notable exceptions to this trend.

One of the most commonly identified normative foundations for public employment is *a desire to serve the public interest*.¹⁸ Downs argues that the desire to serve the public interest is essentially altruistic even when the public interest is conceived as an individual's personal opinion. Others may disagree with Down's interpretation of public interest but still agree that the norm is integral to most conceptions of public service motivation.¹⁹ The role of values such as nationalism and loyalty to country in shaping a career dedicated to public service is reflected in the life of Louis Brownlow. In recounting Brownlow's career on the one-hundredth anniversary of his birth, Barry Karl described a man fully dedicated to the profession of serving the public and totally disinclined from making any personal gains from his work.²⁰ In *Private Lives of Public Servants*, Kenneth Lasson describes a physician who was similarly motivated. The physician, who joined the Food and Drug Administration to protect the public from inadequately tested drugs, provided the following reflection about his motivations: "I realize, intellectually, that I have

accomplished far more in my years at Food and Drug than I could have in private practice. When I helped take 'MER/29' off the market I did more good than a lifetime of seeing individual patients."²¹

A desire to serve the public interest is only one value integral to the construct of public service motivation. Bruce Buchanan, citing Frederick Mosher's classic, *Democracy and the Public Service*, argues that the public service ethic involves a unique sense of *loyalty to duty and to the government as a whole*.²² Buchanan speculates that this norm derives from the state's sovereign power and the role of public employees as nonelected trustees of portions of this power. Similarly, Heclo has argued that the extent to which public policies are responsive to citizens' preferences is significantly affected by the public bureaucracy.²³

A related normative anchor for public administrators flows from the concept of *social equity*.²⁴ Social equity involves activities intended to enhance the well-being of minorities who lack political and economic resources. Frederickson argues that the obligations of public administrators are threefold: to provide services efficiently and economically while enhancing social equity. He suggests that the inclusion of social equity among the values served by public administrators helps to define the political nature of public administration roles.

Affective

As noted above, some public employees may be motivated by a commitment to a public program because of personal identification with a program. In many instances, however, *commitment to a program* may emanate from a *genuine conviction about its social importance*. The sources of commitment to a program may be difficult to distinguish in practice, but they are conceptually distinct. Luther Gulick captured the distinction in referring to what he termed "the nobility of the great objectives of the public service." He believed that motives derived from service to society would be more lasting than those based on the profit motive.²⁵

Frederickson and Hart suggest that the central motive for civil servants should be the *patriotism of benevolence*. They define patriotism of

benevolence as “an extensive love of all people within our political boundaries and the imperative that they must be protected in all of the basic rights granted to them by the enabling documents.”²⁶ They go on to suggest that the patriotism of benevolence combines love of regime values and love of others. Although Frederickson and Hart argue that the patriotism of benevolence represents a particular moral position, it also may be understood to describe an emotional state. In fact, the type of moral “heroism” envisioned by Frederickson and Hart may be attainable only through an emotional response to humankind, which brings with it a willingness to sacrifice for others.

Of course, people are a mix of motives, exhibiting combinations of values over a lifetime and focusing on different motives at various points in their careers. Personal or environmental factors might account for changes in individual motives, but clearly an individual can switch among public service motives as well as away from these stimuli altogether. For example, Robert Caro’s autobiography of Robert Moses traces his progression from the norm-based motives of a civil service reformer to the rational motives of a power broker. Describing the failure of Moses’ attempts to reform the New York City civil service and the lesson that power makes dreams come true that he drew from it, Caro writes:

The net result of all his work was nothing. There was no civil service standardization. . . . Convinced he was right, he had refused to soil the white suit of idealism with compromise. He had really believed that if his system was right—scientific, logical, fair—and if it got a hearing, the system would be adopted. . . . But Moses had failed in his calculations to give certain factors due weight. He had not sufficiently taken into account greed. He had not sufficiently taken into account self-interest. And, most of all, he had not sufficiently taken into account the need for power.²⁷

To summarize, a variety of rational, norm-based, and affective motives appear to be primarily or exclusively associated with public

service. This is not to say that all public employees are driven by these needs. Public service motivation is seldom identified with individual utility maximization, but motives such as participation in the process of policy formulation, commitment to a public program because of personal identification with it, and advocacy for special or private interests are essentially rational in nature. Public service motivation is most commonly associated with particular normative orientations—a desire to serve the public interest, loyalty to duty and to the government as a whole, and social equity. The affective aspects of public service motivation have been relatively neglected and may be the least important component of the overall concept. However, motives such as patriotism of benevolence seem to be grounded in an individual’s emotional state.

Behavioral Implications of Public Service Motivation

Of what significance is the public service motivation construct? Although theory has not been well developed, the literature on public administration has contended that what has historically been called the public service ethic and what is defined more formally in the present study as public service motivation has significant behavioral implications. The level and type of an individual’s public service motivation and the motivational composition of a public organization’s workforce have been posited to influence individual job choice, job performance, and organizational effectiveness. Some of the potential behavioral implications of public service motivation can be summarized in propositional form.

1. *The greater an individual’s public service motivation, the more likely the individual will seek membership in a public organization.*

The general attraction-selection framework implied by this proposition has broad acceptance and has received substantial empirical support.²⁸ It presumes that organizations with certain properties attract and/or select employees with particular personal attributes. These

personal attributes, in turn, influence how employees react to the organization. Thus, the proposition suggests that the greater the strengths of rational, norm-based, and affective public service motives are to an individual, the more likely the individual is to seek public organizations as environments in which to satisfy these needs.

Although evidence indicates that public organizations attract different types of individuals than do private organizations, only limited research attention has been given to issues surrounding the individual-organization match.²⁹ Available empirical research on the attraction-selection framework involving public organizations provides moderate support for a public service motivation-membership relationship. A comparative study of sectoral choice by Blank found that although clear correlations exist between wages and sectoral choice, sectoral choice involves more than wage comparisons.³⁰ Among Blank's conclusions was that highly educated and more experienced workers are far more likely to choose the public sector, offsetting lower wages with rewards arising from the characteristics of their jobs.

In two studies comparing graduate students about to enter or reenter the profit and nonprofit sectors of the economy, Rawls and his associates found that nonprofit entrants valued helpfulness (working for the welfare of others), cheerfulness, and forgiveness (willing to pardon others) more highly than students bound for the private

sector. Nonprofit entrants placed less value on a comfortable life and economic wealth.³¹ These empirical findings are strongly supportive of the relationship in proposition one.

Further theoretical support for the proposition is provided by Albert Hirschman. In *Shifting Involvements*, Hirschman described a cycle of collective behavior that shifts over time between two ends of a public-private continuum.³² The spectrum is associated with public affairs or civic involvement at one end and private interests at the other. Hirschman argues that shifts along the continuum are products of factors that both pull masses of people into public or private affairs, such as exceptional economic conditions, and, when preferences change, push individuals away from such activities.

The theory is applicable to decisions by individuals about whether to join and remain with public organizations. Hirschman argues that shifting involvements represent preference changes resulting from disappointments experienced in pursuing either public or private interests. It follows that if individuals are drawn to public organizations because of expectations they have about the rewards of public service but those expectations go unfulfilled, they are likely either to revise their preferences and objectives or to seek membership in organizations compatible with their interests. Thus, public service motivation should be understood as a dynamic attribute that changes over time and, therefore,

| TABLE 1 |

Public Service Motives

Rational

Participation in the process of policy formulation.
Commitment to a public program because of personal identification.
Advocacy for a special or private interest.

Norm-Based

A desire to serve the public interest.
Loyalty to duty and to the government as a whole.
Social equity.

Affective

Commitment to a program from a genuine conviction about its social importance.
Patriotism of benevolence.

may change an individual's willingness to join and to stay with a public organization.

Collectively perceived frustrations associated with public life or, conversely, with the perceived moral bankruptcy of private pursuits can produce a similar phenomenon on a larger scale. Dramatic shifts in the attractiveness of government service since the early 1960s could be attributed to the types of collective behavior posited by Hirschman's model.³³ More generally, the literature on "the image of public service"³⁴ often identifies the push and pull factors contributing to mass shifts in preferences for or frustrations with government service that influence recruitment and retention of members.

In their classic book, *Organizations*, March and Simon posit that organizations depend on individuals to make two broad sets of decisions on behalf of the organization: to participate and to perform. Proposition one posited a direct relationship between membership or the decision to participate and public service motivation. Although the evidence is less compelling, proposition two suggests a similar relationship between public service motivation and the decision to perform.

2. *In public organizations, public service motivation is positively related to individual performance.*

Systematic empirical evidence about the relationship between public service motivation and performance does not exist, but other research regarding the effects of motivational factors on individual performance can be drawn upon to support this proposition. The connection between job characteristics and work performance, which is based on the research of Turner and Lawrence, has been examined by a number of different researchers.³⁵ The expectation is that individuals will be motivated to perform well when they find their work meaningful and believe that they have responsibility for the outcomes of their assigned tasks. Among the job characteristics that contribute to performance motivation are autonomy, task identity, and perceived task significance. It can be argued that these are the attributes that individuals with public service motives derive from public sector employment. For individuals with high levels of public

service motivation, significant tasks include those that provide opportunities to address questions of social equity, to express loyalty to country, to advocate a valued special interest, or to pursue social programs.

Public service motivation is likely to be positively related to an individual's organizational commitment. Individuals who are highly committed are likely to be highly motivated to remain with their organizations and to perform. In addition, because committed employees are likely to engage in spontaneous, innovative behaviors on behalf of the organization, such employees are likely to facilitate an organization's adjustment to contingencies. In some instances, public service motivation, by inducing high levels of commitment, may produce negative outcomes. Individuals motivated by public service may carry their commitment beyond reasonable boundaries. Extreme commitment could lead to fanatical behavior, suspension of individual judgment, and the like, i.e., the syndrome that Schein termed "failures of socialization."³⁶

3. *Public organizations that attract members with high levels of public service motivation are likely to be less dependent on utilitarian incentives to manage individual performance effectively.*

The question of what sort of motives serve as the principal motivational bases in public organizations is integrally related to the way incentive systems are structured. As a general rule, the incentives that organizations provide are likely to be most effective if they are contingent on the motives of individual members. Thus, organizations whose members are motivated primarily by rational choice are likely to find utilitarian incentives most effective. Organizations whose members are motivated by norm-based and affective considerations must rely more heavily on normative and affectual incentives.

Utilitarian incentives, if maintained at a satisfactory level, are not likely to be critical determinants of outputs where individuals identify with the tasks or mission of the organization. Thus, public organizations that attract employees with high levels of public service motivation

will not have to construct incentive systems that are predominantly utilitarian to energize and direct member behavior. Where public service motivation is absent, individual utilitarian benefits may be the most effective incentives. In those instances in which organizational leadership incorrectly matches incentives to motives, the organization is unlikely to reach its maximum potential performance.

The great risk in the current trend of treating the public service like private enterprise is that it fails to acknowledge unique motives underlying public sector employment and the critical linkage between the way a bureaucracy operates in an administrative state and the advancement of social and democratic values. Current crises of ethics and accountability among politically-appointed senior managers in government may be an outgrowth of the idea that management in the public sector is not unique.³⁷ At the same time, declines in the advancement of social goals may be linked to the emphasis on business management techniques in government. As others have demonstrated, these trends are not unique to the American scene.³⁸

Rainey's comparative research on incentives provides empirical support for proposition III. Rainey compared the responses of middle managers in public agencies and private profit-making corporations on a series of scales measuring incentive structures, organizational goal clarity, and individual role characteristics.³⁹ He found that public managers perceived a weaker relationship between performance and extrinsic rewards. It would have been reasonable to expect differences on scales measuring organizational goal clarity and motivation, but Rainey found no differences. He speculated that different incentives in public organizations act as alternatives to the constrained extrinsic incentive structure and positively influence motivation and effort. In support of this interpretation, he found a comparatively stronger relationship between expected timeliness, quantity and quality of work, and sense of meaningful public service for public sector managers. In a study of public and private managers in Atlanta, Georgia, Baldwin replicated Rainey's results, finding no differences in levels of expressed motivation.⁴⁰

Research Implications

This study suggests several areas where future research might be focused. An obvious priority is that more research needs to be conducted to explore and test the propositions above and to refine understanding of the behavioral implications of public service motivation. Within this context, an understanding of the way values and incentive structures shift over time is a critical ingredient for developing an understanding of cyclical swings in the popularity of public sector employment.

A second research need is the development of measurement methods that facilitate better understanding of how public service motivation contributes to organizational commitment and performance. A necessary component of efforts to advance understanding of the different aspects of public service motivation is a system for defining and measuring public service motives. The available literature does not provide operational indicators of these motives that can be used in research. Development of a psychometric instrument capable of measuring an individual's public service motivational structures along with a model that operationalizes the linkages between individual values, organizational environment and task structure, and outcome (such as commitment, performance, and job satisfaction) is a critical next step.

A third research priority has a greater applied emphasis: how can public service motives be instilled in potential recruits for government service? The problem of transferring to young people the motives of public service has been addressed by statespersons and researchers. Certainly, the image of the public service is a critical ingredient.⁴¹ The public bureaucracy cannot serve as the 'whipping boy' for politicians and the public and still attract large numbers of excellent young people into its ranks. Some would argue that highly competitive rates of pay are a critical element for a prestigious public sector,⁴² but high rates of pay may not attract individuals with high levels of public service motivation.

National initiatives may serve as a catalyst for activating public service motivation. A charismatic leader or collective action can effectively transmit a call for public service.

Current discussion in the U.S. Congress has focused on legislation that would provide public service opportunities for young people. These programs are intended to develop normative and affective bases of public service motivation. One idea is to provide a public service experience as a component of high school education. Another approach is to make financial aid for college contingent on public service.

Socialization or inculcation of motives, as Chester I. Barnard labeled it, can also be achieved through managerial techniques both in the pre-entry and entry stages of organizational membership.⁴³ The identification of common motives and the development of nationalistic motives are the techniques upon which military recruitment and training are based. Similarly, recent college graduates were recruited into a leading edge computer development company by a combination of incentives presented during the job interview process. The chance to participate in an important project, to create a prototype, was a key incentive for young engineers, but they were also attracted by the description of autonomy in job structure and the idea that only the best engineers would be offered jobs.⁴⁴

Conclusion

This review suggests that while a crisis in government service is widely recognized, understanding the motives of public servants and the way to stimulate public service motivation are, at best, at a preliminary stage. The popular notion that management in government is not different from private business or industry runs counter to the development and advancement of a theory of public service motivation. The field lacks a clear definition of the different motives that people experience as well as a theoretical context for linking these motives to motivational strategies and incentive structures. Further, a more sophisticated understanding of the effects of cyclical factors on the value of public service employment is fundamental to the development of a working model. Finally, the relationship between individual value structures and the conduct of government remains a critical concern for administrative states where democracy is largely implemented by the bureaucracy.

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Managing State Government Operations: Changing Visions of Staff Agencies

Michael Barzelay and Babak J. Armajani

Troubled by a host of problems plaguing industrial society and outraged at the deep penetration of partisan politics into the domain of executive branch operations, reformers during the early part of this century fashioned a bold vision of state government as an efficient, competent, and virtuous institution. Animated by this vision, reformers waged campaigns to create civil service systems and to reorganize the growing number of state commissions, institutions, and agencies into a handful of executive departments with top leaders to be appointed by the state's chief executive. These advocates of state government reorganization also pinned their hopes for honest and efficient government on the creation of staff agencies, which were to exercise continuous control over line agencies by performing their administrative functions for them in a centralized fashion. Reformers were convinced that centralizing the accounting, purchasing, budgeting, and personnel functions was the best way to curtail political favoritism in hiring and buying, to limit actual expenditures to appropriated levels, to increase gubernatorial control of government operations, to eliminate waste of taxpayers' funds, to reduce duplication of effort, and to capture potential economies of scale.

This bureaucratic reform vision became dominant in many American states in the 1920s and 1930s [White, 1933, pp. 176–209]. When reformers began to gain political power, they

often pressed for the creation of Civil Service Commissions and Boards of Control, which were to be composed of accounting, budgeting, and purchasing divisions. Significant elements of the bureaucratic reform vision were institutionalized in each of these centralized staff functions. After successive waves of reorganization, many states created Departments of Administration and Finance, which grouped together most, if not all, centralized staff functions under a single gubernatorial appointee. These organizations became the chief embodiments of the bureaucratic reform vision in state government.

During the ensuing decades, this vision persisted. Governors took seriously the idea that as chief executive, they were responsible for making state agencies economical and efficient. Backed by the recommendations of economy and efficiency commissions, chief executives often pressed for greater centralization and control. Beginning in the 1930s, moreover, schools of public administration socialized their students into the bureaucratic reform vision as a by-product of educating them about economical and efficient systems for budgeting, accounting, purchasing, and personnel administration. This vision, meanwhile, escaped serious challenge. Subsequent demands that government be fair and equitable, rather than merely economical and efficient, were easily met by centralized staff agencies through their control over line agency purchasing and hiring decisions. The objects of control—line agency managers—could not successfully challenge a system that regarded their complaints about bureaucratic red tape as evidence that the system worked.

Inventing a New Vision

The bureaucratic reform vision is much more vulnerable to challenge now than at any time during the last 50 years. Many politicians are

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looking for ways to increase the public's satisfaction with government services while not raising taxes. Some recognize that substantial changes in the way state employees and overseers relate to one another may be necessary to increase the quality and cost-effectiveness of state agencies' services.

In Minnesota, for example, Governor Rudy Perpich explicitly abandoned the conventional vision when he returned to office in 1983 and created a climate in which political appointees and career officials could experiment with new ways of managing the relationships among overseers, line agency employees, and staff agency employees [Hale, 1989].¹ Some of these experiments required the tacit and explicit support of legislative committees, which in most cases was forthcoming. The experiments resulted in significant experience with managing certain staff functions (including internal services, purchasing, staffing, and information systems) in ways that depart from the bureaucratic reform tradition.²

In this paper, we offer a unifying conception of these diverse changes, a conception that offers an alternative to the bureaucratic reform vision. In fashioning this alternative vision, we have drawn ideas from our inquiry into the origins of centralized staff agencies [White, 1933; Short and Tiller, 1942; Waldo, 1948; Marx, 1959], from the conceptual networks that underpin contemporary public management education [Barzelay and Kaboolian, 1990], and from participating in the change process in Minnesota's staff functions.³ The purpose of crafting this alternative vision is to help change agents clarify the issues they should attend to and manage, to provide a coherent justification of efforts like those in Minnesota, to facilitate the interchange of ideas among people in different staff functions, to reach out to political overseers, and to make it easier for practitioners—as well as for educators of public managers—to learn from the Minnesota experience.

The first part of the paper reviews the bureaucratic reform vision, takes exception to it, and characterizes the central ideas of the alternative, “post-bureaucratic” vision. The second part briefly discusses the specific strategies of the centralized staff functions involved in the change process.⁴

The Bureaucratic Reform Vision

For years, those who work in staff agencies have believed that, as specialists in administration, they exercise authority in order to keep line agencies from wasting taxpayers' money, from evading political control, and from treating employees or vendors unfairly. This vision of good government is rooted in American civic culture and democratic theory, in classical administrative theory, and in widely used mechanistic images of organizational life.⁵ The following beliefs are central to this vision:

- Administration and politics should be distinct domains of governmental activity.
- The responsibility of the bureaucracy is to execute the state's laws in an economical and efficient manner.
- State departments and agencies should be accountable to the legislature, governor, and courts for fulfilling their responsibilities. These responsibilities should be discharged in an impersonal manner. Centralization of overhead functions and the uniform application of statewide rules and procedures is instrumental to the goal of impersonal administration and conducive to economical and efficient government.
- Line functions should be staffed largely by career employees who possess technical or clerical skills; their charge is to apply technical expertise and rules to particular contexts. Staff functions should employ career public servants who possess specialized knowledge of administration and use this knowledge in controlling line agencies.
- When issuing orders to line agencies, staff agencies act in the name of the chief executive; hence, staff agencies operate according to the doctrine of the “unity of command.” The top officials of staff agencies are also accountable to the legislature, just like their line agency counterparts.

This vision was compelling because it fit a national society bent on building large, impersonal organizational machines to bring about an ordered and efficient industrial civilization

[Morgan, 1986; Reich, 1983, pp. 47–82]. It fit Americans’ “prideful view” of government as popularly controlled, thrifty, and fair, as well as their “cynical view” of government as corrupt and wasteful.⁶ And it fit civil servants’ belief that they—unlike both private sector employees and their own predecessors during the age of patronage politics—served the *public* interest. Animated by these understandings, more than a generation of civil servants and top officials in many states strove to make government work like a good, clean, and efficient machine.

With these supports and images, the everyday work of staff agency employees appeared virtuous. Accountants ensured that the public’s money was spent and handled in accordance with the will of the legislature. Budget examiners sought to eliminate wasteful expenditures and to make the executive branch accountable to the governor. Purchasing agents reduced the costs of running government and treated vendors fairly. Personnel staffers hired competent people for classified positions in an impersonal manner. Providers of centralized internal services, such as printing and mailing, captured potential economies of scale. For most of these civil servants, doing good thus meant eliminating divergences between uniform rules and actual agency behavior or reducing the measured costs of government activity.

The bureaucratic reform vision expressed a deep sense of outrage against the corruption and perceived inefficient use of resources in government during the early part of the century. As this sense of outrage had been directed, in large part, at people who worked for the executive branch, it was natural for the first generation of staff agency employees to assume that their line agency counterparts were looking for every chance to subvert the public interest and the law. This frame of mind, supported by the emerging theory of public administration, encouraged staff agency employees to think of themselves as legitimately exercising unilateral control over line agencies to eliminate malfeasance, wastefulness, and other improper behavior. As staff agencies became more professional, staffers also began to view their line agency counterparts as lacking the specialized knowledge needed to make correct or efficient administrative decisions.

The assumption that line agency employees should be subjected to unilateral control persists. To illustrate, in the 1980s when managers of Minnesota’s central purchasing function were asked to explain the purpose of their work, they emphasized the importance of guarding against the wasteful tendencies of line agency employees. They asserted that line agency employees would acquire Cadillacs if central purchasing did not force them to buy Chevrolets. As further evidence of this deep distrust, line agencies were not permitted to purchase items costing more than \$50, without approval from central purchasing, during the entire period from 1939 (when the Department of Administration was created) to 1980, despite the continually declining value of the dollar.

Taking Line Agency Performance Seriously

The most important difference between the old and new visions of overhead agencies is that the new vision holds the performance of line agencies to be a prime value, whereas the old vision either subordinated this value to others—such as fiscal accountability, impersonal administration, or economy—or simply did not articulate it.⁷

It might seem hard to believe that staff agencies, operating under the old vision, did not attend to the value of line agency performance, yet this tendency is clearly evident from their operating style. In Minnesota’s procurement function, for example, two values monopolized the attention of buyers and their supervisors: treating vendors fairly and economy. Treating vendors fairly meant soliciting competitive bids and in some cases favoring small or socially disadvantaged businesses. To achieve economies, buyers often procured a less expensive good, even if it did not fully perform the intended function and even if the purchase was delayed in order to aggregate many agencies’ requests for a similar item. As an example, several years ago a Minnesota community college requested that central purchasing procure numerous personal computers for a course on computing that was to be offered six months hence. This course was listed in the college catalogue and soon

became oversubscribed. The chief difficulty, however, was that the personal computers needed for the course had not yet been obtained by the semester's start; central purchasing had delayed ordering them until enough other requests accumulated, so as to minimize unit costs. In such cases, no one compared the forgone value of buying less appropriate materials or of imposing extensive delays in delivery with the cost savings generated. The focus was thus on measured cost savings, rather than on the trade-off between actual value and actual cost. As another indication that line agency needs were marginal to the concerns of the procurement process, purchasing managers did not collect data on the average time that line agencies waited for a requisition to be processed or an order to be filled [Kinzie, 1989].

Familiar as this kind of example may be, it is nonetheless puzzling that the old vision of good government did not attend directly to the value of line agency performance. One can speculate on the reasons why. The impetus behind the creation of staff agencies was a desire to separate "politics" from "administration." Departments of Administration, in particular, soon came to see their task as that of centralizing all administrative functions within their purview. Administrative functions were understood to include all those activities that government, just like businesses, needed to perform: purchasing, budgeting, accounting, hiring, facilities maintenance, and the like.⁸ With the centralization of staff functions, line agency officials were increasingly seen as technical experts in their substantive domains, devoid of administrative knowledge and responsibility. As such, they were not expected to integrate the values of economy and efficiency with the values of their programmatic missions. Their job was to act consistent with both legislation and their technical expertise. Those working for staff agencies were similarly not expected to integrate the two sets of commonly competing values and were instead held accountable for following highly formalized standard procedures related to the values of economy, fairness, and impersonal administration.

Although conscious integration of the values of economy and efficiency with

programmatic values was not called for, integration was nonetheless expected as a by-product of the ongoing, conflictual interaction of line and staff agencies.⁹ By contrast, supporters of the emerging post-bureaucratic vision urge line and staff agency employees to strive to integrate jointly and deliberately the values they formerly advocated separately and competitively, in the belief that the cooperative process of intentionally integrating these values will better enable government to improve its performance than the highly conflictual process of integrating them epiphenomenally.

To say that a cooperative process of integrating competitive values is preferable is not meant to imply that conflict between staff and line organizations would or should disappear. An employee of the personnel agency, for instance, will ordinarily be more committed to preserving the values of the state's civil service system and labor relations regime than the line manager, who is normally committed to advancing his or her program goals. In both the old and new visions, such structured conflict is seen as useful because it engages actors with different (but similarly valid) perceptions, normative commitments, and interests in a process of mutual adjustment. The new vision, however, would deny that the old vision's non-cooperative mutual adjustment process is very functional. To make the process more functional, the new vision challenges overseers and managers to focus on enhancing line agencies' performance; to take into account the opportunity cost of exercising central control; to regard line agency and staff agency managers and overseers as partners in the enterprise of government; to infuse staff-line interactions with the spirit of joint problem solving; and to hold state agencies accountable for their performance.

Elements of a Post-Bureaucratic Vision

The post-bureaucratic vision challenges staff agency employees to regard their participation in various kinds of mutual adjustment processes [Lindblom, 1965] as critically important to improving governmental performance. This

view conflicts with the bureaucratic reform vision's presumption that the public interest is unambiguously served when staff agency employees use their expert knowledge to apply rules that regulate the administrative decisions of line agencies. To help staff agency employees conceptualize what mutual adjustment entails in this context, the post-bureaucratic vision makes use of the conceptual network [Lakoff and Johnson, 1980] of service management [Albrecht and Zemke, 1985; Heskett, 1986, 1987; Barzelay and Kaboolian, 1989].¹⁰ Staff agency employees, as members of a post-industrial society, possess tacit understandings of service management even before this conceptual network becomes part of their work experience. Consequently, specialized training may not be necessary for staff agency employees to imagine how they could use service management ideas to engage in mutual adjustment with line agencies or overseers. Since America's contemporary economy, values, and rationality myths [Meyer and Rowan, 1977] are heavily influenced by the service sector (rather than by the manufacturing sector, as when the bureaucratic reform vision was crafted), many staff agency employees eventually experience the notion that the public interest is likely to be better served when they use their expertise to provide quality and cost-effective services to customers as coherent with many of their other understandings about social organization.

The principal customers for some staff agency employees are their political overseers; for others the principal customers are the managers of line agencies. In some circumstances, discussed later, they will have both as their customers. In either case, the satisfactions and complaints of these customers indicate how well the staff function is performing. In the new vision, the general public is not regarded as the customer of staff agencies, but rather as the ultimate beneficiary of the interactive process among line, staff, and overseers.

Staff agency employees should, then, be accountable to their customers, which is simply another way of saying that the customer is entitled to judge what constitutes value.¹¹ Accepting the idea that they are accountable to customers represents a paradigm shift for staff agency employees, since staff agencies were formerly

understood to be accountable to the public and to overseers. While being accountable to *overseers* as customers is not inconsistent with the old vision, being accountable to *line agency managers* as customers directly contradicts the older view. Once staff employees make the paradigm shift, however, they accept as coherent the mutual structuring of the concepts of service management and accountability.¹² The acceptance of this presumption gives rise to a strong desire to meet customers' needs and expectations [Peters and Waterman, 1982], since people in government characteristically wish to serve those to whom they are accountable and since our society honors efforts sparked by this desire.

A fundamental strategic choice is whether the principal customers of particular staff agency employees are overseers or line agencies. When overseers are the principal customers, staff agency employees are in the business of assuring the people in these roles that state managers and employees take into proper account the public's interests, which include democratic accountability of the bureaucracy; financial accountability; honest, fair, and equitable administration; the forging of value-creating links among agencies; and informed policy decisions. In contrast, when line agency managers are the principal customers, staff agency employees are in the business of ensuring that line agencies' budget-constrained demands for productive inputs—such as qualified personnel, physical facilities, equipment, information, supplies, and professional services—are met.

The strategies of staff employees who are accountable to overseers as customers should support the notion that good government involves agencies working to align their production decisions (that is, what is produced, how, for whom, and at what cost) with their mandates. A mandate is "a combination of substantive purposes to be accomplished, resources to be used, along with attached conditions and expectations for performance" [Lax and Sebenius, 1986, p. 269].¹³ The notion that heightened congruence between mandates and production constitutes good government partially structures the conceptual system of strategic public management.¹⁴ According to this conception, action by people in government is

rational insofar as it integrates concerns for substantive value, operational capacity, and political support.

The validity of this conception derives in part from disaffection with the results of efforts—sanctioned by the bureaucratic reform vision—to keep concerns for substance, administration, and politics separated [Pressman and Wildavsky, 1973; Bardach, 1977; Lindblom, 1980; Neustadt and Fineberg, 1982; Moore, 1982; Kelman, 1987; Mashaw and Harist, 1990].¹⁵ It also derives from the pragmatic notion that value is created when a genuinely good idea is supported by those who can provide the necessary resources and permissions and when the idea is successfully implemented [Lax and Sebenius, 1986, pp. 261–268]. The institutions of policy analysis, public administration, and public management also contribute validity to the proposition that government action is rational insofar as concerns for substance, operational capacity, and political support are integrated.¹⁶

One implication is that overseers should hold line agency managers accountable for aligning their mandates and production. In many cases, staff agency employees should supply information so that overseers can ascertain whether mandates and production are aligned. In other cases, staff agencies should act directly to ensure line agencies' compliance with their mandates.

The services that staff agencies should offer overseers as customers include the following: financial control, or assurances that governmental funds are managed in accord with financial and budgetary policy; state agency leadership, assuring that managers and employees understand and comply with statewide norms of honesty, fairness, and equity; linkage formation among the production strategies of individual agencies, to take advantage of economies of both scale and coordination; information and analysis, for use by overseers in holding line agencies accountable for aligning their production strategies and mandates; and policy advice.¹⁷

In providing state agency leadership and forging productive linkages, staff agency employees should focus their attention on the public's interests in government operations

(including honesty in government, quality service, strengthened civic norms, fairness, efficient use of resources, and social equity), rather than on rules and procedures.

Staff agency employees who serve overseers should also recognize that line managers are more likely to bring mandates and production into alignment, taking into account statewide norms of government operation, if they understand, tolerate, and accept those norms. To build understanding and acceptance of norms, it is strategically useful to involve line agency managers, as well as overseers, in their development. This process should be managed by staff agency employees. Once the norms are developed and understood, line agency managers bear the responsibility for devising the means to comply with them, thereby bringing mandates and production into closer alignment. Staff agency employees should be willing and able to assist line agency managers with their compliance planning. Once formulated, compliance plans should be reviewed by staff agency employees to ensure that they conform to the statewide norms. Sample audits should be conducted to assure that line agencies are actually implementing their compliance plans. In the event of noncompliance, remedies should be sought. In addition, the post-bureaucratic vision urges overseers to conduct periodic performance reviews, apart from the appropriations process, with the staff agency employees who serve them.

When staff agency employees are accountable to line agency managers as customers, they should respond to line managers' judgments about how to bring their mandates and production into alignment. Staff agency employees may try to influence these judgments, using a variety of marketing strategies, but should not substitute their own judgments. For example, if line agency managers believe that they need to use more data processing services in order to increase their mandate-production congruence, staff agencies should not stand in the way. Nor should overseers determine the service levels or expenditures of these staff agency activities. Service levels and expenditures should instead be constrained by line agencies' service demands, which in turn are constrained by line agencies' appropriations.

While overseers hold line agencies accountable for serving the public and meeting other expectations in their mandates, they should hold staff agencies accountable for developing and implementing service enterprise strategies that are successful in the state government environment. Such strategies should be focused on creating value for customers, net of cost. The new vision, furthermore, urges overseers to find ways to engage staff agency employees in ongoing efforts to create value-cost leverage [Heskett, 1987]. In these efforts, staff agency employees should make considerable use of service management concepts. For instance, service enterprises typically make standardization and customization decisions in ways that reflect divergences among customer needs as well as the sources of production economies. The focus on value-cost leverage pushes staff agency employees to consider the competitive environment within which they operate.¹⁸ The potential advantages of serving particular market niches within state government should be assessed. Service lines should be expanded or eliminated, with accompanying investments and divestments, if more value can be created as a result. The alternative vision does not, however, prescribe in detail how staff agencies' activities should be managed and operated when line agency managers are the customers. The details, including standards of quality for particular services, are to be shaped by the ongoing interaction of service providers and their customers.

In a few instances, staff agency employees should regard both line agency managers and overseers as their customers. The activities of procurement and personnel, for example, need to reflect line agencies' mandate-driven needs, as well as the public's interests in central control. The new vision strongly recommends that service management concepts be used in developing strategies even for these non-prototypical service enterprises.¹⁹ Furthermore, overseers should hold the managers of such activities accountable for meeting the needs of line agency customers, within the constraints of the norms that represent a proper balance between the public's respective interests in the accomplishment of agency-specific mandates and in central control.

A Strategy for Managing Staff Agencies

The management strategy of Minnesota's Department of Administration (DOA) makes a sharp distinction between "control" and "service" activities.²⁰ The customers of prototypical control activities are overseers, such as the governor and the members of relevant legislative appropriations and policy committees. The customers of prototypical service activities are line agency managers. The strategy places a high value on staff agency employees' efforts to decide unequivocally whether they are engaged in service or control activities. DOA executives use the post-bureaucratic vision to coach their employees as they reason about who their principal customers are.²¹

As a result of this process, numerous activities were classified as service activities, including the central supply store, the typewriter repair service, the central motor pool, building maintenance, travel management, printing and mailing, management consulting, and the state documents center. Many other activities, such as inventory and property management, were classified as control activities. In one crucial case—the Information Management Bureau (IMB)—attempts at categorization led to a formal reorganization. Department executives and key legislators decided to divest IMB of its oversight responsibilities for data processing and telecommunications and to transfer them to a newly created Information Policy Office (IPO). (In addition, IPO was granted authority to review all agency requests for legislative appropriations for the development or purchase of information systems equipment or software.) IMB became the department's information technologies service activity, while IPO became the department's control activity in the same field.

The tension between service and control was not so easily resolved in the case of procurement. While the need to improve line agency managers' satisfaction with the department's buying and contracting services was recognized, so too were overseers' demands for honest, fair, and equitable treatment of vendors and for economies of scale. In devising a strategy for procurement, many efforts were undertaken to

specify to whom each buyer and contracting agent was accountable, and for what.

One reason the strategy places great emphasis on the service-control tension is that people are powerfully motivated when they have a sense of purpose. Satisfying others' needs is experienced by many people as an engaging purpose.²² Exercising leadership in state government on behalf of one's overseers is an engaging purpose, as is serving the production needs of line agency managers. In contrast, serving *and* controlling the same line agency managers is not a particularly engaging purpose, since the value system that orients human action in a control relationship undercuts the value system that orients work in a service relationship. By clarifying who the customer is, the Minnesota strategy seeks to foster work-unit cultures in which employees take personal responsibility for producing results that either line agency managers *or* overseers will value. A clear choice also enables staff agency employees to create mutually understood and more satisfactory relationships with the people they interact with most often—their counterparts in line agencies.

To a greater extent than before, staff agency employees engaged in service activities and their line agency customers now interact through the process of buying and selling.²³ In this process, internal service providers gather firsthand information about what product attributes are of greatest value to their customers as well as how their performance is judged by those customers—information that comes through customer contact, the use of surveys and focus groups, periodic visits by Department of Administration executives to line agencies, and other “marketing” devices. The results of these attempts to understand customers' needs are then used by the service providers to adjust their product offerings and ways they do business. In the same process, customers learn how DOA can accommodate their particular needs; they become aware of the range and depth of the product lines offered by service activities; and they may discover new ways of organizing their own production processes.

The Minnesota strategy also makes more consistent use of revolving funds in structuring and managing the process of buying and selling internal services.²⁴ To illustrate how revolving

funds work, suppose that the Department of Natural Resources (DNR) decides to employ the services of the printing operation to produce a brochure. In return for services rendered, the DNR pays a fee to the printing operation based on the unit price and volume of the services sold. Payment occurs through a transfer from the DNR's appropriated funds (or its revenues from users fees) to the printing operation's revolving fund account. The amount of funds transferred represents the revenue earned by the printing operation. The same revolving fund account is charged for all the expenses incurred, including overhead, in producing the brochure. This system of exchange and payments makes it possible for service managers to spend as much as they deem necessary to satisfy the demands of line agencies for internally-produced products and services, such as printing.²⁵ The exchange of funds for services rendered also supports the idea that internal service activities are enterprises, accountable to line agencies as customers. It potentially undermines the notorious general fund mentality, which focuses on executing planned budgets instead of on meeting customers' needs and controlling costs. In addition, the use of accrual rather than cash accounting methods yields one measure of value-cost leverage [Heskett, 1987], namely net income.

In implementing this strategy, the Minnesota state legislature agreed to finance two major service activities, telecommunications and plant management, with revolving funds rather than appropriated funds. In addition, some activities—such as the control functions previously assigned to the Information Management Bureau—became funded by appropriations rather than revolving funds. This shift assures overseers that the managers of control activities will not reduce the money expended on oversight efforts in response to pressures by line agency managers for better service at lower rates. This tendency was a subject of great concern for legislative overseers when IMB possessed both control and service responsibilities, while financed by revolving funds. An added benefit of matching control activities with appropriated funds is an improvement in working relationships between staff and line agencies, since the rates that line agencies

pay for service no longer reflect the cost of controlling them.

In sum, the Minnesota strategy focuses attention on the critical managerial issues raised by the post-bureaucratic vision, the most important of which is whether the principal customers of particular staff agency operating units are line agency managers or overseers. This choice sets the stage for ongoing efforts to clarify what particular staff agency employees are accountable for. The work of defining accountabilities in this way changes the organizational cultures that were spawned by the bureaucratic reform vision. In so doing, it cultivates healthier working relationships among staff employees, line employees, and overseers, and thus helps them integrate the often competing values of central control and line agency performance. Attention is also focused on choosing an appropriate funding basis for each staff agency operating unit. As a general policy, service activities are matched with revolving fund financing while control activities are matched with general fund appropriations.²⁶ The congruence of funding bases and chosen customers for each staff agency operating unit clarifies the purposes of these units and contributes to a greater understanding and acceptance of the post-bureaucratic vision among staff and line agency employees and overseers.

Although the overall strategy does influence the strategies of individual operating units, strategic reasoning does not merely move from the general to the particular; the overall strategy is heavily influenced by the experiences of the staff operating units. What follows are descriptions of the recent experiences of the information policy, internal service, procurement, and staffing organizations in the Minnesota state government.

A Strategy for Control Activities: The Case of IPO

The post-bureaucratic strategy of control is being most clearly developed in Minnesota in the Information Policy Office (IPO). IPO's customers articulated their needs and expectations in the statutory language that created the office: ability relationships is, we think, the

fact that the work effort oriented by these ideas tends to generate palpable responses from the people who are affected by what staff agency employees do. The expectation of receiving positive feedback—or maybe even feedback of any reasonable kind—is engaging, especially when compared to the feedback experienced by people operating under the bureaucratic reform vision. Furthermore, the idea of “accountability to customers” can be of interest to employees who would otherwise be accountable only to superiors, providing them with a conceptual system other than the “chain of command” for discerning what actions are valuable or virtuous. This alternative conceptual system can change for the better an employee's relations with hierarchical superiors.

From the Minnesota experience analyzed in this paper, we infer that the search for greater meaningfulness in the everyday life of public service is what motivates staff agency employees to undertake the unsettling process of examining their work from a quite different vantage point.

NOTES

1. Examples of economy and efficiency drives in the Minnesota case are the Efficiency in Government Commission, sometimes known as the “Little Hoover Commission” (1950), the Governor's Loaned Executives Action Program (1972), and Perpich's own Governor's Task Force on Waste and Mismanagement (1978). The directive of the first commission was “to fully and impartially inform the Legislature about administration of state government so that measures may be taken to achieve economy and efficiency.” Although the designated tasks of the 1972 LEAP program included improving efficiency, improving responsiveness, and “assisting the organization in becoming more viable on its own,” the LEAP report began by noting that the program's recommendations would produce more than \$75 million in cost savings. The statutory charge of the 1977–78 effort, known as the Goff Commission, was to “search out instances of governmental waste and mismanagement,

- document the facts of each case, and recommend to the Governor how these instances can be curtailed or eliminated.” In rejecting the economy and efficiency approach during the 1980s, Perpich set in motion efforts to search for internally driven change strategies. See Varley and Barzelay [1987], Barzelay and Leone [1987], and Hale and Williams [1989].
2. This experience was the subject of a two-day conference on *Managing State Government Operations: Changing Visions of Staff Agencies*, held at Harvard’s John F. Kennedy School of Government, June 13–14, 1989. The papers prepared for this conference by staff agency managers for Minnesota are discussed herein.
 3. Co-author Babak J. Armajani served as Assistant Commissioner of Administration in Minnesota in 1983–84 and as Deputy Commissioner of Administration in 1984–87. The co-authors formed the research partnership leading to this paper in 1987.
 4. The scope of this paper does not permit a discussion of how the change process has been managed in Minnesota. Change strategies are discussed in a forthcoming book by the co-authors, drawing on Haggerty [1989], Kinzie [1989], and Johnson, Kurcinka, and Vikmanis [1989].
 5. The bureaucratic reform vision provided a coherent way of seeing and expressing what the complicated institution of government is and should be like. The argument that visions are constituted by coherent sets of understandings is based on the experientialist conception of truth, as formulated by Lakoff and Johnson [1980], and is reflected in the way “political vision” is used in such writings as Wolin [1960], Meyers [1960], and Smith [1985].
 6. Professor Steven Kelman [1990] argues insightfully that the combination of the deeply embedded “prideful” and “cynical” views of American government underlies the political support for many staff functions, including purchasing. The prideful view asks that government be held to an especially high standard; the cynical view assumes that government officials, left to their own devices, will not live up to this standard.
 7. Performance, in the new vision, is greatest when the outputs and outcomes of agency production are fully congruent with agency mandates, as will be discussed.
 8. Commissioners of administration regarded themselves as the state “business manager” [interview with Arthur Naftalin, Commissioner of Administration in Minnesota during the 1950s]. The use of the term “manager” only made sense in this public sector context because staff agencies performed functions that were common to all large organizations, including business corporations.
 9. On the general idea that the integration of values can and, in many cases should, occur epiphenomenally, see Lindblom [1965] and Lindblom [1977:247–260].
 10. Service management is not the only conceptual network embedded in the post-bureaucratic vision (negotiation, for example, if another), but it has been the most consequential one for the change process discussed below.
 11. For careful analytical and normative arguments concerning the concept of consumer sovereignty, see Halévy [1928], Knight [1935], and Lindblom [1977].
 12. See Lakoff and Johnson [1980] for a discussion of the idea that a concept’s meaning is partially structured by the meaning of other concepts. The mutual structuring of the meaning of two concepts is consistent with this perspective on the relationship between language, conceptual systems, and life experience.
 13. The element of an agency’s mandate that involves conditions and expectations of use of resources comes partly from a state’s personnel, procurement, and financial management legislation.
 14. In the post-bureaucratic vision, mandate-production congruence is the functional equivalent of the older vision’s concept of economy and efficiency.
 15. As we have seen, the bureaucratic reform vision counseled not only keeping politics separate from administration [Wilson, 1887; Goodnow, 1900], but also keeping administration separate from substantive or

- technical activities [Institute for Government Research, 1929].
16. Here we use the term *institution* in the sense of Berger and Luckmann [1967], Meyer and Rowan [1977], DiMaggio and Powell [1983], and Jepperson and Meyer [1990].
 17. The fields of policy analysis and public policymaking already offer well-developed conceptions of the role that budget offices and centralized policy shops should play in government, and we do not offer an alternative to these.
 18. There are almost always substitutes for central services, even when line agencies are not permitted to use external providers. Photocopiers, for example, are substitutes for centralized printing services; personal vehicle reimbursement is a substitute for renting a motor pool car.
 19. An excellent practitioner's guide to managing staff functions in this way is Bellman [1986]. This book, however, does not examine the institutional setting of the public sector.
 20. This framework was presented to legislative overseers in 1986. See Department of Administration [1986]. The managerial problems that set the context for devising the strategy are highlighted in the teaching case, "Introducing Marketplace Dynamics in Minnesota State Government" [Barzelay, 1988].
 21. The executives and managers of the Department of Employee Relations' Staffing Division, taking note of the change process underway in the Department of Administration, engaged in a similar effort beginning 1987 Johnson, Vikmanis, and Kurcinka, 1989]. The executives and managers of the Department of Finance did not engage in the same kind of activity. We presume that this department would classify its accounting and budgeting functions as control activities.
 22. The best-known recent work that sounds this theme is Peters and Waterman [1982]. For a careful discussion of the concept of engaging work, which provides support for this argument, see Hackman [1986]. Anecdotal evidence on the effects of recognizing and honoring customer needs can be found in East Germany, where the police responded with agility and ingenuity to their compatriots' demands for exit visas just after travel restrictions were lifted by the regime [Protzman, 1989].
 23. For illuminating conceptual discussions of buying and selling as an interactive social process, see Knight [1967] and Lindblom [1977:33–51].
 24. Service activities that operate on "revolving funds" do not receive general fund appropriations; instead, sales are the source of revenue.
 25. The Minnesota state legislature does not appropriate its revolving funds, that is, limit the expenses that revolving fund activities can incur in responding to line agencies' demands for service.
 26. There are exceptions to this policy. The employee assistance service, for example, is financed by appropriations, in order to reduce the risk that individual agencies will restrict employees' access to the service. Another exception is the capitol grounds maintenance activity, which is also financed by appropriations. It was decided to continue appropriating funds for this activity while plant management was converted into a revolving fund activity because the customer for attractive capitol grounds was considered to be the general public, rather than organizational units renting space in the capitol complex.

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From Red Tape to Results: Creating a Government That Works Better and Costs Less

The National Performance Review

Our goal is to make the entire federal government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate the entire national government.

President Bill Clinton

Remarks announcing the
National Performance Review
March 3, 1993

Public confidence in the federal government has never been lower. The average American believes we waste 48 cents of every tax dollar. Five of every six want “fundamental change” in Washington. Only 20 percent of Americans trust the federal government to do the right thing most of the time—down from 76 percent 30 years ago.¹

We all know why. Washington’s failures are large and obvious. For a decade, the deficit has run out of control. The national debt now exceeds \$4 trillion—\$16,600 for every man, woman, and child in America.

But the deficit is only the tip of the iceberg. Below the surface, Americans believe, lies enormous unseen waste. The Defense Department owns more than \$40 billion in unnecessary

supplies.² The Internal Revenue Service struggles to collect billions in unpaid bills. A century after industry replaced farming as America’s principal business, the Agriculture Department still operates more than 12,000 field service offices, an average of nearly 4 for every county in the nation—rural, urban, or suburban. The federal government seems unable to abandon the obsolete. It knows how to add, but not to subtract.

And yet, waste is not the only problem. The federal government is not simply broke; it is broken. Ineffective regulation of the financial industry brought us the savings and loan debacle. Ineffective education and training programs jeopardize our competitive edge. Ineffective welfare and housing programs undermine our families and cities.

We spend \$25 billion a year on welfare, \$27 billion on food stamps, and \$13 billion on public housing—yet more Americans fall into poverty every year.³ We spend \$12 billion a year waging war on drugs—yet see few signs of victory. We fund 150 different employment and training programs—yet the average American has no idea where to get job training, and skills of our workforce fall further behind those of our competitors.⁴

It is almost as if federal programs were *designed* not to work. In truth, few are “designed” at all; the legislative process simply churns them out, one after another, year after year. It’s little wonder that when asked if “government always manages to mess things up,” two-thirds of Americans say “yes.”⁵

To borrow the words of a recent Brookings Institution book, we suffer not only a budget deficit but a performance deficit.⁶ Indeed, public opinion experts argue that we are suffering the deepest crisis of faith in government in our lifetimes. In past crises—Watergate or the Vietnam War, for example—Americans doubted their leaders on moral or ideological grounds. They felt their government was deceiving them or failing to represent their

Source: Report of the National Performance Review, *From Red Tape to Results: Creating a Government That Works Better and Costs Less* (Washington, D.C.: U.S. Government Printing Office, September 1993), 1–9.

values. Today's crisis is different: people simply feel that government doesn't work.⁷

In Washington, debate rarely focuses on the performance deficit. Our leaders spend most of their time debating policy issues. But if the vehicle designed to carry out policy is broken, new policies won't take us anywhere. If the car won't run, it hardly matters where we point it; we won't get there. Today, the central issue we face is not *what* government does, but *how* it works.

We have spent too much money for programs that don't work. It's time to make our government work for the people, learn to do more with less, and treat taxpayers like customers.

President Clinton created the National Performance Review to do just that. In this report we make hundreds of recommendations for actions that, if implemented, will revolutionize the way the federal government does business. They will reduce waste, eliminate unneeded bureaucracy, improve service to taxpayers, and create a leaner but more productive government. As noted in the preface, they can save \$108 billion over 5 years if those which will be enacted by the President and his cabinet are added to those we propose for enactment by Congress. Some of these proposals can be enacted by the President and his cabinet, others will require legislative action. We are going to fight for these changes. We are determined to create a government that works better and costs less.

A Cure Worse Than the Disease

Government is not alone in its troubles. As the Industrial Era has given way to the Information Age, institutions—both public and private—have come face to face with obsolescence. The past decade has witnessed profound restructuring: In the 1980s, major American corporations reinvented themselves; in the 1990s, governments are struggling to do the same.

In recent years, our national leaders responded to the growing crisis with traditional medicine. They blamed the bureaucrats. They railed against “fraud, waste, and abuse.” And they slapped ever more controls on the bureaucracy to prevent it.

But the cure has become indistinguishable from the disease. The problem is not lazy or incompetent people; it is red tape and regulation so suffocating that they stifle every ounce of creativity. No one would offer a drowning man a drink of water. And yet, for more than a decade, we have added red tape to a system already strangling in it.

The federal government is filled with good people trapped in bad systems: budget systems, personnel systems, procurement systems, financial management systems, information systems. When we blame the people and impose more controls, we make the systems worse. Over the past 15 years, for example, Congress has created within each agency an independent office of the inspector general. The idea was to root out fraud, waste, and abuse. The inspectors general have certainly uncovered important problems. But as we learned in conversation after conversation, they have so intimidated federal employees that many are now afraid to deviate even slightly from standard operating procedure.

Yet innovation, by its nature, requires deviation. Unfortunately, faced with so many controls, many employees have simply given up. They do everything by the book—whether it makes sense or not. They fill out forms that should never have been created, follow rules that should never have been imposed, and prepare reports that serve no purpose—and are often never even read. In the name of controlling waste, we have created paralyzing inefficiency. It's time we found a way to get rid of waste and encourage efficiency.

The Root Problem: Industrial-Era Bureaucracies in an Information Age

Is government inherently incompetent? Absolutely not. Are federal agencies filled with incompetent people? No. The problem is much deeper: Washington is filled with organizations designed for an environment that no longer exists—bureaucracies so big and wasteful they can no longer serve the American people.

From the 1930s through the 1960s, we built large, top-down, centralized bureaucracies to do the public's business. They were patterned after the corporate structures of the age: hierarchical bureaucracies in which tasks were broken into simple parts, each the responsibility of a different layer of employees, each defined by specific rules and regulations. With their rigid preoccupation with standard operating procedure, their vertical chains of command, and their standardized services, these bureaucracies were steady—but slow and cumbersome. And in today's world of rapid change, lightning-quick information technologies, tough global competition, and demanding customers, large, top-down bureaucracies—public or private—don't work very well. Saturn isn't run the way General Motors was. Intel isn't run the way IBM was.

Many federal organizations are also monopolies, with few incentives to innovate or improve. Employees have virtual lifetime tenure, regardless of their performance. Success offers few rewards; failure, few penalties. And customers are captive; they can't walk away from the air traffic control system or the Internal Revenue Service and sign up with a competitor. Worse, most federal monopolies receive their money without any direct input from their customers. Consequently, they try a lot harder to please Congressional appropriations subcommittees than the people they are meant to serve. Taxpayers pay more than they should and get poorer service.

Politics intensifies the problem. In Washington's highly politicized world, the greatest risk is not that a program will perform poorly, but that a scandal will erupt. Scandals are front-page news, while routine failure is ignored. Hence control system after control system is piled up to minimize the risk of scandal. The budget system, the personnel rules, the procurement process, the inspectors general—all are designed to prevent the tiniest misstep. We assume that we can't trust employees to make decisions, so we spell out in precise detail how they must do virtually everything, then audit them to ensure that they have obeyed every rule. The slightest deviation prompts new regulations and even more audits.

Before long, simple procedures are too complex for employees to navigate, so we hire more budget analysts, more personnel experts, and more procurement officers to make things work. By then, the process involves so much red tape that the smallest action takes far longer and costs far more than it should. Simple travel arrangements require endless forms and numerous signatures. Straightforward purchases take months; larger ones take years. Routine printing jobs take a dozen approvals.

This emphasis on process steals resources from the real job: serving the customer. Indeed, the federal government spends billions of dollars paying people who control, check up on, or investigate others—supervisors, headquarters staffs, budget officers, personnel officers, procurement officers, and staffs of the General Accounting Office (GAO) and the inspectors general.⁸ Not all this money is wasted, of course. But the real waste is no doubt larger, because the endless regulations and layers of control consume every employee's time. Who pays? The taxpayer.

Consider but one example, shared with Vice President Gore at a meeting of federal employees in Atlanta. After federal marshals seize drug dealers' homes, they are allowed to sell them and use the money to help finance the war on drugs. To sell the houses, they must keep them presentable, which includes keeping the lawns mowed.

In Atlanta, the employee explained, most organizations would hire neighborhood teenagers to mow a lawn for \$10. But procurement regulations require the U.S. Marshals Service to bid out all work, competitively, and neighborhood teenagers don't compete for contracts. So the federal government pays \$40 a lawn to professional landscape firms. Regulations designed to save money waste it, because they take decisions out of the hands of those responsible for doing the work. And taxpayers lose \$30 for every lawn mowed.

What would happen if the marshals used their common sense and hired neighborhood teenagers? Someone would notice—perhaps the Washington office, perhaps the inspector general's office, perhaps even the GAO. An investigation might well follow—hindering a career or damaging a reputation.

In this way, federal employees quickly learn that common sense is risky—and creativity is downright dangerous. They learn that the goal is not to produce results, please customers, or save taxpayers' money, but to avoid mistakes. Those who dare to innovate do so quietly.

This is perhaps the saddest lesson learned by those who worked on the National Performance Review: Yes, innovators exist within the federal government, but many work hard to keep their innovations quiet. By its nature, innovation requires a departure from standard operating procedure. In the federal government, such departures invite repercussions.

The result is a culture of fear and resignation. To survive, employees keep a low profile. They decide that the safest answer in any given situation is a firm “maybe.” They follow the rules, pass the buck, and keep their heads down. They develop what one employee, speaking with Vice President Gore at a Department of Veterans Affairs meeting, called “a government attitude.”

The Solution: Creating Entrepreneurial Organizations

How do we solve these problems? It won't be easy. We know all about government's problems, but little about solutions. The National Performance Review began by compiling a comprehensive list of problems. We had the GAO's 28-volume report on federal management problems, published last fall. We had GAO's *High-Risk Series*, a 17-volume series of pamphlets on troubled programs and agencies. We had the House Government Operations Committee's report on federal mismanagement, called *Managing the Federal Government: A Decade of Decline*. And we had 83 notebooks summarizing just the tables of contents of reports published by the inspectors general, the Congressional Budget Office, the agencies, and think tanks.

Unfortunately, few of these studies helped us design solutions. Few of the investigating bodies had studied success stories—organizations that had solved their problems. And without studying success, it is hard to devise real solutions. For years, the federal government has studied failure, and for years, failure has

endured. Six of every ten major agencies have programs on the Office of Management and Budget's “high-risk” list, meaning they carry a significant risk of runaway spending or fraud.

The National Performance Review approached its task differently. Not only did we look for potential savings and efficiencies, we searched for success. We looked for organizations that produced results, satisfied customers, and increased productivity. We looked for organizations that constantly learned, innovated, and improved. We looked for effective, entrepreneurial public organizations. And we found them: in local government, in state government, in other countries—and right here in our federal government.

At the Air Combat Command, for example, we found units that had doubled their productivity in 5 years. Why? Because the command measured performance everywhere; squadrons and bases competed proudly for the best maintenance, flight, and safety records; and top management had empowered employees to strip away red tape and redesign work processes. A supply system that had once required 243 entries by 22 people on 13 forms to get one spare part into an F-15 had been radically simplified and decentralized. Teams of employees were saving millions of dollars by moving supply operations to the front line, developing their own flight schedules, and repairing parts that were once discarded.⁹

At the Internal Revenue Service, we found tax return centers competing for the best productivity records. Performance on key customer service criteria—such as the accuracy of answers provided to taxpayers—had improved dramatically. Utah's Ogden Service Center, to cite but one example, had more than 50 “productivity improvement teams” simplifying forms and reengineering work processes. Not only had employees saved more than \$11 million, they had won the 1992 Presidential Award for Quality.¹⁰

At the Forest Service, we found a pilot project in the 22-state Eastern Region that had increased productivity by 15 percent in just 2 years. The region had simplified its budget systems, eliminated layers of middle management, pared central headquarters staff by a fifth, and empowered front-line employees to make

their own decisions. At the Mark Twain National Forest, for instance, the time needed to grant a grazing permit had shrunk for 30 days to a few hours—because employees could grant permits themselves rather than process them through headquarters.¹¹

We discovered that several other governments were also reinventing themselves, from Australia to Great Britain, Singapore to Sweden, the Netherlands to New Zealand. Throughout the developed world, the needs of information-age societies were colliding with the limits of industrial-era government. Regardless of party, regardless of ideology, these governments were responding. In Great Britain, conservatives led the way. In New Zealand, the Labor Party revolutionized government. In Australia and Sweden, both conservative and liberal parties embraced fundamental change.

In the United States, we found the same phenomenon at the state and local levels. The movement to reinvent government is as bipartisan as it is widespread. It is driven not by political ideology, but by absolute necessity. Governors, mayors, and legislators of both parties have reached the same conclusion: Government is broken, and it is time to fix it.

Where we found success, we found many common characteristics. Early on, we articulated these in a one-page statement of our commitment. In organizing this report, we have boiled these characteristics down to four key principles.

1. Cutting Red Tape Effective, entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results. They streamline their budget, personnel, and procurement systems—liberating organizations to pursue their missions. They reorient their control systems to prevent problems rather than simply punish those who make mistakes. They strip away unnecessary layers of regulation that stifle innovation. And they deregulate organizations that depend upon them for funding, such as lower levels of government.

2. Putting Customers First Effective, entrepreneurial governments insist on customer satisfaction. They listen carefully to their

customers—using surveys, focus groups, and the like. They restructure their basic operations to meet customers' needs. And they use market dynamics such as competition and customer choice to create incentives that drive their employees to put customers first.

By “customer,” we do not mean “citizen.” A citizen can participate in democratic decision-making; a customer receives benefits from a specific service. All Americans are citizens. Most are also customers: of the U.S. Postal Service, the Social Security Administration, the Department of Veterans Affairs, the National Park Service, and scores of other federal organizations.

In a democracy, citizens and customers both matter. But when they vote, citizens seldom have much chance to influence the behavior of public institutions that directly affect their lives: schools, hospitals, farm service agencies, social security offices. It is a sad irony: citizens own their government, but private businesses they do not own work much harder to cater to their needs.

3. Empowering Employees to Get Results

Effective, entrepreneurial governments transform their cultures by decentralizing authority. They empower those who work on the front lines to make more of their own decisions and solve more of their own problems. They embrace labor-management cooperation, provide training and other tools employees need to be effective, and humanize the workplace. While stripping away layers and empowering front-line employees, they hold organizations accountable for producing results.

4. Cutting Back to Basics: Producing Better Government for Less

Effective, entrepreneurial governments constantly find ways to make government work better and cost less—reengineering how they do their work and reexamining programs and processes. They abandon the obsolete, eliminate duplication, and end special interest privileges. They invest in greater productivity, through loan funds and long-term capital investments. And they embrace advanced technologies to cut costs.

These are the bedrock principles on which the reinvention of the federal bureaucracy must build—and the principles around which we

have organized our actions. They fit together much like the pieces of a puzzle: if one is missing, the others lose their power. To create organizations that deliver value to American taxpayers, we must embrace all four.

Our approach goes far beyond fixing specific problems in specific agencies. Piecemeal efforts have been under way for years, but they have not delivered what Americans demand. The failure in Washington is embedded in the very systems by which we organize the federal bureaucracy. In recent years, Congress has taken the lead in reinventing these systems. In 1990, it passed the Chief Financial Officers Act, designed to overhaul financial management systems; in July 1993, it passed the Government Performance and Results Act, which will introduce performance measurement throughout the federal government. With Congress's leadership, we hope to reinvent government's other basic systems, such as budget, personnel, information, and procurement.

Our approach has much in common with other management philosophies, such as quality management and business process reengineering. But these management disciplines were developed for the private sector, where conditions are quite different. In business, red tape may be bad, but it is not the suffocating presence it is in government. In business, market incentives already exist; no one need invent them. Powerful incentives are always at work, forcing organizations to do more with less. Indeed, businesses that fail to increase their productivity—or that tie themselves up in red tape—shrink or die. Hence, private sector management doctrines tend to overlook some central problems of government: its monopolies, its lack of a bottom line, its obsession with process rather than results. Consequently, our approach goes beyond private sector methods. It is aimed at the heart and soul of government.

The National Performance Review also shares certain goals with past efforts to cut costs in government. But our mission goes beyond cost-cutting. Our goal is not simply to weed the federal garden; it is to create a regimen that will *keep* the garden free of weeds. It is not simply to trim *pieces* of government, but to reinvent the way government does everything. It is not

simply to produce a more efficient government, but to create a more *effective* one. After all, Americans don't want a government that fails more efficiently. They want a government that *works*.

To deliver what the people want, we need not jettison the traditional values that underlie democratic governance—values such as equal opportunity, justice, diversity, and democracy. We hold these values dear. We seek to transform bureaucracies precisely *because* they have failed to nurture these values. We believe that those who resist change for fear of jeopardizing our democratic values doom us to a government that continues—through its failures—to subvert those very values.

Our Commitment: A Long-Term Investment in Change

This is not the first time Americans have felt compelled to reinvent their government. In 1776, our founding fathers rejected the old model of a central power issuing edicts for all to obey. In its place, they created a government that broadly distributed power. Their vision of democracy, which gave citizens a voice in managing the United States, was untried and untested in 1776. It required a tremendous leap of faith. But it worked.

Later generations extended this experiment in democracy to those not yet enfranchised. As the 20th century dawned, a generation of “Progressives” such as Teddy Roosevelt and Woodrow Wilson invented the modern bureaucratic state, designed to meet the needs of a new industrial society. Franklin Roosevelt brought it to full flower. Indeed, Roosevelt's 1937 announcement of his Committee on Administrative Management sounds as if it were written only yesterday:

The time has come to set our house in order. The administrative management of the government needs overhauling. The executive structure of the government is sadly out of date. . . . If we have faith in our republican form of government . . . we must devote ourselves energetically and courageously to the task of making that government efficient.

Through the ages, public management has tended to follow the prevailing paradigm of private management. The 1930s were no exception. Roosevelt's committee—and the two Hoover commissions that followed—recommended a structure patterned largely after those of corporate America in the 1930s. In a sense, they brought to government the GM model of organization.

By the 1980s, even GM recognized that this model no longer worked. When it created Saturn, its first new division in 67 years, GM embraced a very different model. It picked its best and brightest and asked them to create a more entrepreneurial organization, with fewer layers, fewer rules, and employees empowered to do whatever was necessary to satisfy the customer. Faced with the very real threat of bankruptcy, major American corporations have revolutionized the way they do business.

Confronted with our twin budget and performance deficits—which so undermine public trust in government—President Clinton intends to do the same thing. He did not staff the Performance Review primarily with outside consultants or corporate experts, as past presidents have. Instead, he chose federal employees to take the lead. They consulted with experts from state government, local government, and the private sector. But as Vice President Gore said over and over at his meetings with federal employees: “The people who work closest to the problem know the most about how to solve the problem.”

Nor did the effort stop with the men and women who staffed the Performance Review. President Clinton asked every cabinet member to create a Reinvention Team to redesign his or her department, and Reinvention Laboratories to begin experimenting immediately. Since April, people all across our government have been working full time to reinvent the federal bureaucracy.

The process is not easy, nor will it be quick. There are changes we can make immediately, but even if all of our recommendations are enacted, we will have only begun to reinvent the federal government. Our efforts are but a down payment—the first installment of a long-term investment in change. Every expert with whom we talked reminded us that change takes time. In a large corporation, transformation takes 6 to

8 years at best. In the federal government, which has more than 7 times as many employees as America's largest corporation, it will undoubtedly take longer to bring about the historic changes we propose.¹²

Along the way, we will make mistakes. Some reforms will succeed beyond our wildest dreams; others will not. As in any experimental process, we will need to monitor results and correct as we go. But we must not confuse mistakes with failure. As Tom Peters and Robert Waterman wrote in *In Search of Excellence*, any organization that is not making mistakes is not trying hard enough. Babe Ruth, the Sultan of Swat, struck out 1,330 times.

With this report, then, we begin a decade-long process of reinvention. We hope this process will involve not only the thousands of federal employees now at work on Reinvention Teams and in Reinvention Labs, but millions more who are not yet engaged. We hope it will transform the habits, culture, and performance of all federal organizations.

Some may say that the task is too large; that we should not attempt it because we are bound to make mistakes; that it cannot be done. But we have no choice. Our government is in trouble. It has lost its sense of mission; it has lost its ethic of public service; and, most importantly, it has lost the faith of the American people.

In times such as these, the most dangerous course is to do nothing. We must have the courage to risk change.

NOTES

1. Data taken from the following sources: “The average American ...,” Senator William Roth, vol. 138, no. 51, Cong. Rec. (April 7, 1992), p. S1; “Five out of every six Americans ...,” CBS News Poll, unpublished, May 27–30, 1992, released June 1, 1992; “Only 20 percent ...,” an ABC News-*Washington Post* poll, taken April 23–26, 1993, asked: “How much of the time do you trust the government in Washington to do what is right: Just about always, most of the time, or only some of the time?” Four percent said “just about always,” 16 percent said “most of the time,” 74 percent said “only some of the time,” and 6 percent volunteered “none of the time”;

- 1963 figure, University of Michigan poll, cited in “From Camelot to Clinton: A Statistical Portrait of the United States,” *Washington Post* (August 23, 1993), p. A15.
2. U.S. General Accounting Office (GAO), *High-Risk Series: Defense Inventory Management*, GAO/HR-93-12 (December 1992).
 3. U.S. Office of Management and Budget (OMB), *Budget of the U.S. Government FY 93* (Washington, D.C., 1992) and *Budget of the U.S. Government FY 94* (Washington, D.C., 1993); interview with Department of Housing and Urban Development Budget Officer Herbert Purcell, August 26, 1993.
 4. U.S. Congress, Senate, Committee on Appropriations, Subcommittee on Education, Labor and Health and Human Services, testimony of Clarence C. Crawford, U.S. GAO, “Multiple Employment Programs: National Employment Training Strategy Needed,” June 18, 1993.
 5. Democratic Leadership Council, *The Road to Realignment: The Democrats and the Perot Voters* (Washington, D.C.: Democratic Leadership Council, July 1993), p. III-12. Pollster Stanley Greenberg asked people if they agreed that “government always manages to mess things up.” Seventy-two percent of Perot voters agreed, 64 percent of Clinton voters agreed, and 66 percent of Bush voters agreed.
 6. John J. Dilulio, Jr., Gerald Garvey, and Donald F. Kettl, *Improving Government Performance: An Owner’s Manual* (Washington, D.C.: Brookings Institution, 1993), p. 79.
 7. Daniel Yankelovich, *American Values and Public Policy* (Washington, D.C.: Democratic Leadership Council, 1992), p. 7.
 8. National Performance Review Accompanying Report, *Transforming Organizational Structures* (Washington, D.C.: U.S. Government Printing Office [GPO], September 1993).
 9. Jay Finegan, “Four-Star Management,” *Inc.* (January 1987): 42–51; David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector* (Reading, MA: Addison-Wesley Publishing Company, Inc., 1992), pp. 255–259; General W. L. Creech, “Leadership and Management—The Present and the Future,” address presented at the Armed Services Leadership and Management Symposium (October 11–14, 1983) (available from the Office of the Assistant Secretary of Defense for Installations, Pentagon, Washington, D.C.).
 10. National Performance Review Accompanying Report, *Improving Customer Service* (Washington, D.C.: U.S. GPO, September 1993).
 11. U.S. Department of Agriculture, Forest Service, Regional Office, *Profile of a Reinvented Government Organization* (Milwaukee, WI, May 24, 1993); “The U.S. Forest Service: Decentralizing Authority,” *Government Executive* (March 1993): 23–4; interviews with Forest Service officials.
 12. The President’s Fiscal 1994 budget (page 40) estimates 2.1 million federal non-postal workers and 1.8 million military for 1994. Manpower, Inc. employs 560,000. General Motors employs 326,000.

Using Performance Measures in the Federal Budgeting Process

U.S. Congressional Budget Office

Interest in measuring government performance, and in using these measurements for budgeting, is not new. Elected officials, government agencies, and other concerned individuals have long been interested in linking funding to results. But measuring results in the public sector is more difficult than in the private sector. The success of public agencies cannot easily be reduced to one (or even a few) measures. Conversely, the ultimate success of a private corporation is often measured by its profits. The struggle to improve the measurement of public-sector performance, nonetheless, has spurred numerous attempts to establish management and budgeting systems that are aimed at this goal.

Recently, there has been a renewed effort to legislate the measurement of performance in the federal government and to tie the results of federal programs more explicitly to budgeting. Several factors have contributed to this effort, including the use of performance measures by state and local governments and the need to reconsider priorities in an era of scarce public resources. In addition, the broad reception of a recent book about government performance, which included many “success stories” drawn from state and local governments, has heightened interest in the topic.¹ Several federal initiatives relating to performance measurement are under way, including the carrying out of federal financial management reforms (such as the Chief Financial Officers Act), the introduction of legislation mandating an expanded use of

performance measures, and an evaluation of executive branch activities that is being coordinated by Vice President Albert Gore.²

Performance measures can play several different roles in the budget process, including those of resource allocation, financial management, and financial reporting. Performance measures may have many nonbudgetary uses as well. They may, for example, be used to motivate employees to improve their performance or productivity, or for other general management purposes. These uses are largely beyond the scope of this report, which focuses almost exclusively on the implications of performance measurement for the budget process.

Performance Measurement in the Public Sector

Measures of performance are inherently different in the public and private sectors. In private-sector organizations, there is usually an agreed-upon measure of performance for the organization as a whole—namely profit. The greater the profitability of a private firm, the better it is performing. There is no such agreed-upon measure of performance for public agencies.

Many government services are established because the market is felt to be giving the wrong price signals, either because of externalities or because the service has the characteristics of a public good.³ In the case of public programs, then, the “price” is not set by the market, and “profit” is not a relevant measure. Performance must be judged against the purpose for which a public program exists. This purpose differs from program to program, and there may even be disagreement about the precise nature of a program’s mission. It is difficult, therefore, for public agencies to determine with any precision what they are trying to accomplish. In fact, government agencies have usually focused on measures of input and output—on resources used and

Source: U.S. Congressional Budget Office, *Using Performance Measures in the Federal Budget Process* July 1993 pp 1–9.

activities performed. An emphasis on performance requires more measures of outcomes—the broader results that are achieved because of the activities of the agency. The differences between measuring public- and private-sector performance are less clear at the suborganizational level. The difficulty of measuring the success of such activities as personnel administration or research and development, for example, is shared by entities in both the private and public sectors.

On the whole, public-sector performance measures are more subjective than measures in the private sector. This subjectivity has led to the development of more indirect methods to measure the worth and results of federal programs (such as benefit-cost analysis) that attempt to find a measure in the public sector that is analogous to the profit measure. In addition, measures often need to be developed at the suborganizational level; they are often quite subjective for both private and public organizations. In the public sector, officials who seek to measure the effectiveness of a program must establish the purposes of government activity and then develop measurements of how well that purpose is being met. Either is a difficult task.

Setting Objectives

The ability to measure performance is inexorably related to a statement of what the agency or program is trying to accomplish. The task of clarifying those goals is much more difficult for public-sector agencies than for private corporations.

Public-sector agencies operate in an environment in which they are usually asked to respond to many actors, including legislative bodies, elected executives, and the general public. Not all of these actors agree on the objectives of the agency or program. For example, there is often disagreement about whether a program should be managed in a way that promotes efficiency (minimizing costs per unit of output) as a primary objective, or whether it should operate primarily to provide equal access to services to as many citizens as possible, with cost as a secondary concern. Both are legitimate goals, but they often conflict.

For example, a mass transit agency that stresses efficiency as a primary value would

operate only those bus routes on which fares pay for the operating cost of the route. If that same agency stressed access to service as a primary goal, routes would be operated to provide bus service to as much of the population as possible, regardless of cost. In order to assess performance, one would need to know which of the two objectives is valued most (efficiency or access). In the private sector, there are also complex multiple outputs of services. But prices that reflect consumer choices and costs often combine to reduce these to a single measurement: profit. This single measure, which stockholders or managers can turn to in order to gauge performance for the entity as a whole, has no analog in the public sector.

Establishing Measures of Performance

Setting objectives is generally only the first step. The next is to design measurements that provide information to policymakers and line managers that will allow them to evaluate their progress toward agreed-upon objectives. Although many government agencies collect a great deal of data, these data have typically focused on the activities of the agency rather than its results or broader societal consequences. Input and output measures are typically used by agencies, even though outcome and impact measures would be more meaningful in evaluating programs.

Inputs represent the resources consumed by the operation of a government program; they are ultimately used to hire personnel, build facilities, contract for services, and so on. Inputs are easily measured, usually in terms of dollars. They are necessary for the achievement of objectives, but the question of how many inputs are required usually goes unanswered.

Outputs are the results of an agency's immediate activities. Although these outputs may not be sufficient for the agency to achieve its objectives, they are often necessary in order for the agency to do so. These gauges of outputs are sometimes also referred to as activity, work load, or process measures. Unlike inputs, outputs are often impossible to translate into dollars because there are no markets for most government activities.

Outcomes represent the broader goals of an agency. Outcome measurement should concern

the extent to which the activities (outputs) of the agency have an intended effect. That is, they focus not only on the work performed, but also on the results of that work. Outcome measurements may cover activities that are largely under the control of program managers, or they may extend to an even broader set of measures (often called measures of impact) representing results that the agency may influence but does not achieve on its own.

The most important distinction stressed in this study is that between measurements of output and outcome. They are often confused, but an understanding of the difference is crucial to understanding the challenges to and the potential benefits of measuring governmental performance. This distinction is often clearest when considering specific measures related to individual government activities (see Box 1).

Obstacles to Measuring the Performance of Federal Agencies

It is certainly desirable to determine a program's objectives and then to devise measurements or other strategies to determine how well they are being accomplished. But it is not necessarily easy. There are obstacles to better measuring performance for all organizations, including public-sector agencies in general and federal agencies in particular. These obstacles include the difficulty of reaching agreement on objectives and priorities, the complexity of developing measures of results for government programs, the nature of the activities engaged in by the federal government, and the incentives for participants in the process to obstruct the reporting of valid performance measures.

Defining Objectives

Because objectives in the public sector are open to debate and interpretation, one of the greatest obstacles to public performance measurement involves agreement between and within the Congress or the executive branch, and with other significant actors, on what the objectives of the agency are. A program may also have multiple objectives, but there may be disagreement about their relative importance. The space station is an example. Some might view

its objective as the ability to sustain manned orbits for an extended period of time, leading to breakthroughs in scientific research. Others, however, might view the primary objective of the space station to be military rather than scientific. Still others might focus on the creation of jobs in the aerospace industry.

Developing consensus, though difficult, is an essential step in developing a meaningful system for measuring performance. It is impossible to design systems to measure the performance of public-sector programs without clearly understanding what the program is trying to accomplish. If a program's objectives cannot be determined, performance measures will always be ambiguous, if not superfluous. In fact, developing the consensus necessary to pass legislation may impede agreement on goals by promoting multiple goals that are poorly defined.

Problems in Developing Measures of Program Results

Many agencies concentrate on measures of work load or activity, since (even where agreement on agency goals is possible) it is often difficult to develop measures of the ultimate results of a program. Outcome measures are particularly difficult to address because it is hard to find acceptable measures of the achievement of a policy's objectives that are under the control of program managers.

For example, the ultimate policy objective for a job training program may be to reduce long-term unemployment through providing people with job skills. Because many other factors affect unemployment, it is very difficult to determine the policy or program's effect. A measure of some intermediate activity (that is, one that is under the control of program managers) may therefore be necessary. In the case of a training program, such measures have usually focused on how many program participants are placed in jobs. But since this measure is not directly related to the program's effect on long-term unemployment, this kind of measure will necessarily be imperfect.

Many effects that are beyond the control of program designers and agency managers influence outcomes. For example, citizens sometimes assist in delivering government

| BOX 1 |

Output or Outcome?**Examples of Performance Measures for Government Programs**

One of the most difficult tasks in measuring government performance is that of deciding on terminology. The concept of inputs is fairly easy to understand, and these measures do not differ very much from one program to another. In general, inputs represent the raw materials, such as personnel, building materials, and office equipment, that go into the delivery of government services. There is considerably more confusion between outputs and outcomes. In general, in order to be classified as an outcome measurement, the assessment must present information that enables the policymaker to determine how well a particular program is operating in relation to its goals. Measures of output, however, focus on the amount of work accomplished or on the quality of the processes used to accomplish that work.

Outputs are sometimes treated as ends in themselves. But the question of how much work is done is very often distinct from the question of whether the work is achieving a particular purpose. For this reason, if the purpose of measuring performance is evaluating the results achieved by a program, outcome measures are superior to output measures. The importance of the distinction between output and outcome can best be demonstrated by looking at examples of measures from several different government programs (see table).

Public-sector performance measurement often addresses inputs and outputs but addresses outcomes less frequently. Most of the current support for performance measurement comes from those who want to move away from input and output measures toward outcome measures.

Examples of Output and Outcome Measures for Selected Programs

OUTPUT MEASURE	OUTCOME MEASURES
Elementary and Secondary Education	
Student-days	Test score results
Students graduated	Percentage of graduates employed
Dropout rate	
Hospitals	
Patient-days	Mortality rates
Average length of stay	Patient survey results
Admissions	Readmission rates
Mass Transit	
Vehicle miles	Population served (percent)
Number of passengers	Late trips (percent)
Police	
Hours of patrol	Rates at which cases are cleared
Crimes investigated	Response time
Number of arrests	Citizen satisfaction
Public Welfare Programs	
Number of requests	Applications processed in 45 days
Amount of assistance	Payment error rates
Road Maintenance	
Miles resurfaced	Lane-miles improved (percent)

services. This is often referred to as “coproduction” and encompasses such activities as participating in parent-teacher organizations and recycling waste products. To the extent that these factors, which are external to public agencies, can influence outcomes, the direct “production” of the agency will misstate the effect of its policies. Because of the difficulty in determining the cause of outcomes, some people advocate that government should focus only on outputs.⁴ Whether that is practical may well depend on how many factors are beyond the control of program managers, and whether they can themselves be identified and controlled for. Even where outcomes are not a measure of program success, they may still be important as indicators of broader societal trends.

A troublesome tension may result between the reliability of output measures and the appropriateness of outcome measures. On the one hand, the most meaningful measures of success for a program are measures that provide answers to the question: How well did the program do in solving a defined societal problem or in meeting a broad social or political goal? On the other hand, the question that is easiest to answer reliably is: What did the agency do? These measures of activity are essential in evaluating a program’s performance. But unless the precise linkage between agency activities and program results is clear, measuring activities will never provide a full understanding of the true results of a program.

Even if reasonable measures of program results could be found, how would one know whether the goal being measured is an appropriate one? Consider a case in which a federal subsidy is provided to a large group of people rather than being targeted toward individuals on the basis of need. If we measured how efficient the delivery of the subsidy is, and how satisfied the recipients are, we might know how well the program met its goals. It would not tell us whether an alternate design of the program (one in which a targeted group of deserving recipients received a direct cash payment, for example, while others did not) might result in a better use of societal resources. Without giving thought to whether the purposes of public programs are appropriate,

performance measures might badly misinform decisionmakers. That may be a problem in the case of public programs, since legislative bodies (including the Congress) may avoid clarifying the specific purposes of a government program in order to obtain enough legislators’ votes to gain approval of it.

Federal Activities Are Varied and Often Difficult to Measure

The federal government engages in a wide variety of activities, and each suggests different challenges for the measurement of performance. There are several classifications of government activities, but a useful one is included in the *Budget of the United States Government: Fiscal Year 1994*. This classification compares the outlays of the federal government in five categories: direct benefit payments for individuals (46 percent of estimated outlays for fiscal year 1993); national defense (20 percent); grants to states and localities (15 percent); net interest (14 percent); and other federal operations, including deposit insurance (7 percent). Of these categories, only net interest seems completely inappropriate for performance measurement. The characteristics of programs in each of the other categories, however, indicate that very different strategies would be needed in order to measure their performance.

Direct payments for individuals are used primarily by three programs—Social Security, Medicare, and Medicaid. These programs provide services to clients; therefore, the task of developing performance measures would probably focus on the quality with which these services were provided and the satisfaction of those who receive them. For example, measures of performance in the Social Security program would include the timeliness of check issuance and the error rates of checks (whether they were received by the correct recipients). Surveys of client satisfaction are also useful in determining the quality of direct services.

National defense is a particularly difficult area for which to develop measures of ultimate performance, perhaps because it is almost impossible to determine, without some military conflict, whether the objective of national defense is being achieved. Measurement is

further complicated by the concept, as some would argue, that the purpose of defense is not winning wars but preventing them. For this reason, many measures of performance for national defense often focus on the quality and readiness of military forces, assuming that a well-qualified, appropriately trained military can best achieve whatever goals are paramount at the moment.

Grants to states and localities vary in purpose and form: that is, some are distributed by formula and others are provided at the discretion of the administering agency. The ways in which they are administered, however, make it difficult to measure the performance of these programs. Many federal grant programs are administered at the state or local level, meaning that their success is only partially under federal control. Determining performance for these programs, therefore, involves understanding the nature of their administration both in Washington and at the recipient level, as well as their goals and purposes.

Other federal operations encompass a wide range of governmental activities, including law enforcement, central management and administration, and regulatory activities. Determining performance is highly dependent on the specific nature of the activity. For law enforcement, measures of success may include the percentage of crimes solved. For an agency such as the Internal Revenue Service, measurement might focus on the dollars collected or the extent of taxpayer compliance. For a regulatory activity, success depends in large part on the companion regulatory activities of state and local governments and on the response of regulated organizations. Thus, it is difficult to link federal action and ultimate results.

The main point is that the ease with which performance measures can be developed and the ability of these measurements to inform decisionmakers differ from program to program. In general, developing measures of success (or at least satisfaction) may be easier for programs in which there is direct interaction between the federal government and some recipient of government service than for programs in which goals are less clear (such as national defense) or in which achievement is controlled by many different factors (such as

grants to state and local governments). As a practical matter, the federal government should not be treated as a monolithic entity, implying that similar solutions exist to all problems. Instead, any search for performance measures should be activity-specific.

Possible Obstruction by Participants

People who would typically produce or use performance data may have incentives to misreport it or fail to report it altogether. If federal employees or agency managers believe that performance data might be used to punish them, they may measure only those things that will reflect favorably on their activities. Further, requesters or recipients of performance data can concentrate on measures that will support predetermined policy positions. An effort to identify appropriate measures and monitor the reporting of performance data may therefore be crucial to the success of any performance measurement. Obstruction of performance measures is less likely to be successful in cases where the accuracy and appropriateness of the measurements are monitored.

How Can Performance Measurement Affect the Budget Process?

Many efforts to mandate improvements in performance measurement focus on the budget process. Reforms such as the planning-programming-budgeting system in the 1960s and zero-based budgeting in the 1970s stressed the ability to base budgetary choices more explicitly on desired results. More recently, through the passage of the Chief Financial Officers (CFO) Act and the passage of legislation on performance measurement, the Congress is once again addressing the issue of using performance measures in the budget process.⁵

There are three possible advantages to linking performance measures to the budget. The first is the potential to use performance-based budgeting. That is, traditional line-item budgets could be replaced by a system granting program managers greater flexibility in managing their resources, but holding them accountable for achieving program results.

That is the goal of many who advocate performance measurement as a tool that can transform the federal budget process. Second, even if government wide decisions on resource allocation are not affected, agencies may find measurements valuable for improving their management of a given level of resources, regardless of whether their use results in a significant shift of resources from one program or agency to another. Third, the government or particular agencies may use performance measures to report on their accomplishments.

Allocation of Resources

The President and the Congress could use performance information to make decisions on how to allocate scarce resources among competing priorities. For them, performance measures are most useful if they can help in determining how much money should be spent on the various purposes of government: health care programs, national defense, environmental regulation, and so on. Ideally, these choices would be aided by a better expectation of what a new dollar for national defense would buy compared with spending the same dollar on some other activity, such as research at the National Institutes of Health.

Using outcome measures to allocate resources is a substantial deviation from the way that most observers describe the current budget allocation process. Policymakers currently are focused on inputs (usually represented by agency line items) and on making marginal changes in those inputs from year to year. They obviously must consider benefits as well, but these assessments of benefits are less formal and comprehensive than assessment of costs. This input-focused system is substantially different from one that would concentrate on trade-offs between results of agency programs rather than on adjusting traditional line-item budgets. The two methods of budgeting imply substantially different emphases; line-item budgeting focuses almost exclusively on how much money is being spent, and performance-based budgeting would concentrate on varying levels of program results that might accompany varying levels of funding.

Using performance measures to allocate resources, however, is difficult. First, not only is

it hard to develop measures based on results for government programs, but it is almost impossible to establish common denominators of performance among the activities of government. For example, the measures of success in the health area are different from those in the defense area. Using performance measures for resource allocation implies knowledge of how to compare the measures for those two activities in a way that would inform trade-offs between the two. But trade-offs between government activities are almost exclusively a function of the perceived need and priority for government action. Performance measures can aid those decisions by establishing the correct level of need, but they cannot tell decisionmakers how much to provide to one activity at the expense of another. Politics—in the best *sense of the word*—plays an important and legitimate role in budget decisions, even where measures of outcomes exist.

Second, the relationship between performance and the budget is not straightforward. Poor results may be caused by the difficulty of the problem being addressed rather than by inadequacies in the design or management of a program. In fact, inadequate funding of a program may cause poor performance, which would lead to the conclusion that poorly performing programs ought to get more resources, and no increases should be given to agencies that meet their objectives.

Even if performance measures cannot be expected to dictate the level of resources given to one agency or program as opposed to another, they may provide useful information for decisionmakers. For example, if policymakers could obtain information about the connection between a given level of resources and a given level of results for a program, they might choose to provide a larger budget only if the incremental improvement in outcomes was judged to be worth the additional expenditure. In this way, performance measures can inform the budget process without dictating budget outcomes. Performance-based budgeting, then, is about transforming the debate over resource allocation from its current focus on inputs (dollars, personnel, and so forth) to focus on results. This change in focus does not, nor does it intend to, remove politics from the process.

Agency Management of Internal Resources

Governmentwide resource allocation is not the only potential function of performance measurement. It is useful to measure performance better, even without a link between gauging performance and allocating funds in a budget. Agencies may find measurement valuable for improving the use of a given level of resources, even if it does not result in a significant shift of resources from one program to another or from one agency to another. For example, an agency that is organized geographically could use performance measures to target resources toward those regions where the work load is greatest or where the problems are most acute. Agency subunits may improve performance if workers become more highly motivated when their efforts are being scored and assessed by management. Moreover, ties may be developed between the measurement of organizational and individual performance, such as proponents of so-called pay-for-performance schemes have suggested.

Financial Reporting

Performance measures can also be used to report the results of government activities to elected officials and decisionmakers. At the state and local level, the Governmental Accounting Standards Board has called for service efforts and accomplishments (SEA) reporting. The SEA initiative encourages state and local governments to include statements of service results in their annual financial reports. At the federal level, both the CFO act and the Federal Accounting Standards Advisory Board (FASAB) are expected to focus on the use of performance measures for financial reporting. The CFO act, for example, requires agency CFOs to develop “systematic measures of performance” for programs in their agencies. Although the FASAB is charged primarily with developing common standards for financial reporting, the need for performance measures has also been discussed in some of the board’s deliberations.

Conclusion

Increasing the emphasis on outcome-oriented performance measurement in government is

challenging. Performance-based budgeting is even more challenging. Given the obstacles and problems discussed above, it may be surprising to discover that performance measurement is being used to affect government budgeting. Moreover, the gaps between current practice (line-item budgeting) and performance-based budgeting are substantial. It is more likely, in the short run, that performance measures could have some influence on financial reporting or on the management of internal resources by agencies.

But this impression requires confirmation. There are places to turn for insights into the practice of and the potential for performance measurement. In fact, many of the proponents of the federal government’s adoption of performance-based budgeting report that it has been successful in states, local governments, and other nations. Understanding what these efforts have achieved, and what they have not, can assist in evaluating the potential for performance-based budgeting to have a lasting effect on resource allocation in the federal government. Moreover, the federal government has adopted budgeting systems that were designed to connect the effectiveness of federal programs to resource allocation. In addition, federal agencies have widely varying experiences and abilities to measure performance. For this reason, reviewing past and current performance measurement practices can help to discover what federal experience and the experience of other governments suggest about the possibility of performance measurement now in the federal government.

NOTES

1. David Osborne and Ted Gaebler, *Reinventing Government* (Reading, Mass.: Addison-Wesley, 1992).
2. The Chief Financial Officers Act (P.L. 101-576) was passed in the 101st Congress. It established chief financial officers (CFOs) in 23 federal agencies; these CFOs are to focus on financial accountability.
3. Both externalities and public goods are essential concepts in welfare economics.

Externalities are costs or benefits that accrue to society as a whole but are not accounted for in the market transaction for a given good. Public goods have two characteristics that imply that they cannot be provided efficiently by private markets; benefits are provided to people regardless of whether they pay for the good or not, and it is impossible to determine the cost that should be charged to any individual.

4. See Charles T. Clotfelter, "The Private Life of Public Economics," *Southern Economic Journal*, vol. 59, no. 3 (1993), p. 587.
5. S. 20 and H.R. 826 are the Senate and House versions of the Government Performance and Results Act. H.R. 826 passed the House on May 25, 1993. S.20 passed the Senate on June 23, 1993. On July 15, 1993, the House agreed to the Senate version of S. 20, clearing the bill for the President's signature.

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Part Five

PUBLIC ADMINISTRATION IN THE TWENTY-FIRST CENTURY



Public administration entered the twenty-first century on a dramatic political note following the deadlocked presidential election in 2000, which would be contested up to the Supreme Court. The election of George W. Bush, only the second president to be elected without a plurality of the actual vote, marked more than the end to the reinventing government movement. It also signaled the recognition that new forces would dominate. Much of the discussion of the driving influences on public administration centered on globalization, marketization, and technology. There was also a growing realization from more than environmentalists, that sustainability and ecology issues—from warnings about global warming and climate to concerns about the depletion of natural resources and loss of biodiversity—were escalating into major risks across the globe. Although many in public administration were uncertain of how governments would respond and whether they would adapt to or resist these new external environmental challenges, there emerged a clearer understanding that the pace of change would be much more dynamic and far reaching.

The emergence of new forces and dynamic change would prove to be true politically as well. Bush's reelection in 2004 (by an uncontested margin this time) after the events of 9/11 and the war in Iraq would be followed in 2006 with the Democrats retaking the Congress and then the election of Barack Obama in 2008 with a strong Democratic majority in Congress. But that would be reversed with Republicans retaking control of first the House of Representatives in 2010 and, after Obama's reelection in 2012, winning the Senate in 2014. Divided government—where the elected President of one party is opposed in the legislature—long a staple of American government, would still be dominant. But following the Newt Gingrich-led takeover of the House of Representatives in the 1994 elections, liberal leaning Democratic presidents would tend to face conservative-oriented Republican-dominated Congresses.

Certainly, the most dramatic changes in the century to date have been “global” events. The U.S. winning the Cold War and being the world's only superpower following the breakup of the Soviet Union did not produce the peace dividend foreseen in the 1990s. Instead, the Cold War was replaced with an international war on terrorism. The terrorist attacks on 9/11 and the loss of nearly 3000 lives — over 2600 in the towers and on the ground with the destruction of the World Trade Center towers in New York City, and the nearly 250 lives on the four planes and finally over 125 casualties in the Pentagon—are a defining tragedy for this still unfolding century. (In comparison, there were just under 2550 American lives lost at the attack at Pearl Harbor in 1941.)

U.S. military forces were first deployed in Afghanistan and then in Iraq to overthrow Saddam Hussein, but initial military victories were followed by the American forces forestalling civil wars with mounting military and civilian casualties. The war on terrorism was expanded in Afghanistan after 2004 and, despite the planned withdrawal of U.S. forces in 2014, continues. Warfare in the twenty-first century is vastly different. Terrorists forces, whether Taliban insurgents or other networks, wage asymmetric warfare¹ using raids, bombings, ambushes, or execution staged killings of police forces, public officials, and even teachers and students in cities and the countryside. The U.S. military has relied increasingly on un-manned drone strikes. Drone attacks—in five years under President Obama (awarded the Nobel Peace Prize in the first year of his presidency)—claimed over 2400 lives.²

Economic challenges were also increasingly global. China has replaced Japan as the dominant other economic superpower while to a lesser extent India and Brazil have emerged as new economic

superpowers-in-waiting. The European Union slumped by 2015 into its own deep recession and continues debating economic remedies for its member countries who are mired in debt, negative growth, and non-competitiveness (Portugal, Ireland, Greece, and Spain). Politicians and Central Bankers, used to fighting inflation and adjusting interest rates to moderate demand, are now confronted with concerns about deflation, economic stagnation, and how to stimulate economic growth when interest rates have been lowered to basically zero. Of course, business and economic cycles, by definition, do reverse over time, but in the ensuing periods the impacts felt by governments (low wages and incomes and lower tax revenues) have been and continue to be highly stressful.

Indeed, the debate in Europe on how to secure economic recovery mirrors the United States' experience of the near collapse of its financial system and the worst recession since the Great Depression of the 1930s. While the U.S. economy returned to under 6% unemployment rates by 2015 and double digit annual stock market increases, recovery here has been marred by dismal rates of productivity, minimal rises in income and wages for most of the middle class, and the highest rates of income inequality seen in a century. Political debates swirl about the size of government and how much government spends while the share of national income of the wealthy in the U.S. has increased dramatically; the top 0.1% (i.e., about 160,000 families) had 7% of national income in 1979 and 22% in 2012.³ The share of the bottom 90% has not increased since the mid 1980s and is declining.

Environmental issues, usually relegated to last on the lists of issues voters care about, rose in importance as scientific and political consensus converged over climate change and global warming. Federal inaction and lack of consensus about what to do about the environment did not deter many state and city governments from developing new regulatory standards and environmental safeguards. There was some evidence of government intentions at all levels. Under President Obama's Executive Order 13513 in 2009 the federal government mandated that all federal agencies prepare and implement sustainability plans. In March 2015, Obama issued another executive order requiring all federal agencies cut greenhouse gas emissions in 10 years by 40 percent from 2008 levels and to increase the share of electricity that they obtain from renewable sources to 30 percent over the same time period. These sustainability objectives were also extended to federal contracts—a practice called “green sourcing.”

Some state governments were far more ambitious, with California at the forefront. In 2006 the California state legislature passed a law followed by Governor Schwarzenegger's issuance of an executive order committing the state to reducing greenhouse gas emissions (GHG) to 1990 levels by 2020 (basically a 30% reduction in GHG) and an additional 80% reduction below 1990 levels by 2050. California, six other western states and four Canadian Provinces also created the Western Climate Initiative in 2007 that pledged a 15% reduction in CO₂ emissions and to be 15 percent below 2005 emission levels by 2020. The Climate Initiative also introduced a cap and trade provision—essentially a way of conducting emissions trading and creating a carbon market, which remains in progress. Many California cities signed the Conference of Mayors Climate Protection Agreement in 2005, pledging to meet or exceed reduced GHG emissions in accord with the Kyoto Protocols. By 2015, over 1000 cities in the U.S. had signed the Agreement.

But perhaps more importantly, within public administration sustainability emerged as a new cornerstone for assessing both organizational performance and public stewardship. Hurricane Katrina in 2005 in Louisiana and the Gulf Coast highlighted this. Federal, state, and local governments' inability to coordinate emergency evacuation and relief efforts resulted in tragic loss of life, but there was also recognition that environmentally unsound land management decisions played a pivotal role in setting up the disaster which at \$105 billion for repairs and reconstruction made it the costliest natural disaster in US history. In 2011 the Tohoku earthquake and tsunami in Japan would count over 16,000 deaths and over 1.25 million buildings destroyed or damaged along with nuclear accidents and melt-downs at three reactors in the Fukushima Daiichi Nuclear Power Plant complex, and the associated evacuation zones affecting hundreds of thousands of residents. In 2012, a far less savage natural disaster in terms of human life (only 159 deaths)—Supertorm Sandy—would cost over \$65 billion in damages and affect over 650,000 homes. Public administration now understands that the role of

government must encompass the emergency services to mitigate the disaster itself, but there has also been a new shift to strategies for disaster preparedness and “resilience”—where agencies, businesses, and community groups pursue design efforts to develop their communities in environmentally and economically healthier ways.

TRANSFORMING PUBLIC ADMINISTRATION— FROM GOVERNMENT TO GOVERNANCE

Governance is hardly a new concept and has been vigorously debated in political science circles since the early 1990s. Theorists in political science and public administration created a new dichotomy, what might be called the governance-government dichotomy. Essentially, a new distinction is being made between the “governance,” once the noun form of the verb “govern,” and “government”—defined as the agency or organization through which a governing body exercises authority. This distinction fits the postmodernist movement in public administration, which has always claimed that relationships between and among government bodies, constituencies, and the environment are what is critical.⁴ The governance thesis is that there has been a fundamental shift from big government to the process of political decentralization-diffusion. Joseph Nye in a Harvard University study (reprinted here) on the future of government and governance noted that Daniel Bell’s 1999 prediction that the nation-state has “become too small for the big problems of life and too big for the small problems” puts public administration in the dilemma of finding that neither centralization nor decentralization works. Nye offers that the answer is “rather a diffusion of governance activities in several directions at the same time.”⁵

He also expands on the three driving forces—marketization, globalization, and technology—or “trends” as he calls them. It is the technology revolution and specifically the Internet that he sees as most significant. Of course, his observations, written in early 2000 before the advent of Web 2.0, Facebook, iPhones, and so on, should be seen as intended—a discussion of the beginning.⁶ The twenty-first century debate over technology now encompasses the new shape of work and service provision as they are impacted by technology, process and productivity innovation, new forms of collaboration, and social innovation.

Take a classic government service like public libraries. Technology is changing the ways in which individuals actually access information, which is evident in the impact of the Internet, online resources, personal devices, and e-readers on print media. If making books available to the public was once the prime function of public libraries, client behavior says otherwise. In a 2013 Pew Research study of *Libraries in the Digital Age*, among adults who visited a library in the U.S. in the last year (just over 50%) less than 70% report browsing the bookshelves and borrowing print books. Libraries in turn are moving out of the printed book business. According to the American Library Association’s *Public Library Funding and Technology Access Study*, 76% of all public libraries (92% of urban libraries) are offering e-books (2012) and 90% offer free WiFi access and other online resources.⁷

Donald Kettl’s 2002 work *The Transformation of Governance: Public Administration for the 21st Century*⁸ was another early attempt to explain what is different about governance now and what it means for public administration. In Kettl’s viewpoint, there is a disconnect between the problems of institutional government (i.e., public administration) and the vision of what the big challenges for models of governance will be. As the environment is dramatically impacted by Nye’s forces of globalization, marketization, and technology, governments can no longer keep pace by simply adding more size, restructuring, or shifting resources. Kettl argued that public administration must be different if it is to be relevant for the future. It is just as Woodrow Wilson noted more than 120 years ago, in “The Study of Administration,” reprinted in this volume: “The idea of the state and the consequent ideal of its duty are undergoing noteworthy change; and the idea of the state is the conscience of administration.”⁹

ONGOING DEBATES OVER PUBLIC BUDGETING, DEFICITS, AND THE SIZE OF GOVERNMENT

After the elections of 2000, the political debate over the budget surpluses changed with Republican control of both the Congress and the presidency. The first issue was the Bush administration's tax cuts, which were quickly approved (although the Congress had learned sufficiently from the economic uncertainties of the past at least to make the reductions "non-permanent" and to require reconsideration and repassage in ten years). Of course, the budget surpluses of the late 1990s vanished quickly with the recession of 2001 and the enormous consequences of the September 11 terrorist attacks and the war in Iraq. While budgetary economics have been uncertain, only Republican control of both houses of government (at least until 2006) precluded the type of debates and confrontations of the Reagan-Clinton years.

There would be, however, one more casualty of this budget period. After years of Republican presidents demanding legislation for line-item veto power, a Republican Congress passed the Line-Item Veto Act for a Democratic president in 1996. Many contend that the line-item veto stands at the heart of the argument over who will control the budget process. (Interestingly, this veto over specific appropriations is generally considered to be an innovation pioneered by the Confederacy during the Civil War.) But the extension of the line-item veto to the federal government would last only two years; it was struck down by the U.S. Supreme Court in 1998.¹⁰ Perhaps anticipating that Republican control of Congress was waning, President Bush asked for a new variation of the line-item veto in his state of the union address in 2006. That legislation failed to get through the Congress. President Obama asked for similar authorities. In 2010, he signed a new PAYGO statute that reestablished the process of requiring the Congress to ensure that funding is provided to offset the costs for new programs passed into law, which was dominant in the 1990s.

Disputes between the executive and legislative branch over who controls and how to control public budgets—or spending and taxation decisions—have always been a tenet of public budgeting politics and an area of concern for public budgeting theorists.

Irene Rubin, one of public budgeting's most prolific scholars, examined many of these tactics designed to change budgeting dynamics in a *Public Finance & Budgeting* article in 2002 entitled "Perennial Budget Reform Proposals." Her perennial reforms for federal budgeting included: Balanced Budget Amendments, Biennial Budgeting, Capital Budgeting, Social Security Privatization, Tax Expenditure Controls, Flat Taxes, Lock Box Approaches to Budget Savings, and Dynamic Scoring.¹¹ Her conclusion was that most of the budget reforms are much like "the usual suspects" – with slim prospects for ever being enacted.

Well, almost; dynamic scoring has actually vaulted into reality. The Republican-controlled House of Representatives passed legislation in 2013 and again in 2014 called the Pro-Growth Budgeting Act. Included in this legislation is a requirement that the Congressional Budget Office and the Joint Committee on Taxation use "dynamic scoring" where budget analysis must estimate major program and spending and revenue change proposals by projecting the future behavior of companies and individuals, modelling the impact on jobs and the economy and most importantly assessing future federal revenue levels for the budget. While neither bill cleared the then Democrat-controlled Senate, the new Republican-controlled Congress in 2015 has secured agreement that dynamic scoring will be used, in part by demanding that a new director of the Congressional Budget Office be named. How it will affect future budgeting decisions in a highly partisan and politically contested environment remains to be seen.¹²

But budgeting processes in the twenty-first century have been overtaken by larger external factors. Even debates about tax reforms or budget earmarks seemed trivial when compared to the discussion of scale and size of public budgets, debt, and entitlements (payments to individuals). This was first felt by a dizzying and totally unexpected fall of the U.S. and to some extent the global economy. The Bush

tax cuts and rising defense and war on terrorism costs led to an increasing federal deficit, but the U.S. economy pushed forward led in part by rising housing values and strong stock market valuations. All of this came to a disastrous end in 2007–2008 in a stunning financial reversal. Subprime mortgages were both fueling a housing bubble and injecting into the financial system highly speculative credit derivatives that would lead to a collapse of several major financial institutions. The stock market tumbled by nearly half, and government intervention on a scale not seen since the Great Depression was required to prop up the financial system. The financial crises and following recession pushed unemployment rates over 10 percent along with a huge rise in bankruptcies, plunging state and local governments into massive deficit conditions.

Federal intervention involved two major steps. First, in the closing days of the Bush administration, the Troubled Asset Relief Program (TARP) was passed in early October 2008 to the tune of over \$780 billion to bail out banks and insurance companies. Even the automakers received a government bailout. The political wisdom of bailing out some of these firms whose speculative behavior led to the crises was fiercely debated. The economics look more convincing now that the TARP money has been repaid and the country did not fall into a depression. As a second part of the effort in early 2009, the newly elected Obama administration (assisted by having control of both houses of congress) secured a major stimulus package—called the American Recovery and Reinvestment Act of 2009 (Pub.L. 111–5)- or more simply The Recovery Act. The package was priced at over \$775 billion but raised to over \$830 billion to prop up state and local governments and create jobs to help keep unemployment from rising further. In the meantime, state and local governments across the country took massive steps in securing spending cuts (tax increases were seldom a viable option) to deal with the requirement to balance their budgets.

By 2010, these actions and the deeply distressed U.S. economy resulted in the federal deficit ballooning to 10% of GDP, levels not seen since the Second World War. The fiscal stress for states and local governments was delayed a year, but spending and employment did fall dramatically in 2010–2011. By 2015, governments at all levels were hiring again, borrowing and investing in infrastructure, and some states were even raising taxes.

If there is a “new normal” in public budgeting, it is to a great extent affected by global norms and expectations that the public sector has to be fiscally responsible.¹³ In part this is driven by global economic pressures- whether it is competition with the Chinese state capitalism model and its double digit growth rates or with the European Union, where public sector financial performance is measured and obsessed over. What the European Union did with its financial monitoring programs as part of the Stability and Growth Pact of 1997 was make tangible (if not enforceable) an ideal for fiscal discipline. Member nations were required to stay within limits on annual government deficits (3% of GDP) and national debt (60% of GDP), and if these norms were exceeded, a nation was expected to show annual declines until it returned to the required norm. While the U.S. public sector numbers are different, comparisons are inevitable in a global economy where investors demand real transparency about public finances. So, as one examines the U.S. budget score card presented in Table 5-1 below, there is another, more macro perspective to view government budgeting performance, which now embraces both fiscal sustainability and fiscal discipline.

Table 5-1 points to several trends in public sector finance but also provides a sense of scale and size of government in the United States.¹⁴ Total government spending has increased in the U.S. at the federal level as measured as a percentage of U.S. gross domestic product (GDP) since 2000, but the bulk of the increase (besides some more funding for defense and homeland security) has been for entitlement programs, especially direct payments to individuals. Deficit and debt levels reflect in part the costs of recovery efforts from the Great Recession at the federal level and decreased taxation receipts at state and local governments. But it should be pointed out that the federal budget surpluses of 1999–2001 were the only surpluses on record since the 1950s.

Government employment has actually declined at state and local government levels, while federal employment is actually about the same. The figures below exclude the postal service, which has

| TABLE 5-1 |

**Summary of Federal, State and Local Government Finances and
Employment—Comparing 2000–01 to 2012–13**

	2000–01		2012–13	
US GDP	10.225 Trillion		16.207 Trillion	
	IN TRILLION \$	% GDP	IN TRILLION \$	% GDP
Government Spending				
Federal	1.862	18.2%	3.537	21.8%
State Gov'ts	1.186	11.6%	1.981	12.2%
Local Gov'ts	1.071	10.5%	1.663	10.3%
Federal Deficit	(+128 billion)	1.3%	(–973 billion)	–6.0%
	IN TRILLION \$	% GDP	IN TRILLION \$	% GDP
Federal Debt *	3.409	33.3%	11.281	69.6%
State Gov't Debt	0.576	5.6%	1.145	7.1%
Local Gov't Debt	0.977	9.6%	1.797	11.1%
Federal Payments				
Individuals	0.868	8.49%	2.237	13.8%
Grants	0.187	1.83%	0.45	2.8%
Total	1.054	10.31%	2.688	16.6%
	MILLIONS FTEs		MILLIONS FTEs	
Full Time Employees				
Federal **	1,814		2,129	
State Gov'ts	4,082		3,713	
Local Gov'ts	10,995		10,523	

* Public Held Debt- excludes debt help by federal accounts

** Excludes Postal Service

Sources: U.S. Office of Management and Budget "The Budget for Fiscal Year 2014 Historical Tables"
U.S. Census Bureau "Summary of State & Local Government Finances"
"Survey of Public Employment and Payroll"

dropped by almost 400,000 employees. The federal workforce numbers reflect over 200,000 new defense and homeland security employees (for example, TSA, which was formed during the response to 9/11 and is responsible for airport security, has over 65,000 employees).

DEVELOPMENTS IN LAW AND ETHICS

The importance of the judiciary in the American political and public administration systems was reaffirmed in the United States Supreme Court's decision that resolved the dispute surrounding the 2000 presidential election, *Bush v. Gore*, 531 U.S. 98 (2000). But legal challenges and court decisions have

become a central part of the “administrative process” across a wide range of issues, from regulations and health care, affirmative action and same sex marriage, to government bankruptcy and pension liabilities. One need only look to health care reform in 2010, arguably the most significant piece of social legislation passed since Social Security. Opponents challenged the Patient Protection and Affordable Care Act all the way to the U.S. Supreme Court with the Court ruling in 2011 (5-4) that the law was constitutional. This section overview will focus on affirmative action and equal opportunity, which impact public administration so significantly.¹⁵

In 2003, cases involving challenges to undergraduate and law school admissions processes because they included special consideration for race reached the US Supreme Court. The rationale for affirmative action was to provide a remedy for past practices of discrimination and to provide a diverse learning environment on college campuses. But how does one justify the continuation of such remedies when the practices they were designed to remedy were primarily from past generations? This was the question that confronted the Supreme Court in 2003 in two University of Michigan cases.¹⁶

The Supreme Court upheld the law school policy that considered race among other factors in reviewing the candidate’s entire application but disagreed with an undergraduate admissions policy that assigned a fixed number of points based on membership in an underrepresented racial category. In *Grutter v. Bollinger*, the Court agreed that the University of Michigan Law School could continue to give advantages to minority applicants for admission. The justification for such preferences, (and it should be noted—preferences were given for other factors such as having traveled abroad, being fluent in several languages, extensive community service, etc.), was not to remedy past practices of discrimination, but to further diversify for its own sake.

The majority opinion written by Justice Sandra Day O’Connor held that the Constitution “does not prohibit the law school’s narrowly tailored use of race in admissions decisions to further a compelling interest in obtaining the educational benefits that flow from a diverse student body.” In this 5-4 decision, the Court asserted that, “Effective participation by members of all racial and ethnic groups in the civic life of our nation is essential if the dream of one nation, indivisible, is to be realized.” Justice Lewis F. Powell had initially advocated the diversity rationale in the 1978 *Bakke* decision. In this 2003 case, the Court endorsed Justice Powell’s “view that student body diversity is a compelling state interest that can justify the use of race in university admissions.”

But even in accepting that diversity is a “compelling state interest,” the Court asserted that this interest, no matter how “compelling,” must be temporary because such compliance flies in the face of the 14th Amendment’s requirement for equal treatment. In an unusually blatant appeal to a future Supreme Court, Justice O’Connor stated that “race-conscious admissions policies must be limited in time. This requirement reflects that racial classifications, however compelling their goals, are potentially so dangerous that they may be employed no more broadly than the interest demands. Enshrining a permanent justification for racial preferences would offend this fundamental equal protection principle.” She concluded that “all governmental use of race must have a logical end point.” Then she quite literally provided an end point: “We expect that 25 years from now, the use of racial preferences will no longer be necessary to further the interest approved today.”

Still, challenges to affirmative action continued. In 2008, some high school seniors who had been denied admission at the University of Texas-Austin sued the University of Texas for using race as a factor in admission processes, when other race-neutral options were available. In the case (*Fisher v. Texas*) decided (7-1) in 2013, the Court did not overturn the university’s admissions process, which, like the University of Michigan Law School, considered race as one among many factors, but ruled that the University would need to prove an absence of alternatives that do not include race as a means to diversify the student body.

But another ruling by the courts in 2014 moved further towards restricting affirmative action. In *Schuette v. Coalition to Defend Affirmative Action*, the Supreme Court upheld a Michigan voter initiative that banned the use of racial criteria in college admissions. This voter proposition followed the example of the 1996 passage of Proposition 209 in California when voters passed a referendum

that barred the use of race, sex, or ethnic background by state agencies in areas of education and government hiring and contracts. (Seven states as of 2014 ban race-based affirmative action at all public universities. California, Washington, Michigan, Nebraska, Arizona, and Oklahoma all passed voter referenda, while in Florida, Governor Jeb Bush issued an executive order creating a ban). In the Schuette case, the court's key argument was that lower courts didn't have authority to set aside Michigan law. As Justice Kennedy wrote, "This case is not about how the debate about racial preferences should be resolved. It is about who may resolve it"

Justice Sotomayor however wrote in a dissenting opinion that the court must pay attention to decisions and programs designed to protect and advance minority rights and confront the reality of racial discrimination in the U.S.

"Race matters..." she wrote, "and for reasons that really are only skin deep, that cannot be discussed any other way, and that cannot be wished away. Race matters to a young man's view of society when he spends his teenage years watching others tense up as he passes, no matter the neighborhood where he grew up. Race matters to a young woman's sense of self when she states her hometown, and then is pressed, 'No, where are you really from?,' regardless of how many generations her family has been in the country."¹⁷

In the light of events surrounding the "Black Lives Matter" protests and riots starting in the summer of 2014 at Ferguson, Missouri, her impassioned dissent in this narrowly focused but highly significant court decision is even more significant and prescient. Lastly, the legal developments just reviewed, while extremely important in their own right, also serve another purpose. They illustrate just how correct Roosevelt Thomas' 1990 *Harvard Business Review* article, "From Affirmative Action to Affirming Diversity" (reprinted in Part Four) was in making essentially the same arguments that in more convoluted language would be repeated in these Supreme Court cases. A classic could hardly be more influential—even if it only reflects the sentiments of the times.

As public administration moved into the post 9/11 era, different types of work appeared that greatly deepened discourse on administrative ethics. Guy Adams and Danny Balfour, both public administration academics with a long interest in the Holocaust, first wrote *Unmasking Administrative Evil* in 1998 with the purpose of helping public administration to see the potential problems inherent in what they called the field's "lack of historical consciousness" and "inability to perceive the reality of administrative evil." Reprinted here is their concluding chapter from the revised edition of their work in 2004, which adds a globalization perspective.

The larger thesis of Adams and Balfour's book is that the techno-rational approach championed by public administration is inadequate for preventing administrative evil. Using the Holocaust as their primary example, they discuss how something totally reprehensible and horrific did in fact occur within bureaucratic organizations following specific rules and procedures and pre-specified public policies. A second extensive case discussion to illustrate how administrative evil can be masked is developed involving the use of the German WWII rocket scientists who, despite their use of slave labor in the Nazi rocket development facilities, became prominent participants in the American space program in the 1950s. Thus it was Nazi war criminals such as Werner von Braun and his associates that gave the American space program its initial boost. Remember that mass slavery, as supervised by von Braun and his ilk, is every bit as much a war crime as mass murder—if only slightly less odious. Adams and Balfour have continued to pose these difficult questions for public administration in a recent *Public Administration Review* article examining the torture and abuse of Iraqi inmates at Abu Ghraib.¹⁸

Yet another type of work on the inner workings of government organizations and the concern for how career bureaucrats should act responsibly (and ethically) is Rosemary O'Leary's 2005 book on guerrilla government, entitled *The Ethics of Dissent*. Guerrilla government, she explains, applies to situations where career public servants disagree with policies, programs, agendas, and decisions of their superiors or the official positions of the agency they work in. In a few cases, guerilla government may lead to whistle blowing, but in most instances it does not.

O’Leary acknowledges in the Preface to her book that the guerillas “run the spectrum from anti-establishment liberals to fundamentalist conservatives, from constructive contributors to deviant destroyers.” And hence the value of her work and why the opening chapter is reprinted here in this section aptly match with Adams and Balfour’s work. Public administration needs to discuss the range of challenges and actions taken by career bureaucrats in protest of or dissatisfaction with current programs, policies, and decisions made by superiors – and ask what is the professional responsibility of the public servant.¹⁹

PUBLIC POLICY NETWORKS AND PUBLIC VALUE

The final selections in this eighth edition of *Classics of Public Administration* deal with governance and management – both how and for what. The rise of networks and the web of participants now engaged in creating and implementing public policy add a range of new answers to the old questions on intergovernmental management and the intersection of policy and management. It begins with the call for collaborative management—raised to new significance with a 2006 *Public Administration Review* special issue on the importance of collaboration and networks. The article by Robert Agranoff reprinted here provides direct insight into the operations of public management collaboration and networks. It should be noted that Agranoff, with his earlier books *Managing Within Networks* and *Collaborative Public Management* (the later co-authored with Michael McGuire), has been at the leading edge of network scholarship in the last decade.²⁰

Although “collaboration” and “network” have become heavily used terms in the public and non-profit sectors, they are sometimes used without much definitional clarity. Agranoff provides a set of conceptual lessons about what networks are and what they are not. Among his most important observations is that “traditional” organizations are not fading away with the emergence of networks. Governance is more “joined up,” but a key challenge of network management is reconciling collaborative activity with the goals and mission of the “home” organization. Agranoff provides managers with insights to aid in this delicate balancing act.

If there is a definitive statement about the reform efforts in government management during the 1980s and 1990s, it is the work of Mark Moore. In 1995, Moore’s book on strategic management in government entitled *Creating Public Value* proposed to develop a philosophy for “new public managers,” who were confronted with rising expectations for delivering results, being efficient and accountable, and being customer service focused, but who also were expected to build trust and make government more legitimate.²¹

Some argued that this fusion of different roles and premises masked competing themes and priorities that are more contradictory than complementary. But Moore argued that public managers must begin with the idea that their purpose is to create public value, just as private sector managers seek to create private return on investment for their stakeholders. His assessment of different perspectives of what constitutes public value in the “political marketplace” requires that politics be at center to resolve conflicts and to ensure that what government does is perceived as having public value.

In 2011, Moore and John Bennington put together a new work—a collection of essays entitled “Public Value: Theory and Practice,” the last chapter of which is reprinted here. The work first updates the conceptualization of public value as a response to the failure of conventional public management theory and practice over the later part of the twentieth century and the reform effort of Re-inventing Government (REGO) or New Public Management (NPM) in the 1990s. In developing a stronger theoretical framework for public value, Moore and Bennington address how thinking in public administration must encourage collaboration, support deliberative democracy and trust in government(s), and promote social innovation. These are all new questions, and the discussion of what public value is and what it needs to be are essential to creating new answers about the role of government, the shape of the public sector, and the responsibility of public administration if it is to remain relevant in the future.

A CLOSING NOTE

This section began with the general recognition that the external environment of public administration was undergoing dynamic and systemic change that was outpacing the rate of change within government institutions. The capability of government to improve, to be less reactive and more proactive, and to pursue change management now seems like a coping defense in this new era where innovation, strategic thinking, and social technology are reshaping forms of organization and boundaries. Government managers in this new century are understanding that new driving forces—globalization, technology, and marketization—significantly affect what governments need to do in terms of roles and responsibilities and also demand redesigning the means of how they would perform new functions and tasks. Concurrently, environmental forces involving accelerating climate change, risk, and complexity have compelled governments not just to think about sustainability and social responsibility, but to act.

Theorists in public administration call for equivalent internal change, arguing that some form of transformation is essential. Transformation in this case means that governance—the relationships between and among governmental, non-profit, and private enterprises—should be the focus of change, not just reorganizing governments in terms of mission and structure or increasing budgets. Public administration is now beginning to grapple with management constructs that were decidedly non-managerial—collaboration, wicked policy problems, and social networks, among others. It is no longer a question of whether public administration will have to transform itself, but rather how. Perhaps the next edition of *Classics* will include readings reflecting this new thinking and much more dynamic approaches to the difficult problems confronting society globally. One thing does seem assured: Public administration is recognizing that the future of public administration is no longer merely administrative.

NOTES

- Asymmetric warfare is defined as combat between two sides with very unequal levels of military resources or capabilities. Generally, the side with the less equal resources will resort to unconventional or other irregular means of resistance, guerrilla tactics, or acts of terrorism to strike the other, stronger side. In 2008, then Secretary of Defense Robert M. Gates made asymmetric warfare a tenet of U.S. military policy when he stated in a speech entitled, “The Military beyond Iraq”
 “The military must balance today’s demands versus tomorrow’s contingencies; irregular and asymmetric threats versus conventional threats.” From DOD News
 “U.S. Must Win in Iraq, Focus on Asymmetric Threats, Gates Says,”
 By Gerry J. Gilmore (American Forces Press Service May 13, 2008)
- “The Toll Of 5 Years Of Drone Strikes: 2,400 Dead,” *The Huffington Post* by Matt Sledge; 01/23/2014
http://www.huffingtonpost.com/2014/01/23/obama-drone-program-anniversary_n_4654825.html
- While the most discussed book on economic inequality in recent years was surely Thomas Piketty’s global assessment of the evolution of wealth concentration, (*Capital in the 21st Century*, Belknap Press of Harvard University, 2014), there is ample economic analysis of the shifts in the United States. The statistic cited here comes from a National Bureau of Economic Research paper, “Wealth Inequality in the United States since 1913” by Emmual Saez and Gabriel Zucman. (NBER Working Paper 20625 October 2014)
- Whatever the name, this rising issue area is loosely centered on migrating from hierarchical bureaucratic organizations to more collaborative alliances of public, non-profit, and private organizations. Much of this movement is driven by public policy advocates who have been arguing for decades that government is out, and governance is in. One work, Goldsmith and Eggers’s *Government By Network* (Washington, D.C.: Brookings Institution Press, 2004), uses the subtitle *The New Shape of the Public Sector* to describe the significance of what is involved here.

5. There is a larger discussion of the impacts of globalization and technology on governance in *Governance.com* (editors Joseph Nye and Elaine Kamarck) (Washington, D.C.: Brookings Institution Press, 2002). See especially the work of Jane Fountain, “Toward a Theory of Federal Bureaucracy for the 21st Century” and a larger work *Building the Virtual State: Informational Technology and Institutional Change* (Washington, D.C.: Brookings Institution Press, 2001).
6. See Cass Sunstein, *Infotopia* (New York: Oxford University Press, 2006) or Cass Sunstein, *Republic.com 2.0* (Princeton N.J.: Princeton University Press, 2007) for a sense of direction of how Web 2.0 may impact government and public administration in the near future.
7. The impacts of technology on libraries are well studied—and if anything—the trends reported in these studies (The American Library Association 2012; Public library funding & technology access study 2011-2012; and The Pew Foundation’s Zickuhr, K., Rainie, L., & Purcell, K., *Library Services in the Digital Age, Pew Internet & American Life Project 2013*) have accelerated.
8. Donald Kettl, *The Transformation of Governance: Public Administration for 21st Century America* (Baltimore, Md.: The Johns Hopkins Press, 2002).
9. Section 1—Woodrow Wilson “The Study of Public Administration” p. 37.
10. For an assessment of what the Line Item Veto Act of 1996 proposed, see Phil Joyce and former Congressional Budget Director Robert D. Reischauer’s article, “The Federal Line-Item Veto: What Is It and What Will It Do?” *Public Administration Review* 57 (1997), pp. 95–104. A superb overview of the line-item veto and its increasing complexity by Robert Lee, “State Item-Veto Legal Issues in the 1990s,” *Public Budgeting & Finance* (Summer 2000), pp. 49–73 aptly sums up what states have learned. Some budgeting experts have questioned how the line-item veto works in state governments. Thomas Lauth and Catherine Reese note in a 2006 article, “The Line Item Veto in Georgia: Fiscal restraint or Inter Branch Politics?” *Public Budgeting & Finance* (Summer 2006), pp. 1–19 that the veto was used primarily to protect the executive budget, not as a tool to limit spending ordered by the legislature.
11. Irene Rubin’s article from *Public Finance & Budgeting*, Vol 22, 4, pp 1–16 (2002) entitled, “Perennial Budget Reform Proposal,” was included in the seventh edition of *Classics*. Rubin’s contributions to budgeting theory are numerous, but her work *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing* (Washington, D.C.: CQ Press, 2010) is considered an essential reading. A 2015 article in *Public Administration Review* Vol. 75, 1), “Past and Future Budget Classics: A Research Agenda,” is also instructive.
12. For a critical overview of what dynamic scoring is and how it works—a research paper by Alan J. Auerbach, “Dynamic Scoring: An Introduction to the Issues,” <http://eml.berkeley.edu/~auerbach/dynamscor.pdf> (2005) is useful. For those wanting to understand further the current state of federal budgeting (perhaps disarray), a recent article by Roy Meyers, “The Implosion of the Federal Budget Process: Triggers, Commissions, Cliffs, Sequesters, Debt Ceilings, and Shutdown,” is an invaluable guide. (*Public Budget & Finance*: Winter 2014) pp. 1–23
13. A useful guidebook to future discussion of what public budgeting needs to encompass to recapture the larger economic dimension can be found in Inge Kaul and Pedro Conceicao, *The New Public Finance: Responding to Global Challenges* (New York: Oxford University Press, 2006).
14. Data for this table are drawn from U.S. Census and Office of Management and Budget (OMB) documents. The U.S. Department of Commerce, Economics and Statistics Administration conducts and reports every five years on its Census of Governments which covers spending, debt, and employment. The U.S. Office of Management and Budget includes historical tables with each annual federal budget that cover all aspects of federal spending, debt, and entitlements. (<https://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/hist.pdf>)
15. The case citations for the court decisions discussed in this section are *Adarand Constructors Inc. v. Federico Pena* 515 US 200 (1995), *Regents of the University of California v. Bakke* 438 US 265 (1978), *Grutter v. Bollinger* No 02-241 (2003), and *Gratz v. Bollinger* No 02-516 (2003).

16. An historical assessment of court decisions following the passage of the 1991 Civil Rights Act can be found in J. Edward Kellough, *Understanding Affirmative Action* (Washington, D.C.: Georgetown University Press, 2007). See especially Chapter 6, “Cases from 1995 to 2003: Challenges, Uncertainty and the Survival of Affirmative Action.”
17. See Justice Sotomayor’s dissent in *Schuette v Coalition to Defend Affirmative Action*. 12–682. 2014, p. 95.
18. The 2006 September/October issue of *Public Administration Review* has articles by Carol Lewis, “In Pursuit of Public Interest” (pp. 694–701), and Guy Adams and Danny Balfour (joined by George E. Reed), “Abu Ghraib, Administrative Evil, and Moral Inversion: The Value of Putting Cruelty First,” (pp. 680–693) as part of a short series of essays on practical ethics. Lewis has recently added to the burdens of complexity for ethical responsibility, arguing in her recent *PAR* essay that public managers must also factor in responsibilities for future generations, ensuring that current decisions effectively weigh long-term as well as short-term outcomes.
19. For another perspective, see Chapter 6 of Patrick Dobel’s 1999 work, *Public Integrity* (Johns Hopkins Press), “Getting Out- The Ethics of Resigning from Office,” pp 109–129.
20. Robert Agranoff and Michael McGuire’s works include *Collaborative Public Management: New Strategies for Local Governments* (Washington, D.C.: Georgetown University Press, 2003) and *Managing within Networks: Adding Value to Public Organizations* (Washington, D.C.: Georgetown University Press, 2007). Agranoff’s latest offering is a primer—entitled *Collaborating to Manage* (Georgetown University Press, 2012) in which he argues that public agencies need to rethink their boundaries and reinvent themselves as new “conductive public agencies” where their connections are more important than their internal control mechanisms... or put another way, rest in peace POSDCORB.
21. A symposium in the July-August 2014 issue of *Public Administration Review* was dedicated to Public Value—with Mark Moore writing the lead article, “Public Value Accounting: Establishing the Philosophical Basis.” In the article Moore explained his motivation for his 1996 book was based on a simple analogy: “If private managers were committed to using their imagination and skills to produce private value for stockholders using private assets, then public managers should use their imagination and skills to produce public value for citizens using the public assets held by democratic governments” (p. 465). *Public Administration Review* (74, 4), pp. 465–477.

Information Technology and Democratic Governance

Joseph S. Nye Jr.

Public confidence in government has declined over the past few decades in a large number of democratic countries.¹ The causes are complex. Some see the decline, at least in the United States, as a return to a deeply ingrained American suspicion of concentrated power after expectations about government rose to unrealistic heights in the aftermath of success in World War II.² Others see it as a result of a long-term shift toward postindustrial values that emphasize the individual over the community and diminish respect for authority and institutions.³ Still others see it as a reaction against the centralization of government in the twentieth century that saw the federal budget grow from 3 percent of gross national product in 1929 to 20 percent in the past two decades. Some analysts argue that centralized government, unlike private enterprise, has not yet adapted to the changes being wrought by the “third industrial revolution.”⁴

Historical Analogies

In the first industrial revolution around the turn of the nineteenth century, the application of steam to mills and transportation had a powerful effect on the economy, society, and eventually government. Patterns of production, work, living conditions, social class, and political power were transformed. Public education arose, as literate trained workers were needed for increasingly complex and potentially dangerous factories. Police forces such as London’s “bobbies” were created to deal with urbanization.

Subsidies were provided for the necessary infrastructure of canals and railroads.⁵ In what is sometimes called the second industrial revolution, around the turn of the twentieth century, electricity, synthetics, and the internal combustion engine brought similar economic and social changes. The United States, for example, went from being a predominantly agrarian to a primarily industrial and urban nation. In the 1890s most Americans still worked on farms or as servants. A few decades later, the majority lived in cities and worked in factories.⁶ Social class and political cleavages were altered. Once again, with lags, the role of government changed. The bipartisan Progressive movement ushered in antitrust legislation, early consumer protection regulation by the forerunner of the Food and Drug Administration, and economic stabilization by the Federal Reserve Board.⁷ In what some have called the third industrial revolution, at the turn of the twenty-first century, the impact of computers and communications technology on the economy and society should eventually produce analogous major changes in the functions of government.

A number of criticisms of such grand analogies can be raised. At a semantic level, the term *industrial revolution* is not totally appropriate for what is sometimes called a postindustrial phenomenon. Daniel Bell, for example, argues that the term mistakenly conflates the introduction of steam power as a form of energy and the creation of factories, which are social organizations. He prefers to refer to three great technological revolutions, with the current one marked by electronics, miniaturization by transistors, digitalization, and software.⁸ In addition, “revolution,” defined as a disjunction of power, is often difficult to discern except in retrospect. Moreover, historians differ on the dating and duration of earlier industrial revolutions. The term was not coined until 1886, a century after the first industrial era began.⁹ Although there may have been discontinuities in technological progress, with new leading sectors in each era, it

Source: Governance.com: Democracy in the Information Age, Reprinted by permission of The Brookings Institution Press 2002 Elaine C. Kamarck & , Joseph S. Nye Editors.

has been difficult to prove the existence of long waves or cycles of economic growth. Efforts to specify exact timing of Eric Kondratieff's or Joseph Schumpeter's cycles of technological change have not been successful.¹⁰ Finally, one must be wary of technological determinism.¹¹ Technology affects society and government, but the causal arrows work in both directions. Technological change creates new challenges and opportunities for social and political organization, but the response to those challenges depends on history, culture, institutions, and paths already taken or forgone.

Nonetheless, with appropriate caveats and caution, the historical analogies can help suggest hypotheses and avenues for exploration. Abrupt changes often occur after a long buildup, and punctuation points can often be found. Analysts need not fall into the fallacy of technological determinism to see that technology is one of the significant causes of social and political change. As Bell argues,

Since the techno-economic changes pose 'control' problems for the political order, we find that the older social structures are cracking because political scales of sovereignty and authority do not match the economic scale. In many areas we have more and more economic integration and political fragmentation. . . . If there is a single overriding sociological problem in post-industrial society—particularly in the management of transition—it is the management of scale.¹²

Centralization or Diffusion?

Six decades ago, the eminent sociologist William Ogburn cited technology as one factor in his prediction of greater political centralization; In 1937 he argued that “government in the United States will probably tend toward greater centralization because of the airplane, the bus, the truck, the Diesel engine, the radio, the telephone, and the various uses to which the wire and wireless may be placed. The same inventions operate to influence industries to spread across state lines. . . . The centralizing tendency of government seems to be world-wide,

wherever modern transportation and communication exist.”¹³

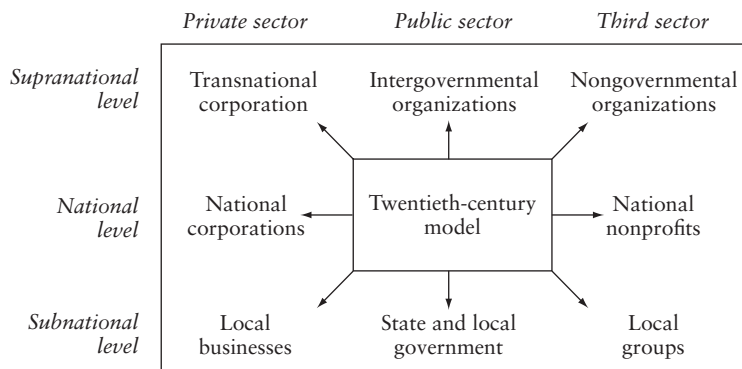
By and large, Ogburn was right about his next half century, but will this continue to be true in the twenty-first century? President Bill Clinton and other politicians proclaimed that the era of big government is over, but they have said little about what will take its place. Is the basic premise correct—and if so, is it correct for all dimensions of democratic government? If this is the case, what are the causes and how reversible are they?

Questions of appropriate degrees of centralization of government are not new. As Charles Kindleberger points out, “How the line should be altered at a given time—toward or away from the center—can stay unresolved for long periods, typically fraught with tension.”¹⁴ If Bell and others are correct that the nation-state has “become too small for the big problems of life and too big for the small problems,”¹⁵ we may find not centralization or decentralization but rather a diffusion of governance activities in several directions at the same time. Some functions may migrate to a supragovernmental or transnational level, and some may devolve to local units. Other aspects of governance may migrate to the private sector. The matrix presented in figure 1–1 lays out the possible diffusion of activities away from central governments, vertically to other levels of government and horizontally to market and private non-market actors—the so-called third sector. The matrix is simply a map of the possible dimensions of the locus of collective activities. It can be combined with a hypothesis that the twentieth century saw a predominance of centripetal forces and that the next period may see a greater role of centrifugal forces.

There is some evidence of diffusion. For example, between 1962 and 1995, federal civilian employment in the United States saw a net growth of 15 percent, while state and local employment grew by 150 percent.¹⁶ As a share of gross national product, federal expenditures (excluding transfers) have fallen, while state and local expenditures have increased.¹⁷ In the past two decades, privatization has transferred a number of functions out of the public sector in a large number of countries.¹⁸ Nonprofit organizations are playing an increasingly large role

| FIGURE 1 |

THE DIFFUSION OF GOVERNANCE IN THE TWENTY-FIRST CENTURY



in the United States, where after two decades of proliferation they represent almost 7 percent of all paid employment.¹⁹ International nongovernmental organizations have multiplied tenfold over the past two decades and have increased their influence on a number of issues.²⁰ Transgovernmental networks of bureaucrats and judicial officials have expanded in autonomy and number, with the effect of disaggregating the state for certain policy issues.²¹ The transnational domains of international production set limits on national welfare measures, and many functions such as credit ratings and arbitration of disputes are handled largely in the private transnational sector.²² International security, the ultimate function of the state, now involves defense against transnational actors as a primary threat.

On the other hand, the overall trends are far from clear. Some issues show centralization, some decentralization, and some show both at the same time. For example, in the area of personal security, there has been an enormous increase in privatization of security forces. In 1970 there were one-and-a-half times as many private as public security personnel; by 1996 that factor had doubled.²³ Nonetheless, the early 1990s witnessed a demand for federalization at the same time, suggesting a rise in the demand for several types of governance in response to a perception of rising crime. Even after the privatizations of state-owned enterprises in the 1980s, the share of national income

spent by the state in the wealthy democratic countries averaged 46 percent.²⁴ Moreover, countries vary: In contrast with Europe, total government spending has held steady in the United States and Japan, at around a third of the economy, and has declined in New Zealand.²⁵ Some states are weaker than the private forces within them; others are not. Panama, Sierra Leone, and Haiti are different from Brazil, South Africa, and Singapore. The trends from external forces feel stronger for European states than they do for the American superpower. In short, the jury is still out, and it is not clear how strong the trends toward decentralization will be in an information age. More work needs to be done in refining the dependent variable and understanding the implications for democratic governance, as well as analyzing the strength of the causes that could be leading to diffusion.

Three Trends

Three independent but interrelated current trends give credence to the prospect that the new century may see a shift in the locus of collective activities away from central governments. These are globalization, marketization, and the information revolution.

Globalization refers to the increase in the scale and speed of flows of goods, people, and ideas across borders, with the effect of decreasing the effects of distance. It is not new.²⁶

Globalization increased rapidly in the nineteenth century and during the first decades of the twentieth but was curtailed, at least in its economic dimensions, from the early 1930s through the end of World War II. Globalization preceded the information revolution but has been greatly enhanced by it. In its recent incarnation, globalization can, in part, be traced back to American strategy after World War II and the desire to create an open international economy to forestall another depression and to balance Soviet power and contain communism. The institutional framework and political pressures for opening markets were a product of American power and policy, but they were reinforced by developments in the technology of transportation and communications, which made it increasingly costly for states to turn away from global market forces. Raymond Vernon argues that nearly half of all industrial output is produced by multinational enterprises whose strategic decisions on the location of production now have a powerful effect on domestic economies and wage structures, even in the absence of international trade.²⁷ At the same time, as Dani Rodrik points out, globalization still has a long way to go, and its post—World War II progress in democratic countries has been concomitant with the development of the welfare state in what John Ruggie calls “embedded liberalism.”²⁸ A failure of that social contract in the democracies or a financial crisis turning into a world depression might revive protectionism, but predictions to that effect have proved wrong for the past three decades. Meanwhile, globalization constrains states’ ability to levy taxes and maintain lavish benefits, and it opens opportunities for private transnational actors to establish standards and strategies that strongly affect public policies that were once the domain of central governments.

Marketization is part of globalization and, like it, has been enhanced by the information revolution, but it also has an independent domestic aspect and independent origins. Susan Strange argues that the balance between states and markets has shifted since the 1970s in a way that makes the state just one source of authority among several and that leaves “a yawning hole of non-authority or ungovernance.”²⁹ She argues that power has

diffused from governments to markets in such critical functions as maintaining the value of the currency, choosing the form of the economy, taxation, and providing infrastructure, counter-cyclical policy, and protection from crime. This can be debated, as we have seen, by citing the fact that government spending as a percentage of gross national product remains above 40 percent in a number of major European countries. Even such states as Sweden and France, however, not to mention eastern Europe and the less economically developed countries, have seen significant privatizations and expansion of market forces in the past two decades. The causes of marketization are complex. They include the failure of planned economies to adapt to the information revolution, the inflation that followed the oil crises of the 1970s, the early success of the East Asian economies, and changes in political and ideological coalitions inside wealthy democracies. The net effect, however, is to accelerate the diffusion of power away from governments to private actors.

Information revolution refers to the dramatic decrease in the costs of computers and communications and the effects that has on the economy and society. According to Jeremy Greenwood, the price of a new computer has dropped by 19 percent a year since 1954, and information technologies have risen from 7 percent to about 50 percent of new investment.³⁰ Information technology has been responsible for a quarter of U.S. growth over the past five boom years and makes up 8 percent of gross domestic product.³¹ Microprocessors have doubled computing power every eighteen to twenty-four months, and computing power now costs less than 1 percent of what it did in 1970.³² As late as 1980, phone calls over copper wire could carry information at the rate of one page a second; today a thin strand of optical fiber can transmit ninety thousand volumes in a second.³³ The growth in Internet use has been extraordinary, with traffic increasing by 100 percent every year, versus less than 10 percent for the voice network.³⁴ The effect has been the virtual erasing of costs of communicating over distance.

As with steam in the late eighteenth century and electricity in the late nineteenth, there have been lags in productivity growth as society

learns to fully use the new technologies.³⁵ Social organization changes more slowly than technology. For example, the electric motor was invented in 1881, but it was nearly four decades before Henry Ford pioneered the reorganization of factories to take full advantage of electric power. Computers today account for 2 percent of America's total capital stock, but "add in all the equipment used for gathering, processing, and transmitting information, and the total accounts for 12% of America's capital stock, exactly the same as the railways at the peak of their development in the late 19th century. . . . Three-quarters of all computers are used in the service sector such as finance and health, where output is notoriously hard to measure."³⁶ Whether in reorganization or measurement, it is generally agreed that we are still in the *early* stages in the current information revolution.

Political Effects of the Information Revolution

Critics correctly point out that the current period is not the first to be strongly affected by changes in the technology and flows of information. Johannes Gutenberg's invention of movable type, which allowed printing of the Bible and its accessibility to large portions of the European population, is often credited with playing a major role in the onset of the Reformation. The advent of truly mass communications and broadcasting a century ago, which was facilitated by newly cheap electricity, might be considered a second information revolution. It ushered in the age of mass popular culture.³⁷ The effects of mass communication and broadcasting, though not the telephone; tended to have a number of centralizing political effects. Although information, was more widespread, it was also more centrally influenced, even in democratic, countries, than in the age of the local press. Franklin D. Roosevelt's use of radio in the 1930s is a case in point. These effects were particularly pronounced in countries with totalitarian governments, which were able to suppress competing sources of information. Indeed, some theorists believe that totalitarianism could not have been possible without the mass communications that accompanied

the second industrial revolution.³⁸ On the other hand, as films, cassettes, and faxes proliferated, the later technologies of the second information revolution helped to undermine governmental efforts at information autarky. The overall effects were not always democratizing. In some cases, such as Iran, the technologies of the second information revolution merely changed the nature of the autocracy.

At one stage, it was believed that the computers and communications technology of the third information revolution would also have the effect of further enhancing central governmental control. George Orwell's vision of 1984 was widely feared. Mainframe computers seemed set to enhance central planning and increase the surveillance powers of those at the top of a pyramid of control. State-controlled television would dominate information flows. Even today, through central databases and by removing the gray areas of noncompliance, computers can enhance some central government functions, and privacy issues remain an important concern. Some aspects of surveillance have become cheaper and easier. Nonetheless, on balance the prevalent current view is closer to Ithiel de Sola Pool's description of "technologies of freedom."³⁹

As computing power has decreased in cost and computers have shrunk in size and become more widely distributed, their decentralizing effects have outweighed their centralizing effects. Moreover, the marriage of computers and communications technology that has evolved into the Internet creates a system with few central nodal points and with a robust capacity in case of a central failure. Power over information is much more widely shared. Central surveillance is possible, but governments that aspire to control information flows through control of the Internet face high costs and ultimate frustration. Rather than reinforcing centralization and bureaucracy, the new information technologies have tended to foster network organizations, new types of community, and demands for different roles for government. By changing how we work, they change our social attitudes and political behavior.

Morley Winograd and Dudley Buffa argue that the extensive corporate work pyramid dominated by centralized commands divided

management and the working class, white-collar and unionized blue-collar workers.⁴⁰ This pyramid dominated the political process and strongly influenced the evolution of government in the second industrial revolution that shaped the twentieth century. Now, they argue, new information technologies are again reorganizing work. Speed, agility, and customization are the best ways to produce value in the consumer marketplace. Large bureaucratic pyramids turn out to be a less effective way to organize such work than are networks within and between firms. The knowledge workers who staff network organizations see themselves neither as labor nor as capital. To earn the loyalty of their employees, both companies and governments must appeal to them in new ways. They want government to have the convenience and flexibility of the marketplace. The result may be a transformation of politics and, more slowly, of government.

Information technology may affect politics and collective action in a number of other ways. First, information technology reinforces global production strategies and markets with the constraining effects on governmental action already noted. Second, it decreases the relative importance of commodities and territory, which makes geographic distance less important. This in turn has an effect on the communities that underlie political action. Third, the Internet makes borders more porous and jurisdiction less important. Fourth, information technology is changing the nature of banks; and money in a way that will make both taxation and central control of monetary policy more difficult. The exponential rates of technological change and the shortening of product cycles make it difficult for governmental institutions and regulations to keep up. More information and shorter news cycles mean less time for deliberation before response. Fifth, e virtual communities may develop interests and power independent of geography. In some countries the Internet may enhance both local and transnational communities more than national community. Sixth, the demise of broadcasting and the rise of narrowcasting may fragment the sense of community and legitimacy that underpins central governments. Seventh, educational patterns will change, and the greater agility of

younger generations with the new technologies may further erode deference to age, authority, and existing institutions.

Obviously, these hypotheses about the information revolution are not the only possible sources of change in the locus and quality of governance activities in the twenty-first century. We have already shown that globalization and marketization, though closely related to and enhanced by the information revolution, have autonomous causes. Moreover, there are strong cultural institutional and political forces that are particular to each country. Race for example, has had a strong effect in American history: centralizing before 1865; centralizing during Reconstruction; decentralizing before World War II; centralizing shortly after the war; perhaps decentralizing since the defection of the South from the Democratic coalition after 1970. Immigration and ethnic diversity may have a decentralizing effect, though that has been a recurrent and sometimes exaggerated concern in American history. The current demographic trends toward older populations with their entitlements may have a centralizing effect. Although there may be changes at the margin, the entitlement philosophy of the welfare state remains strong. A variety of forces tug the locus of collective activity in different directions, and in different ways on different issues and in different countries. Nonetheless, it seems plausible to look closely at the hypothesis that the three new interrelated trends, and particularly the information revolution (or whatever other label), will have a stronger net effect of diffusion.

Although there is evidence to support the effects of these three trends, it would be a mistake to believe that such effects are irreversible. Technology is only one factor in a complex set of social causes. We should also ask what conditions these trends depend upon and what it would take to slow, derail, or reverse them. For example, would a strong and prolonged economic downturn lead to demands for government response that would alter marketization and globalization? Will “grand terrorism” on the scale of the World Trade Center attacks lead to a demand for intrusive government even at the cost of civil liberties?⁴¹ Would the increasing power of states such as China, India, or a revived Russia—particularly if accompanied by an

expansionist ideology—transform the international system so that the defense functions of government would return to the cold-war model? Could ecological trends such as global warming become so clear and alarming that the public would demand much stronger governmental action? Such scenarios are worth exploring both as contingencies and counterfactual thought experiments to check our reasoning about the strength of the new causes. On the other hand, barring such low-probability but high-impact events, a trend toward diffusion of governance activities seems plausible.

The effects on central governments of the third information revolution are still in their early stages. The dispersal of information means that power is more distributed and networks tend to undercut the monopoly of traditional bureaucracy. The speed or instantaneity of Internet time means that all governments, whether central or local, have less control of their agendas. This may make all government more difficult, as there will be fewer degrees of freedom for political leaders to enjoy before they must respond to events. Changes in the nature of money, the disintermediation of banks, and the diminished ability to identify and collect taxes may particularly reduce central governmental capacity. More privatization and public-private partnerships may be a response. Horizontal shifts on the matrix outlined earlier in this chapter may outweigh vertical changes. All government bureaucracy may become flatter and more service oriented. Moreover, though government may become flatter, governance may nonetheless become more complex. At this stage, however, all of the foregoing is speculation.

Similar changes may occur in the political processes of democracy—what might be considered the input rather than the output side of government. One can imagine both a better and a worse political world resulting from the impact of the third information revolution. In a bleak vision of the future, one can imagine a thin democracy in which deliberation has greatly diminished. Citizens will use the set-top boxes on their Internet televisions to engage in frequent plebiscites that will be poorly understood and easily manipulated behind the scenes. The growth of thin direct democracy will lead to

a further weakening of institutions. In addition, political community will be fragmented by the replacement of broadcasting by narrowcasting. Broadcasting may have often produced a lowest common denominator, but at least something was common. In the new world, each community will “know” only its own perspective. The prospects for deliberative democracy as outlined in the Federalist Papers will look dim.

Alternatively, one can envisage a better political process in the future. New virtual communities will cross-cut geographic communities, both supplementing and reinforcing local community. In Madisonian terms the extensive republic of balancing factions will be enhanced. Access to information will be plentiful and cheap for all citizens. Political participation, including voting, can be made easier. The low costs of contact and contract will reduce the costs of participation. The Internet may end the hegemony of broadcast television that has undercut political parties and made the process of politics extremely costly in terms of the funds that must be raised. Just as television came to dominate campaigns some four decades ago, the Internet may come to dominate the political process in the decades to come. Access to the political process will be easier and cheaper. Again, both of these futures are highly speculative at this point. Technology alone will not produce one or the other outcome. Much will depend on other political choices.

Political Choices

“This is the second age of democracy,” argues British prime minister Tony Blair. “The first was the vote, getting the basic decent standard delivered and pensions, housing, and all the rest of it, but people want choice today, and people want freedom to do things differently at [the] local level, to have better and more innovative ways of deciding their own priorities.”⁴² Information technology has the capacity to make such a world possible, but it will not happen automatically. As collective activities diffuse across the space described by the matrix outlined in this chapter, there will be important implications for democratic governance. The European Union extols the principle of “subsidiarity” or deciding

issues at the lowest possible level as a means of bringing government closer to the people. In the American federal system, public opinion polls show that local and state governments enjoy somewhat higher levels of public trust than does the central government.⁴³

In principle, devolution and subsidiarity seem to enhance democratic governance, but as James Madison pointed out two centuries ago, local communities with dominant factions are more likely to suffer from a tyranny of the majority. In American history, for example, central government interventions in the states were essential for the democratic enfranchisement of African American citizens. Moreover, as some actors become more mobile across state and national jurisdictions, local government tax bases erode and burdens are shifted onto the shoulder of those who are relatively immobile, which often means those who are poor.⁴⁴ The unstructured development of information technology may increase inequality and accentuate gaps between the haves and the have-nots. Information technology may enhance life choices for some people while diminishing it for others.

A strong libertarian tendency among many enthusiasts of information technology assumes that the growing perfection of markets through the Internet will solve the problems of democratic governance. They believe that as more and more activities shift horizontally on the matrix in this chapter, the role of government will diminish. Microcontracting will allow people to make their own choices on an ever increasing range of issues. It is true that markets enhance choice, but they provide more choices for those who can enter the game with a large pile of chips than for those who cannot.

Aside from the question of inequality of opportunity, there is also a question of public spaces and public goods.⁴⁵ Public goods are nonexclusive and nonrivalrous. Once produced, no one can be excluded from their consumption, and one person's consumption does not diminish that of others. Lighthouses have been a classic example used in economics textbooks. Today's technology, however, makes it possible to construct a lighthouse (or a navigational satellite) whose signal can be made available to some users and not to others. This ability

to exclude lays the basis for a private market relationship and diminishes one of government's traditional roles, the provision of public goods. Highways, including the information highway, can be turned into toll roads. Indeed, one can imagine a situation in which information technology produces automated pricing systems that privatize all public spaces such as roads and parks. Alternatively, one can imagine deliberate government actions to preserve public spaces and to widen the access to information technology across social and organizational barriers. Such policies could encourage the use of the Internet as an adjunct rather than a substitute for face-to-face relations in reinforcing civic involvement. Similarly, one can imagine alternative choices in the governance of cyberspace. As Lawrence Lessig argues, software and hardware codes and architecture constitute cyberspace. They imbed political values that have constitutional importance. Yet "they are private and therefore outside the scope of constitutional review."⁴⁶

In short, we are only in the early stages of this latest information revolution. As in earlier periods of industrial revolution, public responses to technology are lagging behind private ones. Some aspects of that lag are fortuitous, but some are not. The future of democratic governance depends upon improving our ability to make the relevant distinctions.

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Unmasking Administrative Evil

Guy B. Adams and Danny L. Balfour

In The Face of Administrative Evil

Searching for a Basis for Public Ethics

If history is a nightmare, it is because there is so much cruelty in it. In peace as in war members of our species are cruel to one another, and human progress seems to consist not so much in diminishing that cruelty as in finding more impersonal and efficient ways of crushing and grinding one another.

—Philip Hallie, 1969 (xv)

Administrative evil poses a fundamental challenge to the ethical foundations of public life. Our reluctance to recognize the importance of administrative evil as part of the identity and practice of public policy and administration reinforces its continuing influence and increases the possibility of future acts of dehumanization and destruction, even in the name of the public interest. The Holocaust and other eruptions of administrative evil show that the assumptions and standards for ethical behavior in modern, technical-rational systems are ultimately incapable of preventing or mitigating evil in either its subtle or its more obvious forms. With this final chapter, we consider the nature of and prospects for ethics in public life, living as we do in the shadow of administrative evil.

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Necessary but Not Sufficient: The Technical-Rational Approach to Public Service Ethics

Ethics is the branch of philosophy concerned with systematic thought about character, morals, and “right action.” In the modern age, until recently, two main versions of ethics have dominated Anglo-American philosophical thinking, namely *teleological* (or consequentialist) ethics and *deontological* ethics (Frankena, 1973). Both share an interest in determining the rules that should govern—and therefore be used to judge—individual behavior as good or bad, right or wrong. Teleological ethics, based on utilitarianism and tracing its lineage to Bentham (1789, orig. 1789) and others, offers the overarching principle of the greatest good for the greatest number. Oriented toward the results or consequences of actions, teleological ethics tends to elevate the ends over the means used to achieve those ends. Deontological ethics, founded in the thought of Kant (1786, orig. 1786) and his support of duty and order, reverses this emphasis, holding that the lower-order rules governing means are essential for the higher-order rules that concern the ends to be achieved. For our purposes, the important point is that both of these traditions have focused on the individual as the relevant unit of analysis.

Ethics in the technical-rational tradition draws upon both versions of ethics and focuses on the individual’s decision-making process in the modern, bureaucratic organization and as a member of a profession. In the public sphere, deontological ethics are meant to safeguard the integrity of the organization by helping individuals conform to professional norms, avoid mistakes and misdeeds that violate the public trust (corruption, nepotism, and so forth), and assure that public officials in a constitutional republic are accountable to the people through their elected representatives. At the same time, public servants are encouraged to pursue the greater

good by using discretion in the application of rules and regulations and creativity in the face of changing conditions (utilitarianism). The “good” public servant should avoid both the extremes of rule-bound behavior and undermining the rule of law with individual judgments and interests.

It is fairly self-evident that public (and private) organizations depend on at least this level of ethical judgment in order to function efficiently and effectively, and to maintain public confidence in government (and business). At the same time, it has to be recognized that these ethical standards of an organization or profession are only safeguards, not failsafes, against unethical behavior. Nor do they necessarily help individuals to resolve tough moral dilemmas that are often characterized by ambiguity and paradox. Indeed, these problems provide the grist for the discourse among ethical theorists in the rational tradition. The Friedrich–Finer debate on public service ethics is still a useful way of describing the ethical terrain in public life. Finer (1941) argued for a version of ethics that emphasized external standards and controls, laws, rules, regulations, and codes. By contrast, Friedrich (1940) maintained that ethics was of necessity a matter of the individual’s internal standards of conduct—a moral compass that guides the public servant through the morass of ethical dilemmas.

The Finer position of external controls is most compatible with a view of the public servant as a neutral functionary who carries out, in Max Weber’s phrase, *sine ira ac studio* (without bias or scorn), policy decisions made in the political sphere or by those in higher echelons of the organizational hierarchy. One author has gone so far as to argue that both an ethic of neutrality (decisions from politics) and an ethic of structure (decisions from higher up) preclude public service ethics altogether because they deny the legitimacy of administrative and professional discretion (Thompson, 1985; see also, Ladd, 1970). Today, arguments in the literature are primarily over just which ethical grounds might justify such discretion. Prominent among the arguments for administrative and professional discretion are: (1) justice-based claims, usually following Rawls (Hart, 1984); (2) citizenship (Cooper, 1991); (3) American regime values (Rohr,

1978); (4) stewardship (Kass, 1990); (5) phronesis (Morgan, 1990); (6) conservation (Terry, 2002); and (7) countervailing responsibility (Harmon, 1995), among others.

In both public and private organizations, it has become almost an article of faith that professionalism imbues its practitioners with a public service ideal and a code of ethics—that is, internalized standards (after Friedrich) that provide the ethical compass for administrative discretion. To this way of thinking, professionalism becomes the basis for a version of virtue or character ethics (Stewart, 1985; see also Cooper, 1987, and MacIntyre, 1984). On the other hand, professionalism can also offer grounding for the external version of ethics (after Finer). Professions have codes of ethics, and they also often have some method of peer control in which ethics and standards are enforced, and in the extreme, in which the serious transgressor can be drummed out of the profession (Kemaghan, 1980). At the same time, most of the activity in the world of public service has been directed at external controls.

The Challenge of Administrative Evil

Despite the extensive literature on public service ethics, there is little recognition of the most fundamental ethical challenge to the professional within a technical-rational culture: that is, one can be a “good” or responsible administrator or professional and at the same time commit or contribute to acts of administrative evil. As Harmon (1995) has argued, technical-rational ethics has difficulty dealing with what Milgram (1974) termed the “agentic shift,” where the professional or administrator acts responsibly toward the hierarchy of authority, public policy, and the requirements of the job or profession, while abdicating any personal, much less social, responsibility for the content or effects of decisions or actions. There is little in the way of coherent justification for the notion of a stable and predictable distinction between the individual’s personal conscience guided by higher values that might resist the agentic shift, and the socialized professional or administrator

who internalizes agency values and obedience to legitimate authority. In the technical-rational conception of public service ethics, the personal conscience is always subordinate to the structures of authority. The former is “subjective” and “personal,” while the latter is characterized as “objective” and “public.”

The specter of the agentic shift and the tightly controlled but soulless functionary, and the need for administrative discretion, helps explain why much of the recent literature in public service ethics has leaned toward Friedrich’s emphasis on internal control and personal conscience as the center of ethical behavior and standards. But some see this trend as leading to the usurping of democratic controls over public policy and a slippery slope toward government by bureaucracy (see Lowi, 1993).

This paradox is starkly illustrated in the Third Reich and the Holocaust. Many of the administrators directly responsible for the Holocaust were, from the technical-rational perspective, effective and responsible administrators who used administrative discretion to both influence and carry out the will of their superiors. Professionals and administrators such as Eichmann, Speer, and Arthur Rudolph obeyed orders, followed proper protocol and procedures, and were often innovative and creative while carrying out their assigned tasks in an efficient and effective manner (Keeley, 1983; Hilberg, 1989; Harmon, 1995; Lozowick, 2000). Ironically, the SS was very concerned about corruption in its ranks and with strict conformance to the professional norms of its order (Sofsky, 1997).

As Rubenstein (1975) points out, no laws against genocide or dehumanization were broken by those who perpetrated the Holocaust. Everything was legally sanctioned and administratively approved by a legitimated authority, while at the same time, a number of key programs and innovations were initiated from within the bureaucracy (Browning, 1989; Sofsky, 1997). Even within the morally inverted universe created by the Nazis, professionals and administrators carried out their duties within a framework of ethics and responsibility that was consistent with the norms of technical rationality (Lifton, 1986). Hilberg (1989) points out that the professions were “everywhere” in the

Holocaust. Lawyers, physicians, engineers, planners, military professionals, accountants, and more all contributed to the destruction of the Jews and other “undesirables.” Scientific methods were used in ways that dehumanized and murdered innocent human beings, showing clearly how the model of professionalism consistent with modernity empties out moral reasoning. The moral vacuity of professional ethics is clearly revealed by the fact that the vast majority of those who participated in the Holocaust were never punished, and many were placed in responsible positions in post-war West German government or industry, as well as our own NASA and other public and private organizations in the United States. The need for “good” managers to rebuild the German economy and to develop our own rocket program outweighed any consideration of the reprehensible activities in which they were complicit.

The historical record is such that we must conclude that the power of the individual’s conscience is very weak relative to that of legitimated authority in modern organizations and social structures more generally, and that current ethical standards do too little to limit the potential for evil in modern organizations. Even if the individual finds the moral strength to resist administrative evil, the technical-rational perspective provides little in the way of guidance for how to act effectively against evil. As public service ethics is now construed, one cannot be a “civil servant” and be in public disagreement with legally constituted political authorities (Trow, 1997). A public servant can voice disagreement with a public policy privately, but if this does not result in a change of policy, the only acceptable courses of action that remain are exit or loyalty (Hirschman, 1970; Harmon, 1995). One can resign and seek to change policy from the outside (leaving only silent loyalists in the organization), or remain and carry out the current policy. This was the choice faced by German civil servants in the early 1930s, as observed by Brecht (1944). If legitimate authority leads in the direction of administrative evil, it will certainly not provide legitimate outlets for resistance. In a situation of moral inversion, when duly constituted authority leads in the direction of evil, public service ethics is of very little help.

Why, one might ask, does professional ethics focus so much on the decision processes of individual administrators at the expense of collective outcomes? Why is the individual conscience primarily responsible for ethical behavior, when it is political and managerial authority that are responsible for public policy and organizations? Because, operationally (theory-in-use), the central value is the primacy of legitimated authority. This is buttressed by the focus on the utility-maximizing individual as the locus of ethical decision making. In short, the ethical problem is construed as one of individual conformance to legitimate authority as a function of self-interest. The fact-value distinction (Simon, 1976) further separates the individual administrator from substantive judgments by limiting the field of ethical behavior to questions of efficiency and proper or innovative implementation of policy as determined by those who deal in the realm of values (policy makers). In effect, the ethical purview validated by technical rationality relieves, and even prohibits, individual administrators from making substantive value judgments.

Within the technical-rational tradition, there seems to be little or no room for allowing or encouraging public servants to publicly disagree with policies that threaten the well-being of members of the polity, particularly policies that may produce or exploit surplus populations. Rather than expecting the individual public servant to exit voluntarily when in serious disagreement with such public policies, public disagreement might press those in authority either to dismiss the offending administrator or to engage in a public debate over the policy. In either case, the policy makers would have to take responsibility for their policies, rather than place that responsibility on the shoulders of functionaries. One can only imagine whether things might have been different in Germany had the civil service spoken out against Nazi policies in the early days of the regime. True, individual civil servants would have done so at great personal risk, but, at the same time, the newly constituted government could not have sustained itself without their collective support. The fact that the vast majority of the German civil service willingly carried out their duties once the legal

basis for the new regime was established (Brecht, 1944), and that U.S. government scientists continued the Tuskegee experiments long after a cure for syphilis had been developed, along with numerous other examples, reveals how the ethical framework within a culture of technical rationality leaves little room for moral choice or for resistance to administrative evil that is promoted by legitimate authority.

If the Holocaust teaches us anything, it is that individual administrators and professionals, far from resisting administrative evil, are most likely to be either helpless victims or willing accomplices. The ethical framework within a technical-rational system posits the primacy of an abstract, utility-maximizing individual while binding professionals to organizations in ways that make them into reliable conduits for the dictates of legitimate authority, which is no less legitimate when it happens to be pursuing an evil policy. An ethical system that allows an individual to be a good administrator or professional while committing acts of evil is necessarily devoid of moral content, or perhaps better, morally perverse. When administrative evil can be unmasked, no public servant should be able to rest easy with the notion that ethical behavior is defined by doing things the right way. Norms of legality, efficiency, and effectiveness—however “professional” they may be—do not necessarily promote or protect the well-being of individuals, especially that of society’s most vulnerable members, whose numbers are growing in the turbulent years of the early twenty-first century.

Globalization, the Corrosion of Character, and Surplus Populations

Since the fall of the Berlin Wall in 1989, a new, global world order has emerged (for discussions, see Friedman, 1999; Farazmand, 1999; Bauman, 1999; Sassen, 1998; Huntington, 1996; Fukuyama, 1992). The relatively stable and predictable system of the Cold War, at least for most industrialized nations, has given way to a new global system that is much more complex and unpredictable (Balfour and Grubbs,

2000), a process that was accelerated by the events of September 11, 2001. Where once two great nation-states defined the parameters of the world's political and economic systems, we now find instead a constantly shifting balance of powers in the relationships between nation-states, between these states and super-markets (such as NAFTA and the European Union), and between states, super-markets, and super-empowered individuals (Friedman, 1999). Old boundaries no longer restrict movement as the world moves toward greater integration of markets, nation-states, and technology. These developments have created phenomenal opportunities to create wealth and prosperity, but have also opened the doors to new conflicts and to deepening poverty among those who lack access to these new opportunities.

A key consequence of this new world order is that individuals are less and less tied to the traditional moorings of organization, community, and nation that once nurtured and protected them, although these moorings had already loosened considerably in the last century. For some, this represents a great opportunity to explore new horizons and possibilities. Many others, however, have found themselves adrift in a world that offers no haven, no safe port in which to land and settle into a stable life. At the extreme end of this spectrum are millions of refugees—surplus populations. The dimensions of this problem are such that no nation or community remains untouched by it (Fritz, 1999, 5):

An estimated 50 million people were either driven from their countries or uprooted within them by the mid-1990s, roughly one out of every hundred people on earth. Counting those who emigrated for what were viewed as dire economic reasons, the figure more than doubles. The impact of this great migration has been enormous. It has compelled U.S.-led armies to intervene in faraway wars. It has led to a reactionary wave of restrictive immigration laws around the world. And it has planted the seeds of countless future conflicts.

Each new refugee crisis challenges already overstressed nation-states and nongovernmental

organizations to find ways to absorb and care for these people with limited resources within an increasingly unsupportive political and social environment.

On another level, millions more individuals feel threatened by the new world order, fearful that they too will be uprooted and left hanging without a safety net. The underlying anxiety of the Cold War era was the fear that the conflict between the two superpowers would escalate into a nuclear holocaust. While that concern has diminished since the upheavals of the early 1990s, new anxieties have emerged. People feel threatened by terrorism and by the rapid changes and painful dislocations caused by unseen and poorly understood global forces. They fear that their jobs, communities, or workplace could be changed or even taken away at any moment by anonymous and turbulent economic, political, and technological forces. A new technology can transform an industry in a matter of months, making an individual's skills obsolete, or one's organization can disappear overnight in a new wave of mergers. The mass of refugees throughout the world serves as a constant reminder of how anyone can be overtaken and made superfluous by the dynamics of the new global system.

In his book *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism*, Richard Sennett (1998) discusses how organizations are changing in the new global system and looks at some of the effects of these changes on the individual worker. He encapsulates many of these developments in his conversations with Rico, a “successful” businessman in the electronics industry whose wife is also a working professional. While in many ways they exemplify success in the contemporary economy, they also suffer from deep anxieties about the future and the quality of their lives— anxieties that have turned all too real for many thousands of people like them in the wake of the “Tech Bust.”

Rico struggles to maintain a sense of identity and ethical integrity in an atmosphere of continual change and low levels of commitment to anything other than short-term gains (Sennett, 1998, 20–21):

He feared that the actions he needs to take and the way he has to live in order to survive in the modern economy have set his emotional, inner life adrift . . . his deepest worry is that he cannot offer the substance of his work life as an example to his children of how they should conduct themselves ethically. The qualities of good work are not the qualities of good character.

One result of the focus on the short-term is low levels of trust and commitment. The pace of change in contemporary organizations means that for most there is “no long term.” Rico both values the independence he has found in the new economy, but also feels adrift, with no strong bonds of commitment or trust (Sennett, 1998, 25). “No long term’ means keep moving, don’t commit yourself, and don’t sacrifice.” For managers and policy makers, this means that individual employees are all expendable. Any notion that organizations should care for their employees, or make long-term commitments to them, is seen as an anachronism, an impossible luxury. Translated to the individual level, the short-term orientation of the new global economy tends to undermine character, especially those qualities that bind people to each other and furnish the individual with a stable sense of self.

Under these conditions, the requirements for success in organizations make moral inversions and administrative evil all the more likely. Where once bureaucracy and stable lines of authority and routine were valued, today the emphasis is on flexibility and autonomous action. Corporations and governments want employees who can think on their feet and adroitly adjust to rapid change, but also want to retain the right (in the name of adaptability) to let these employees go at any time for the good of the organization. It would be a mistake to conclude, therefore, that more flexibility means more freedom for employees (as the song has it: Freedom’s just another word for nothing left to lose). Instead, the move away from bureaucratic structure to more flexible forms of organization has replaced one structure of power and control with other, less visible forms of control and compliance (Barker, 1993). The threat of expendability and fear of social breakdown make people all the more prone to protect their

self-interest rather than consider the implications of their actions for the well-being of others. The context these developments provide for ethics in public life is a difficult one.

The Prospects for Reconstructing Public Ethics

As the twenty-first century dawns, two trends seem clear. First, interdependence is greater than it has ever been—people’s fates are deeply intertwined—and this is less recognized than ever; and second, social groups are more and more fractionated and fractious—socially centripetal forces are as powerful as they have ever been, with more surplus populations appearing, and being created, at the fringes of American society. We live in a time in the United States when politics has become more sharply partisan, when public discussion in many forums has degenerated well below hard-edged debate, when hyper-pluralism underlines our differences perhaps beyond repair, and when the relentless pressure to entertain in the media has made even the somewhat thoughtful sound bite seem deliberative by comparison with the serial-monologue-by-interruption so common on television. Without the cohesion provided by a much greater sense of community, it is hard to see how American society can be kept from literally flying apart, except through coercive power and even public policies of elimination, the most perversely tempting technical-rational solution to social and political disorder (Rubenstein, 1975, 1983). As a response to serious social fragmentation and economic dislocation, an authoritarian America now seems to be in the realm of the possible, one in which the barriers to “final solutions” can all too easily fail. Many political, economic, and social responses to these conditions have been suggested from a wide variety of perspectives. However, any viable response must be plausible within the American political system of liberal democracy.

Liberal Democracy

Liberalism and democracy came together in the American founding period. A clear account of the marriage between the two appears in C.B.

Macpherson's *The Life and Times of Liberal Democracy* (1977). The core values of classical liberalism are: individualism, the notion of rights (particularly to property), the sanctity of contracts, and the rule of law. Classical liberalism sets the philosophical foundation for American society, which allows for and encourages differential achievement by individuals. Democracy's chief value—equality—is often outweighed within this framework. Americans of the founding period lived, as we twenty-first century Americans do, in an order fraught with the tension between the liberal and the democratic traditions.

Democratic principles were a driving force in the American Revolution (Countryman, 1985). While political beliefs were widely divergent, there was widespread popular support for the democratic aims of the revolution; there had to be for the armies to be manned, and for the struggle to be successfully pressed against the British. What lingers decisively, however, is not a polity based on the revolutionary rhetoric, but the state that was built following the war during a time that has been appropriately called counterrevolutionary. The constitutional framework that was laid down during the founding period was formed far more from the principles of liberalism than those of democracy. The core value of the more democratic, revolutionary period—equality—was given a severe reduction in rank by the founding fathers. And the value of liberty—and its repository in the individual—was elevated and buttressed by law, by contract, and by right. The American liberal democracy is thus predominantly procedural—civil liberties, voting, fair procedures in decision making, and technical-rational policy making (Adams et al., 1990). Within the context of American liberal democracy, there appear to be two divergent scenarios in which public ethics will either flourish or wither.

Putting Cruelty First

“Putting cruelty first,” our first scenario, is more apparent in American public life at the national level; it gives precedence to liberty within the pantheon of American political values, and offers a public ethics which at best provides a scant defense against administrative evil. This

version of liberalism is perhaps best articulated by Judith Shklar in *Ordinary Vices* (1984), in which she advances a “liberalism of fear” predicated on the rather dismal track record of human beings, particularly in the twentieth century. Among the pantheon of human vices, including treachery, disloyalty, tyranny, dishonesty, and cruelty, Shklar argues for “putting cruelty first” (1984, 7–44). If our first consideration in public life is the cruelty that human beings all too often inflict on one another, our normal response is a healthy fear of cruelty, leading us to a liberalism of fear; one whose first and foremost mission is to avoid the worst excesses of state power run amok (Shklar, 1984, 5):

Tolerance consistently applied is more difficult and morally more demanding than repression. Moreover, the liberalism of fear, which makes cruelty the first vice, quite rightly recognizes that fear reduces us to mere reactive units of sensation. . . . The alternative . . . ; is . . . ; between cruel military and moral repression and violence, and a self-restraining tolerance that fences in the powerful to protect the freedom and safety of every citizen, old or young, male or female, black or white.

A polity based on the liberalism of fear is focused on avoiding our worst proclivities. At the same time, it paradoxically makes strenuous ethical demands on citizens: “liberalism imposes extraordinary ethical difficulties on us: to live with contradictions, unresolvable conflicts, and balancing between public and private imperatives which are neither opposed to nor at one with each other” (Shklar, 1984, 249). In a liberalism of fear, into which we are prompted by our “ordinary vices” and by the forces of globalization, we are left utterly dependent on the development of the character of our citizens—too many bad characters and we lapse into the excesses of evil. Too much of an organized, systematic program by government or by religious or social institutions to reform character on a large, social scale, and we risk falling into evil through arrogance (Shklar, 1984, 39), “Nothing but cruelty comes from those who seek perfection and forget the little good that lies directly within their powers.” It is just as easy to overreach as to underreach for character

development within a liberalism of fear, leading to those cruel consequences which surely warrant our fear.

In this first scenario, one is left with a minimalist public ethics. Transparency becomes the chief principle, under the assumption that when people can see the worst excesses, they will respond to correct them. A system of laws and regulations that make public deliberations and decisions *visible* to the public becomes the pillar of public ethics. Along with a system of transparency, public ethics under a liberalism of fear would include a program of laws and regulations that set minimum floors below which we would not want to allow people's behavior to sink (in full knowledge and expectation that at least from time to time it will).

This is not a version of public ethics that inspires much optimism about future instances of administrative evil. The assumptions about human nature under a liberalism of fear are essentially misanthropic, anticipating the worst from human beings, having been given so little encouragement from the events of the twentieth century. Indeed, the difficulties of getting liberalism right, along with the corrosion of character exacerbated by globalization, suggest that administrative evil may well increase, perhaps even dramatically.

Deliberative Democracy

The second scenario for public ethics focuses on the democratic aspect of our political heritage—in particular, deliberative democracy—and has been more visible at the local level of our polity (Box, 1998; Chaskin, Brown, Venkatesh, and Vidal, 2001). In its most basic sense, deliberation is careful thought and discussion about issues and decisions. Deliberative processes comprise discussion and consideration by a group of persons of the reasons for and against a measure, or, put another way, consulting with others in a process of reaching a decision (Fishkin, 1991). According to Dryzek (2000), deliberation is a process of social inquiry in which participants seek to gain understanding of themselves and others, to learn and to persuade. Thus, one of the cornerstones of deliberative processes is the nature of the

communication involved: participants strive to rise above win-lose exchange; over time, they may aspire to dialogue, and even to become a learning community (Yankelovich, 1999).

Participants in deliberative processes are expected to be open to change in their attitudes, ideas, and/or positions, although such change is not a required outcome of deliberation. It is a process that can, over time, grow citizens, fostering growth both in the capacity for practical judgment and in the art of living together in a context of disagreement—hence, a public ethics. As in a liberalism of fear, tolerance is elevated to a central virtue in public life.

Deliberative democracy insists on a meaningful role for citizens in public decisions, although sorting out which citizens and what decisions are appropriate for deliberation represent ongoing problems. There is a considerable theoretical literature on both deliberative democracy (Gutmann and Thompson, 1996; Dryzek, 1990) and deliberative governance (Forester, 1999; Hajer and Wagenaar, 2003; Fischer, 2000; deLeon, 1997). Deliberative processes have seen use at all levels of government (although mostly at the local level), and share in common involving citizens in public discussion and decision making (Dryzek and Torgerson, 1993). Insistence on “full” deliberation sets a very high standard that has been met only rarely, and then, only after multiple iterations.

A public ethics appropriate for deliberative democracy offers a possible alternative to the technical-rational approach to administrative ethics, and the associated complex of problems associated with administrative evil. Alasdair MacIntyre (1984) provided the groundbreaking work within this literature (also known as neo-Aristotelian, character, or virtue ethics). This tradition does not locate ethics in the autonomous individual, but within the community. That is, ethics emerges from the relational context within which people act—within the public square.

The process of building a community, in this case, an inclusive, democratic community, develops public life and public ethics at the same time. As detailed by Deborah Stone, a political community has the following characteristics (1988, 25):

It is a community;
 It has a public interest, if only an idea about
 which people will fight;
 Most of its policy problems are common
 problems;
 Influence is pervasive, and the boundary
 between influence and coercion is always
 contested;
 Cooperation is as important as competition;
 Loyalty is the norm;
 Groups and organizations are the building
 blocks;
 Information is interpretive, incomplete, and
 strategic;
 It is governed by the laws of passion as well
 as of matter; and
 Power, derivative of all those elements, coor-
 dinates individual intentions and actions
 into collective purposes and results.

Publicness is a key aspect in this development as Ventriss (1993, 201) notes: “A public, therefore, is a community of citizens who attempt to understand the substantive interdependency of social and political issues on the community, and who maintain a critical perspective on the ethical implications of governmental policy making.” In this view, it would be unethical for public servants *not* to speak publicly to policy issues. As citizen professionals and administrators in a democratic community, they would have a special responsibility to guard against policies and practices that might engender eruptions of administrative evil.

This critical and active citizenship is a key aspect of building a viable deliberative democracy. Camilla Stivers (1993, 441) has articulated the following characteristics of democratic citizenship:

The exercise of authoritative power, using
 sound judgment and relying on practical
 knowledge of the situation at hand;
 The exercise of virtue, or concern for the
 public interest, defined substantively in
 particular contexts through reasoned
 discourse;
 The development of personal capacities for
 governance through their exercise in
 practical activity;

The constitution of community through de-
 liberation about issues of public concern;
 In summary, then, active citizenship means
 participation in governance; the exercise of
 decisive judgment in the public interest, an
 experience that develops the political and
 moral capacities of individuals and solidifies
 the communal ties among them.

Deliberative democracy clearly makes demands on individuals, and on individuals acting together in the public interest. It views exclusion and nonparticipation in public life as major problems in and of themselves. Public policies based on exclusion and exploitation are entirely inimical to a deliberative democracy because they “weaken the community by undermining the civic bonds that unify it, while eroding the political process by converting what should be a dialogue between fellow citizens into a repressive hierarchy” (Farber, 1994, 929). This of course is precisely what occurred in Nazi Germany. Under the rhetoric of a unified community, the Nazis’ racist and exclusionary policies created a polity held together not by civic bonds but by the terror of the concentration camps (Gellately, 2001; Sofsky, 1997).

A public ethics within a deliberative democracy would require that professionals and administrators be attentive to social and economic outcomes of public policy, as well as to their proper and faithful implementation. Public servants could not ethically implement a policy that was overtly detrimental to the well-being of any segment of the population. It would be unethical, for example, to cooperate with cutting off disability benefits to legal immigrants, many of whom are elderly and are likely to wind up malnourished and/or homeless. Such a policy amounts to defining this group as a surplus population, and an ethical public service cannot be complicit in that sort of public policy.

Cruelty, Deliberation, and Administrative Evil

Within our liberal democratic polity, at least these two versions of public ethics can be imagined. The first, based on a liberalism of fear,

stems from an essentially misanthropic view of human nature: We have repeatedly seen the worst from human beings, and we should expect no better. In this scenario, we should understand that only a minimalist public ethics can be expected to be workable, but even more importantly, we must beware the arrogance of a public ethics based on grand designs about human perfectability—for such designs are the well-traveled avenues to those horrific eruptions of evil that we have seen throughout human history, and especially in the last century.

The second version, based on deliberative democracy, while not blind to human vices, including cruelty, does assume that we humans can—with hard work and great vigilance—do better. In this scenario, we can strengthen our public life and our public ethics through the rigor and tribulations of deliberative processes. This is not an easy road; not only does it risk arrogance and a concomitant descent into evil, but it assumes more—perhaps far more—than we have yet achieved. Yet it does have the considerable attraction of imagining a future that can hope for fewer lapses into administrative evil.

Regardless of which assumptions about human nature one holds—and which version of public ethics one thus finds persuasive—no human communities, even deliberative and democratic ones, offer any guarantees against administrative evil. And they certainly offer no escape from evil itself, which remains a part of the human condition. Still, one might hope—perhaps without lapsing into fantasy—that administrative evil may not be so easily masked in deliberative democratic communities. And public servants might not so easily wear the mask of administrative evil when their role entails a critically reflexive sense of the context of public affairs, and a duty to educate and build an inclusive and active citizenry. Our argument in this book thus offers no easy or sentimental solutions; offers no promise of making anything better; but only offers an inevitably small and fragile bulwark against things going really wrong—those genuinely horrific eruptions of evil that modernity has exacerbated very nearly beyond our willingness to comprehend.

Do not despair. You need not worry so much about the future of civilization, for

mankind has not yet risen so far, that he has so very far to fall.

—Sigmund Freud, *Vienna, the 1920s*
(personal recollection of Raul Hilberg)

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The Ethics of Dissent: Managing Guerilla Government

Rosemary O'Leary

Guerrilla: One who engages in irregular warfare especially as a member of an independent unit. . . .

—Webster's Dictionary

"Fire the bastard!"

My boss, the head of a large state environmental agency, was furious. I stood there, speechless. He was a savvy, experienced administrator with a great track record. He had headed some of the largest and most complex public organizations in the United States. He would eventually be profiled in the *New York Times* magazine.

"Fire the bastard!"

He was referring to an employee who was one of my most creative, if slightly eccentric, Eric Jacobson. Jacobson tried to be a catalyst for change within our public agency. He had performed a precise analysis of why our water quality regulations needed to be made more stringent, far exceeding federal guidelines. His ideas, while somewhat radical for their day, were not without merit.

The problem was that the bureaucracy wasn't listening. After hitting roadblock after roadblock within our organization, Jacobson had turned into an independent environmental guerrilla, working clandestinely with environmental groups that agreed with his notions about how wrongheaded our water policies were. He leaked information to the press and met behind our backs with elected officials. As

he was a probationary employee, having worked there less than six months (five months and twenty days, to be exact), we could legally fire him "at will," my boss said, and we should. Someone had taped Jacobson's presentation at a public meeting the night before, in which he blasted my boss, our agency, and the governor for "caveman-era water policies," and had slipped a copy of the tape to my boss. As he handed the tape to me, my boss yelled, "Who needs a trouble-making zealot like Jacobson around? Fire the bastard!"

In what proved to be a fatal career move for me (yet one I've never regretted), I went back into my boss's office the next day, after listening to the tape, and refused to fire Jacobson. "He is the leading edge of the system. He's creative and innovative," I argued. "He's a breath of fresh air. . . . We need people who can think out of the box."

This time it was my boss who stood speechless.

"True," I went on, "he's a pain to deal with. True, I often go home and kick the refrigerator after meeting with Jacobson. But perhaps we can harness his creative insights for the good of the agency and the good of the public. I think we need to hear him out. I'm not going to fire him. If you want him fired, you'll have to do it yourself."

My boss never did fire Jacobson, but that exchange was the kiss of death for my relationship with my boss. From that day forward I received the cold shoulder from the person who once considered himself my mentor. He cut me out of many policy decisions, even though policy was my primary portfolio. He made it quite clear that he was furious and insulted that I would question his judgment. Eventually, I left.¹

For the past twenty years I have sought out others who had experience with what I now call "guerrilla government." Some were managers like me, who sought to bring the Eric Jacobsons of the world into the fold; some were managers who "fired the bastards!" and some were themselves

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guerrillas. I even discovered a wonderful (now out-of-date) book titled *Guerrillas in the Bureaucracy* (Needleman and Needleman 1974) that concerns the impact of community planning programs. The authors use the term “administrative guerrilla” to refer to antiestablishment community planners who become advocates and who often end up working undercover for a specific client rather than for the nebulous public interest. Yet contrary to the Needleman’s analysis, I’ve learned that guerrillas are not so easily categorized when one examines government as a whole. The guerrillas I encountered range from ultra conservative to ultra liberal, from those who seek to make the world a better place to those who seek to retain the status quo.

We have all read the newspaper accounts about heroic whistle-blowers: Herron Watkins, the famous Enron whistle-blower; Paul van Buitenen, who went public in 1999 with claims of fraud and corruption within the European Commission; Bill Bush, the manager at the National Aeronautics and Space Administration (NASA) who publicized the administration’s policy of discouraging the promotion of employees older than fifty-four years of age; and the unnamed U.S. Customs inspector who alerted Congress to security problems at the Miami airport in 1995 after management took no action.

Most guerrillas do not become whistle-blowers. Even though they are dissatisfied with the actions of public organizations, sometimes even documenting fraud and abuse, they typically choose not to go public in a big way. Rather, they choose to work behind the scenes.

Guerrillas may cultivate allies among non-government organizations in their policy areas, slip data to other agencies, and ghostwrite testimony for others.

They may hold secret meetings to plot a unified staff strategy, leak information to the press, and quietly sabotage the actions of their agencies. Their reasons are diverse. Some reasons are commendable; some are disturbing. Most guerrillas work on the assumption that their work outside their agencies provides them a latitude that is not available in formal settings. Some want to see interest groups join, if not replace, formal government as the foci of power. Some are tired of hardball power politics and seek to replace it with collaboration and inclusivity. Others are implementing their own version of

hardball politics. Most have a wider conceptualization of their work than what their agency’s formal and informal statements of mission articulate, but some are more freewheeling, doing what feels right to them. Some are committed to a particular methodology, technique, or idea. For some, guerrilla activity is a form of expressive behavior that allows them leverage on issues about which they feel deeply. For others, guerrilla activity is a way of carrying out extreme views about pressing public policy problems.

Guerrillas bring the credibility of the formal, bureaucratic, political system with them, as well as the credibility of their individual professions. They tend to be independent, multipolar, and sometimes radical. They often believe strongly that their agency’s perspective on public policy problems is at best not sufficient, at worst illegal. They are not afraid to reach into new territory and often seek to drag the rest of the system with them to explore new possibilities.

At the same time, guerrillas run the risk of being unregulated themselves. Sometimes they fail to see the big picture, promoting policies that may not be compatible with the system as a whole. Sometimes they are so caught up in fulfilling their own expressive and instrumental purposes that they may not fulfill the purposes of their organization. That is the dilemma of guerrilla government.

But since the possibility exists that guerrillas might be saying things that their organizations need at least to consider, why are these individuals often excluded by their agencies? As my boss did, some see them as zealots, pursuing interests that are too extreme for a government agency that must serve the general public. More often, they are seen as championing values or interests that conflict with the status quo or are not realistic given scarce resources. Sometimes they are in agencies that refuse to face the need to change. Perhaps the organization has a poor communication system, or perhaps people do not use the systems available to them. Sometimes guerrillas are involved in personality clashes or work in dysfunctional organizations. Other times they are embroiled in internal or external politics. Some guerrillas are a breath of fresh air; some are stubborn, single-issue fanatics. There are multiple reasons why individuals go the guerrilla route and multiple reasons why their organizations might seek to exclude them.

As I am writing this book, I am working with NASA on the Return to Flight Task Group (RTF TG) formed in response to the *Columbia* space shuttle accident. The *Columbia* Accident Investigation Board (CAIB) found that the agency's organization culture, which tends to suppress dissent, was 50 percent responsible for that accident. Organization culture is the shared basic assumptions, values, and artifacts that are developed in an organization as it learns and copes with problems. The basic ways of thinking and doing that have worked well enough to be considered valid are taught to new members of the organization as the correct way to perceive, think, act, and feel. Culture is for the group what character and personality are for the individual.

There are many stories about guerrilla government activities at NASA. For example, my RTF TG subcommittee was told that one of the codirectors of the Space Flight Leadership Council—a NASA insider—called a meeting of the council without notifying the other codirector—a retired navy admiral and a trusted friend of former NASA administrator Sean O'Keefe. The retired admiral had been brought in by O'Keefe in part to force cultural change in the agency. When the admiral's staff found out about the secret meeting, they notified the council that the admiral would be attending. The meeting was promptly canceled. That's guerrilla government.

When I discussed this issue with O'Keefe in 2005, his response was, "That happens everywhere." The more significant problem for NASA, according to O'Keefe, is far more subtle yet far more pervasive: groupthink. Groupthink is an insular decision-making process in which decision makers are so wedded to a set of assumptions and beliefs that they ignore, discount, or even ridicule information to the contrary (Janis 1972). Symptoms of groupthink include overestimation of the group's power and morality, closed-mindedness, and pressure for uniformity.

At NASA, groups trained in different disciplines routinely dismiss the thinking of others trained differently. "The biggest battles at NASA are not between the agency and Congress, as some might think," O'Keefe said. "They're between and among the diverse disciplinary groups who work in parallel 'silos,' say, the electrical engineers versus the aerospace engineers, or the biologists versus the astronomers, or

the infrared light experts versus the comet specialists."

Sometimes diverse opinions and judgments are crushed or shouted down, but they are more often automatically deemed improbable or ignored. "The dismissing of other viewpoints happens so quickly and is so subtle that it is very tough to address as a leader," O'Keefe emphasized.

The opinions and judgments that one team develops often follow a different logic path from other teams'. Hence, when another viewpoint is expressed, by an "outsider," or someone questions the result, NASA employees often dismiss the opinions offered because they don't take the time to understand the rationale or path taken. More troublesome, sometimes the parallel silos are so poorly integrated that no discussion or connection ensues. Even worse is the problem of malicious compliance, where lip service is given to gathering different viewpoints and analyses, yet it is not done. Thus, one of the problems facing O'Keefe's successor at NASA, Mike Griffin, is how to change the culture of the agency from one of groupthink, which could easily spawn more guerrilla government activities by those whose ideas are quickly dismissed, to one that embraces a diversity of views and uses those differing viewpoints constructively.

A very different example is the allegation in recent newspaper stories that a small group of extremists in the Pentagon manufactured fictitious scare stories about Iraq's weapons and ties to terrorists to bolster President George W. Bush's war efforts. Many, including the Senate Intelligence Committee, which in 2004 reviewed the decision to attack Saddam Hussein, have concluded that those activities are in part fueled by groupthink. This is reminiscent of the case of Oliver North, during the Reagan administration. North supervised covert military aid to the Contras of Nicaragua in violation of the congressional Boland amendments, which prohibited the Defense Department, the Central Intelligence Agency, or any other government agency from providing aid to the Contras. My former colleague, the late Sen. Daniel Patrick Moynihan, used to say that the implications of Ollie North's actions for our constitutional government made his "blood boil." These are examples of a very different type of guerrilla government—one that allegedly

operated with the approval of the respective incumbent presidents but against the will of other superiors in the executive, judicial, and legislative branches of government.

Every seasoned public official with whom I have discussed guerrilla government has offered his or her own stories and examples. I recently received the following e-mail message in response to my call for stories of guerrilla government:

I worked for thirty-five years as a federal employee and now teach at American University. The instances of guerrilla government are far more widespread than you imagine. . . .

How do we make sense of this thing called guerrilla government? Are there any clues from the literature that might help us think more clearly about the phenomenon? The great thinkers in the social sciences have grappled for years with guerrilla government under very different labels and in diverse ways. There emerge from the social science literature three different lenses, or vantage points, from which to view

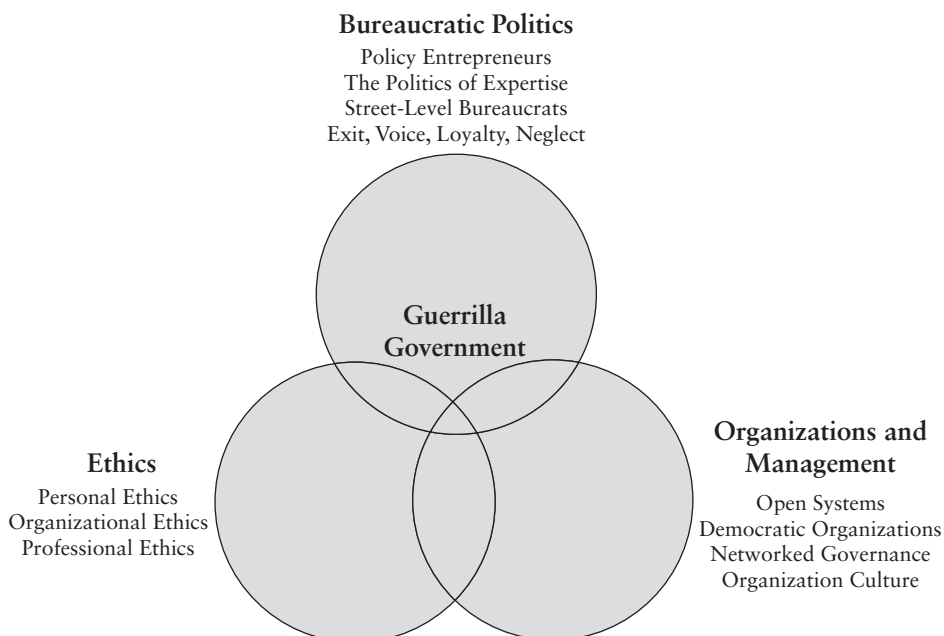
guerrilla government. Each offers a different type of understanding. The three lenses are bureaucratic politics, organizations and management, and ethics (see Figure 1.1). I briefly introduce them here to provide the reader an analytical framework in which to read the stories that follow.

Bureaucratic Politics

The bureaucratic politics lens is perhaps the clearest one through which to view guerrilla government. Paul Appleby and Norton Long are credited with launching the idea in the 1940s and 1950s in reaction to the idea of a politics-administration dichotomy, which was prevalent in the literature at that time. The politics-administration dichotomy was both a descriptive and prescriptive proposition that said that politics and administration are two totally separate endeavors and that continued separation was the preferred arrangement. Not so, said Appleby and Long. Bureaucrats make policy through the exercise of discretion. This simple statement soon became embroidered

| FIGURE 1 |

GUERRILLA GOVERNMENT LENSES



| BOX 1 |

The Classic Themes of the Bureaucratic Politics Literature

1. Bureaucrats make policy through the exercise of discretion (Appleby 1949).
2. Public administration is a political process (Appleby 1949; Stein 1952; Cleveland 1956; Key 1958).
3. Bureaucrats and bureaucracy are driven by their own highly particularized and parochial views, interests, and values (Long 1949).
4. Agencies and bureaucracies are constantly jockeying for power, position, and prestige, and this behavior has enormous consequences for public policy (Allison 1971; Halperin 1974).
5. Bureaucrats' views tend to be influenced by the unique cultures of their agencies (Halperin and Kanter 1973). In other words, where you stand (on a policy issue) depends on where you sit (Neustadt and May 1986).
6. All bureaucracies are endowed with certain resources: policy expertise, longevity and continuity, and responsibility for program implementation. Some bureaucrats are more successful than others, however, in using those resources to their advantage (Rourke 1984; Wildavsky 1981).
7. Policy made in an arena of bureaucratic politics is characterized by bargaining, accommodation, and compromise (Allison 1971). This is often a form of muddling-through incrementalism, influenced by nonrational factors known as "bureaucratic politics" (Lindblom 1959).
8. Agencies and bureaucrats within agencies will seek to co-opt outside groups as a means of averting threats (Selznick 1949).
9. Bureaucracies develop relationships with political institutions (such as the office of the president, governor, or mayor), and in the course of those relationships they give information, provide advice, make decisions, and administer programs in a political way (e.g., "Tell the president only what is necessary to persuade him") (Wildavsky 1975; Hecllo 1978; Cronin 1980; Ripley and Franklin 1990).
10. Organizational arrangements within a bureaucracy are not neutral. They express an ordering of priorities and selective commitment undertaken with political motives (Seidman 1976).

Source: Adapted from Kozak 1988; Kettl and Fessler 2005.

with rich empirical studies and launched an ocean of literature on bureaucratic politics.² The classic studies of bureaucratic politics yield many relevant findings (see Box 1.1).

Several modern-day scholars have contributed to this lineage of thinking, including Meier, who has examined the bureaucratic politics of Hispanic education (Meier and Stewart 1991), family planning (Meier and McFarlane 1996), sin (Meier 1994), alcohol (Meier and Johnson 1990), insurance (Meier 1988), speed laws (Meier and Morgan 1982), and food (Meier 1978). Mashaw (1983) studied the Social Security Administration and found that career public servants successfully crafted their own version of bureaucratic justice composed of an internal law of administration. Brower and

Abolafia (1997) carries out a series of ethnographic studies of political activities among lower-level public servants. They found that those who engage in such activities use or create alternative channels because the regular channels are part of the problem, from their vantage point. These lower-level participants gain identity and self-respect through their covert political activities, as they struggle against the depersonalizing forces and irrationalities of bureaucracy. All of these works gives evidence supporting the thesis that guerrilla government, in varying degrees, is relatively commonplace and cannot be ignored.

Of great importance to the study at hand is the idea that bureaucratic politics involves strong political ties to clientele groups, as public

servants look to the groups they serve and interact with for security and support. Furthermore, bureaucrats play politics as they interact with political institutions because policy is hammered out in issue networks composed of specialists from government organizations (see, e.g., Baumgartner and Jones 1993). These are just a few of the points made in the bureaucratic politics literature that are relevant to an examination of guerrilla government. The bureaucratic politics lens raises important questions concerning who controls our government organizations; the accountability of public servants; and the roles, responsibilities, and responsiveness of bureaucrats in a democratic society.³

One subset of the bureaucratic politics literature studies organization “deviants” (Ermann and Lundman 1978; 1982; Shaughnessy 1981; Punch 1984). This literature also is relevant to the topic of guerrilla government. Much of it concerns “zealot” public servants (Downs 1967), including whistle-blowers (Brewer and Selden 1998; Alford 2001; Johnson 2002)⁴ and interorganizational protesters (Gummer 1986; Truelson 1985).

Two other relevant literatures, with different twists, consist of work on policy entrepreneurs and on the politics of expertise. Policy entrepreneurs are “advocates who are willing to invest their resources—time, energy, reputation, money—to promote a position in return for anticipated future gain in the form of material, purposive or solitary benefits” (Kingdon 2003, 179). Most of the examples in the literature of policy entrepreneurs are high-profile public figures, often called “policy elites.” For example, Kingdon discusses consumer advocate Ralph Nader and water use reformer Sen. Pete Domenici. Lewis (1980), in a similar vein, wrote detailed case studies of Admiral Hyman Rickover; J. Edgar Hoover, of the FBI; and Robert Moses, the New York City Parks Commissioner, all policy entrepreneurs. Marmor (1990) analyzed the careers of Robert Ball and Wilbur Cohen, two giants in the history of social insurance in the United States.

Doig and Hargrove (1987) brought together thirteen scholars to write about thirteen high-profile entrepreneurs. Among the subjects are James Webb, administrator of NASA, often credited with putting the first man on the

moon; Gifford Pinchot, U.S. Chief Forester; and Elmer Staats, who was comptroller general of the United States. Doig and Hargrove distilled several of the conditions necessary for entrepreneurial leadership, including a governmental system characterized by fragmentation and overlap and public support for a particular policy area; and among personal traits a capacity to engage in systematic, rational analysis; an ability to see possibilities that others do not see; and a desire to make a difference.

Riccucci (1995) focused on what she called “execucrat” policy entrepreneurs—career public executives who made a difference. Riccucci’s policy entrepreneurs (for example, Edward Perkins, who helped break down the system of apartheid in South Africa, and Eileen Claussen, who negotiated and renegotiated the Montreal Protocol), like those just mentioned, are all at a much higher level in government than the majority of guerrillas. Roberts and King (1987; 1991; 1996) profiled six policy entrepreneurs *outside* of government who successfully introduced, translated, and helped implement new ideas into public practice; they squeeze out lessons learned for those who seek to be change makers.

Guerrilla government is a mutant cross-pollination of policy entrepreneurship and the politics of expertise. The “politics of expertise” is a term used by Benveniste (1977), who examined why and how experts influence public and private policy. In an argument reminiscent of the one that knocked down the politics-administration dichotomy, Benveniste says that so-called neutral experts, primarily in the planning field, are in fact involved in politics, and “politics is never devoid of ideological content” (21). It is time to “shed the mask” of neutrality, Benveniste argues, and for professional public servants to admit that they are both experts and committed political actors.

Lewis (1977, 158) phrases the same sentiment in a different way: “Among the many resources employed by public bureaucracies, professionalism and expertise are particularly significant. . . . When coupled with the ancient notion of the primacy of the state, they make for a formidable source of power.” Lewis goes on to point out that with this expertise come specialized knowledge, professional norms, and a

prolonged attention span to issues that outlives the attention that others in the political process can give. Hence, professionalized public bureaucrats have a capacity to initiate and innovate that is unparalleled in the political system. They are truly political actors, despite any label of neutrality they may give themselves or that others may give them. Milward (1980) agrees and adds that the policies that such bureaucrats create are likely to benefit disproportionately the producers of the policies rather than the intended consumers.

Three important works, spanning three decades, have grappled intellectually with the dilemma of guerrilla government in three very different ways. Each merits special attention.

The first is Kaufman's *The Forest Ranger* (1960), which many consider the first of a series of important books that examine in depth the importance of bureaucratic discretion. In *The Forest Ranger* Kaufman examines the Forest Service of the 1950s from the ranger district upward. The book is about how daily decisions and actions at lower echelons make concrete realities of the policy statements and declared objectives of the leadership. Forest rangers are members of the federal bureaucracy yet carry out much of their work in a decentralized fashion, in locations far from Washington, D.C. They have many masters: local residents, timber companies, ranchers, miners, conservationists, members of the general public, congresspersons, and the president. Despite the possibilities for fragmentation, the Forest Service of Kaufman's era was amazingly cohesive and uniform in its actions.

Much of Kaufman's book describes the mechanisms whereby Forest Service leaders maintained uniformity and control of the diffuse organization, seeking in part to discourage guerrilla government before it had a chance to germinate. As deviation threats increased, for example, central controls multiplied. As impulses toward fragmentation grew, the discretion of field officers was contracted. To narrow their latitude, "preformed decisions" were made at all levels above the rangers (213). Rangers were thoroughly screened to promote homogeneity, while the Forest Service "manipulate[d] the intellects and wills" of its members (232). In-service indoctrination and

training promoted standardization. Attempts to defuse differences of opinion were made prior to the promulgation of policies. Allegiances to local populations were neutralized by frequently rotating rangers throughout the United States. The result was that the patterns of informal organization in the national forests were rarely at odds with the policies enunciated at higher levels, and centrifugal tendencies were vanquished. Forest rangers in the 1950s, in short, tended to "value the organization more than they value[d] getting their own way" (199). Is this the answer to guerrilla government? Alas, no. Despite these attempts to forge a tightly run Forest Service and the nearly all-obeying forest ranger, Kaufman acknowledges, there were exceptions. "In the last analysis" he wrote, "all influences on administrative behavior are filtered through a screen of individual values, concepts, and images" (223).

A second work that merits special attention is A. O. Hirschman's 1970 work *Exit, Voice, and Loyalty*, an economic analysis of reactions to decline in firms, organizations, and nation states. How can a book on the reactions to decline in firms, organizations, and nation states inform the guerrilla government debate? Hirschman outlines a typology of responses to dissatisfaction: exit (leaving, quitting, or ending the relationship), voice (expressing one's dissatisfaction), and loyalty (faithfully waiting for conditions to improve). He is also concerned with the interrelationships of these options and asks, for example, whether pursuing the "voice" option diminishes the possibility of adopting the "loyalty" option. He points out that the categories overlap at times, as when loyalists are especially vocal.

Farrell (1983) added a fourth response to Hirschman's list: neglect. Neglect is described as "passively allowing conditions to deteriorate through reduced interest or effort, chronic lateness or absences, using company time for personal business, or increased error rate" (Rusbult et al. 1988, 601). Hirschman never intended his work to explain or predict the responses of bureaucrats to dissatisfaction in public bureaucracies, but it has been applied to such research by scholars such as Golden (1992; 2000), who examined bureaucratic responses to presidential control during the Reagan years in the Civil Rights Division of the Department of Justice

and the National Highway Traffic Safety Administration. It has also been used in the marital counseling literature to explain the options of spouses who are unhappy in their marriages! Hirschman's valuable work only begins to explain the complexities and intricacies involved in guerrilla government.

Brehm and Gates (1997) go beyond Hirschman by defining the primary options from which a dissatisfied subordinate bureaucrat chooses as working, leisure-shirking (not working because you do not feel like it), dissent-shirking, and sabotage. Which option a particular bureaucrat chooses is likely to depend first on the bureaucrat's own functional preferences; second, on the preferences of the bureaucrat's peers; and lastly, on the efforts of the supervisor. These authors found that strong functional and solitary preferences significantly encouraged work and discouraged sabotage.

A third, oft-cited book on policymaking by career public servants is Lipsky's *Street-Level Bureaucracy* (1980). Although much of Lipsky's classic work does not pertain to the study at hand, some of his insights illuminate the issue of guerrilla government. Lipsky analyzes the actions and roles of frontline public servants, such as police officers and social workers, and argues that they are essentially policymakers. He bases this contention on two interrelated facets of their positions: a relatively high degree of discretion and relative autonomy from organizational authority. Lipsky helps us understand the why and how of guerrilla government: why workers on the front line of administration have so much power and how they might use it. Although the guerrillas studied in this book are a mix of street-level bureaucrats, midlevel managers, and high-level managers (which Lipsky is careful to differentiate), they tend to be in jobs with a great deal of discretion that give them a certain amount of power. So, too, do the guerrillas studied here enjoy relative autonomy—up to a point—from organizational authority.

Vinzant and Crothers (1998) examined successful street-level bureaucrats and found in them many of the leadership skills that Doig and Hargrove (1987) described in their earlier analysis of agency heads. Maynard-Moody and Musheno (2003) take Lipsky's analysis one step further by offering multiple stories told by “the coal miners of policy” (157). The stories

highlight the fact that frontline workers' beliefs and values are formed in “rough-and-tumble interaction with peers and citizen-clients, not in regulated, formal interaction with supervisors” (157). They demonstrate the immense freedom and discretion of lower-level public servants, as well as the fact that much of the organization culture that informs their actions comes from stories passed on from one worker to the next.

Thus the reality of bureaucratic politics is both good and bad. At best, bureaucratic politics allows career public servants the discretion to make sense out of their day-to-day challenges, to act in a way that they deem is fair, just, and equitable. At worst, bureaucratic politics is a form of arrogance that allows public servants to act according to their own whims, perhaps to stereotype, and to invent ways of dealing with public policy challenges that may or may not comport with the will of people.

Organizations and Management

As important as the concept of organization culture is the concept of the environment of organizations. Organization theorists such as Cyert and March (1963), Emery and Trist (1965), Katz and Kahn (1966), Thompson (1967), Lawrence and Lorsch (1969), and Aldrich (1972) all maintain that organizations both are shaped by, and seek to shape, the environment in which they exist. This “open systems” approach to understanding organizations maintains that organizations are in constant interaction with their environments, that organization boundaries are permeable, and that organizations both consume resources and export resources to the outside world. In other words, organizations do not exist in a vacuum.

This notion contrasts with traditional theories, which tended to view organizations as “closed systems,” causing an overemphasis on organizations, internal functioning. Although the internal functioning of an organization is significant and cannot be ignored, it is essential to remember that all organizations swim in often tumultuous environments that affect their every level. The open systems perspective is important when one analyzes public organizations and especially important in thinking about guerrilla government. Public organizations, such as those profiled in this book, seek to thrive

in environments that include influences from the concerned public, elected officials, the judiciary, interest groups, and nongovernmental organizations, to name just a few of the entities influencing them. That they work with, and are influenced by, individuals and groups outside their organization has long been a fact of life for public servants (Gaus 1947; Brownlow 1955; Wildavsky 1964; Stillman 2003).

Perhaps the most exciting modern offshoot of the open systems perspective is the concept of networked governance. Networks are spiderwebs of relationships and connections between and among individuals and organizations dedicated to a common purpose. Every guerrilla profiled in this book is part of an extensive network that they have used to their advantage. O'Toole (1997, 45) describes networks in this fashion:

[A] pattern of two or more units, in which not all the major components are encompassed within a single hierarchical array . . . Networks are structures of interdependence involving multiple organizations or parts thereof. . . . The institutional glue congealing networked ties may include authority bonds, exchange relations, and coalitions based on common interest.

O'Toole contrasts the reality of networks with the dominant picture portrayed in courses, texts, and standard theories, of a universe centered around the individual agency and its management.

The first public management scholars to seriously develop the theory of networked governance were Provan and Milward (1995), who studied the implementation of mental health programs in four cities and established the importance of network linkages between and among organizations and individuals. LaPorte (1996) pointed out that trust becomes increasingly important in networked arrangements because of the importance of cooperation. In reality, managers in networked settings do not supervise most of those on whom their own success depends (O'Toole 1997). Since administrators do not necessarily possess authority, giving directives may actually weaken influence. Persuasion, negotiation, conflict resolution, and collaborative problem-solving skills become extremely important.

According to Kettl (2002) and Agranoff and McGuire (2003), the name of the game today is “collaborative public management,” in which boundary-spanning activities, such as work outside one’s own organization, become of paramount importance to coordinate and establish common ground among the entities in the network. Despite the paucity of empirical evidence that networks have had a positive effect on outcomes (Milward and Provan 2000) and the fact that all of the studies on networked governance pose more questions than they answer,⁵ public servants find themselves seeking ways to shift network membership toward more supportive coalitions, locating key allies, and attempting to build trust among network members. The research on networks helps us understand the reality of the spiderweb of acquaintances and partnerships in which the guerrillas studied in this book thrived.

Ethics

Ethics is the study of values and how to define right and wrong action (Van Wart 1996; Menzel 1999, Cooper 1998, Cooper 2001). But ethics is more than just thinking about right and wrong; it is doing right, not wrong. As those who study ethics like to say, ethics is not a spectator sport—it is a contact sport. Therefore the ethical lens is in my view the most important lens through which to view guerrilla government, even though it is perhaps the most difficult to think about in a concrete fashion. What constitutes ethical behavior, and how do we ensure it? Who decides what is ethical and what is not?

Waldo (1988) offered a map of the ethical obligations of public servants, with special reference to the United States. His map is still relevant today and is especially applicable to the issue of guerrilla government. In his map, Waldo identified a dozen sources and types of ethical obligations. He cautioned that the list is capable of “indefinite expansion” (103) and that the obligations do not lend themselves to any prioritization.

Waldo’s twelve ethical obligations are presented in Figure 1.2. The first is an *obligation to the Constitution*. The upholding of regime and regime values, Waldo writes, is a typical source of public servant obligations. In the United States, the Constitution is the foundation of

regime and regime values. This sentiment accords with Rohr (2002), who maintains that nothing is more fundamental to governance than a constitution. It also comports with Rosenbloom, Carroll, and Carroll (2000), who maintain that “constitutional competence” is essential for all public managers.

A second obligation of public servants is an *obligation to law*. These are laws made pursuant to, and in addition to, the Constitution. Laws must be followed and implemented by public servants. But what if the law is unclear? Waldo asks, what if laws conflict?

Next Waldo tackles a public manager’s *obligation to nation or country*. He points out that in many situations, obligation to one’s “Fatherland, Motherland, Homeland” (104) overrides the obligation to regime. President Abraham Lincoln articulated this tension in 1864 when he said, justifying his actions to end slavery,

“Was it possible to lose the Nation, and yet preserve the Constitution?”⁶

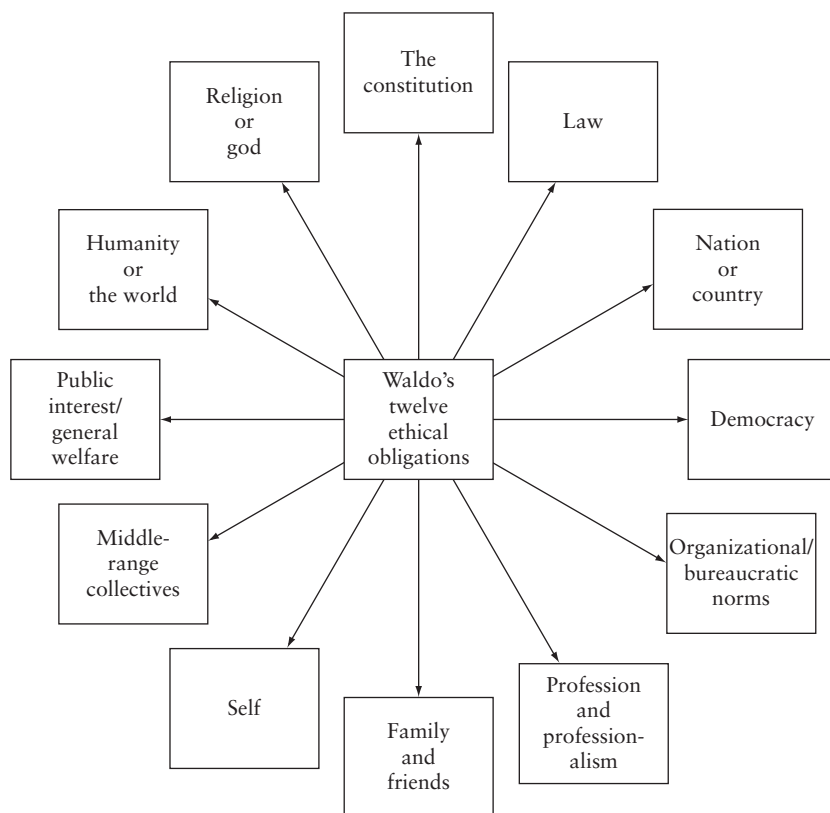
Obligation to democracy is next on Waldo’s map for public servants. Waldo explains democracy as the will of the people but then asks several provocative questions: How do we know the will of the people? It is intertwined with the Constitution, but it is not 100 percent contained in the Constitution. What about other laws? What about avenues in addition to law? And is the will of the people to be put ahead of the welfare of the people, as, for example, when a public servant has information not available to the people?

Ethicist Louis C. Gawthrop (1998) takes this obligation one step further:

To labor in the service of democracy is to recognize that all of us are called, in one way or another, in varying degrees of responsibility,

| FIGURE 2 |

WALDO’S MAP: ETHICAL OBLIGATIONS OF A PUBLIC SERVANT



to be watchmen, sentinels, or prophets for others—any others—as well as for one another, in attempting to attain the common good.... [P]ublic administrators must be willing to confront the suppressive and debilitating constraints that are currently being imposed on “bureaucracy” from all directions, and to reaffirm the values and virtues inherent in the notion of service that have unified the ethical forces of democracy in the past. Public service in the spirit of democracy demands an unqualified commitment to the common good. Nothing less will do; nothing more is needed. (100–101)

Obligation to organizational-bureaucratic norms is another competing obligation with which public servants must grapple. These are both generic and specific. Generic obligations can be found in most, if not all, public

bureaucracies in the United States: loyalty, duty, order, economy, efficiency. Specific organizational-bureaucratic norms will change from organization to organization depending on its function, clientele, and technology. The Forest Service, as profiled in Kaufman’s book, is a good example of an organization with strong bureaucratic norms.

A sixth obligation that Waldo cites is *obligation to profession and professionalism*. Most professions have a code of ethics that must be followed. The American Society for Public Administration’s code of ethics states that public servants should serve the public interest, respect the Constitution and the law (which includes “encouraging and facilitating legitimate dissent activities”), demonstrate personal integrity, promote ethical organizations, and strive for professional excellence(see Box 1.2).

BOX 2

Code of Ethics of the American Society for Public Administration

I. SERVE THE PUBLIC INTEREST

Serve the public, beyond serving oneself. ASPA members are committed to:

1. Exercise discretionary authority to promote the public interest.
2. Oppose all forms of discrimination and harassment, and promote affirmative action.
3. Recognize and support the public’s right to know the public’s business.
4. Involve citizens in policy decision-making.
5. Exercise compassion, benevolence, fairness and optimism.
6. Respond to the public in ways that are complete, clear, and easy to understand.
7. Assist citizens in their dealings with government.
8. Be prepared to make decisions that may not be popular.

II. RESPECT THE CONSTITUTION AND THE LAW

Respect, support, and study government constitutions and laws that define responsibilities of public agencies, employees, and all citizens. ASPA members are committed to:

1. Understand and apply legislation and regulations relevant to their professional role.
2. Work to improve and change laws and policies that are counterproductive or obsolete.
3. Eliminate unlawful discrimination.
4. Prevent all forms of mismanagement of public funds by establishing and maintaining strong fiscal and management controls, and by supporting audits and investigative activities.
5. Respect and protect privileged information.
6. Encourage and facilitate legitimate dissent activities in government and protect the whistle blowing rights of public employees.
7. Promote constitutional principles of equality, fairness, representativeness, responsiveness and due process in protecting citizens’ rights.

(continued)

| BOX 2 | *continued****Code of Ethics of the American Society for Public Administration*****III. DEMONSTRATE PERSONAL INTEGRITY**

Demonstrate the highest standards in all activities to inspire public confidence and trust in public service. ASPA members are committed to:

1. Maintain truthfulness and honesty and to not compromise them for advancement, honor, or personal gain.
2. Ensure that others receive credit for their work and contributions.
3. Zealously guard against conflict of interest or its appearance: e.g., nepotism, improper outside employment, misuse of public resources or the acceptance of gifts.
4. Respect superiors, subordinates, colleagues and the public.
5. Take responsibility for their own errors.
6. Conduct official acts without partisanship.

IV. PROMOTE ETHICAL ORGANIZATIONS

Strengthen organizational capabilities to apply ethics, efficiency and effectiveness in serving the public. ASPA members are committed to:

1. Enhance organizational capacity for open communication, creativity, and dedication.
2. Subordinate institutional loyalties to the public good.
3. Establish procedures that promote ethical behavior and hold individuals and organizations accountable for their conduct.
4. Provide organization members with an administrative means for dissent, assurance of due process and safeguards against reprisal.
5. Promote merit principles that protect against arbitrary and capricious actions.
6. Promote organizational accountability through appropriate controls and procedures.
7. Encourage organizations to adopt, distribute, and periodically review a code of ethics as a living document.

V. STRIVE FOR PROFESSIONAL EXCELLENCE

Strengthen individual capabilities and encourage the professional development of others. ASPA members are committed to:

1. Provide support and encouragement to upgrade competence.
2. Accept as a personal duty the responsibility to keep up to date on emerging issues and potential problems.
3. Encourage others, throughout their careers, to participate in professional activities and associations.

Allocate time to meet with students and provide a bridge between classroom studies and the realities of public service.

Source: The code is included in each issue of *Public Administration Review*.

In addition, most professions have an ethos that shapes the values and behavior of its members.

Next on Waldo's map is *obligation to family and friends*. In the United States we generally

have an ethos that obligation to family and friends cannot or should not supersede other ethical obligations of public servants. Yet in many other countries, in which the family or

another social group remains the center of loyalty and values, Waldo points out, public servants choose family and friends over their other ethical obligations, making the creation of an effective government impossible.

Waldo's eighth obligation is *obligation to self*. As Shakespeare said, "To thine own self be true." At the end of a long day, can look at yourself in the mirror and feel good about what you've done? "The argument for *self*," Waldo wrote, "is that self-regard is the basis for other-regard, that proper conduct toward others, doing one's duty, must be based on personal strength and integrity" (105).

Obligation to middle-range collectives is next on Waldo's map. Examples include obligations to political party, class, ethnic group, gender, union, church, or interest group, to mention just a few possibilities. These can and do pose ethical obligations to public servants.

Obligation to the public interest or the general welfare is one that is often articulated by public servants and often espoused in the literature. Waldo points out that this obligation has links to many of the other obligations: to the Constitution, to nation, and to democracy, for example. It is one of the most difficult concepts to operationalize, yet one of the powerful pulls a public servant may feel.

Waldo's eleventh obligation is *obligation to humanity or the world*. Waldo summed this up best when he wrote,

It is an old idea, and perhaps despite all a growing idea, that an obligation is owed to humanity in general, to the world as a total entity, to the future as the symbol and summation of all that can be hoped. All "higher" religions trend in this direction, however vaguely and imperfectly. It is certainly an ingredient in various forms of one-world consciousness, and it figures prominently in the environmental ethic and in ecological politics. (106).

Waldo ends his map with an *obligation to religion, or to God*. These two obligations often are one and the same for some individuals, but for others are separate and distinct. They pose formidable challenges for public servants for whom these obligations clash with other obligations, such as laws or

organizational-bureaucratic norms. A missionary acquaintance of mine wears a necklace with a pendant that reads in Greek: "God is first, family and friends are second, and I am third." This expresses his personal hierarchy of competing obligations.

Other equally important perspectives through which to view guerrilla government abound in the literature. A few stand out. Cooper (1998, 65–89), citing Mosher (1968), maintains that responsibility is the key to ethical behavior in the public sector. That includes objective responsibility (e.g., what the law says) and subjective responsibility (e.g., personal and professional beliefs). Cooper urges public managers facing ethical dilemmas to identify all possible alternatives, project probable consequences, and analyze those consequences through the lenses of moral rules, ethical principles, and self appraisal and by thinking through how one might defend one's actions before a broad audience.

Maxwell (2003, 16) boils down "Ethics 101" to the Golden Rule, which urges one to ask, How would I like to be treated in this situation? A version of this rule exists in nearly every culture. This standard, when melded with the will to follow it, is all that is needed to ensure ethical behavior, Maxwell writes.

The implications of guerrilla government for democracy are a critical concern. As you read about episodes of guerrilla government in the following chapters, ask yourself which of these competing obligations the guerrillas were responding to. What is their hierarchy? What should it be? Even though the work of guerrillas may be commendable, are they going against the state? Are they subverting the mandates of elected officials? Are they following the letter of, but breaking the spirit of, the law? What makes their ideals "right" and "just" for the people? Are they "doing the right thing"?

NOTES

1. Jacobson stayed at the agency for several years, eventually left to earn an MPA degree at Harvard, and had a successful and respectable career both in and outside the public sector.

2. Aaron Wildavsky and Francis Rourke expanded the concept in the 1960's, followed by Graham Allison, Morton Halperin, and Guy Peters in the 1970s and 1980's.
3. See for example Blau 1979; West 1985; Bendor, Taylor, and Van Gaalen 1985; Gormley 1989; West 1995; Cook 1996; Brehm and Gates 1997; Meier 2000; Peters 2001.
4. See also Frey 1982; Jensen, Near, and Parmerlee 1982; Near and Miceli 1986; Miceli, Roach, and Near 1988; Fitzgerald 1989; Glazer and Glazer 1989; Jos, Thompkins, and Hays 1989; Johnson and Kraft 1990; Miceli, Near, and Schwenk 1991; Jos 1991; Ettore 1994; Clark 1997; Zipparo 1998–1999.
5. See, for example, Meier and O'Toole 2001; Agranoff and McGuire 2001; Porvan and Milward 2001; Raab 2002; Meier and O'Toole 2003; Van Bueren, Klijn and Koppenjan 2003; Raab and Milward 2003; Keast, Mandell, Brown, and Woolcock 2004.
6. Letter to Albert G Hodges, April 4, 1864.

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Inside Collaborative Networks: Ten Lessons for Public Managers

Robert Agranoff

It is time to go beyond heralding the importance of networks as a form of collaborative public management and look inside their operations. At this point in the development of the field, it is well known (1) that “the age of the network” has arrived (Lipnack and Stamps 1994), (2) that hierarchy and markets are being supplemented by networks (Powell 1990), (3) that public managers are enmeshed in a series of collaborative horizontal and vertical networks (Agranoff and McGuire 2003), and (4) that networks need to be treated seriously in public administration (O’Toole 1997). If this form of organizing is so important to public managers, why not study it in the same sense that hierarchical organization or human resources or the budget process is examined? That is what this article addresses, taking a deeper look into how public networks are organized and how they are managed. It offers some empirically based experiences, addressing 10 important features of collaborative management.

The issues raised here are based on a study of the operations of 14 public management networks in the central states, comprising federal, state, regional, and local government officials and nongovernmental managers—that is, officers from nonprofits, for-profits, universities, and other organizations (Agranoff, forthcoming). Such networks can be chartered (organized by some formal mechanism as an intergovernmental agreement or by statutory action) or

nonchartered (informal in legal status but equally permanent, organized, and mission oriented). These networks are interorganizational (Alter and Hage 1998) and should be distinguished from social networks, which involve “studied nodes linked by social relationships” (Laumann, Galaskiewicz, and Marsden 1978) or recurring relationships (Nohria 1992), both within and outside organizations, for which there is an already developed rich tradition (Burt 1992; Granovetter 1973; White 1992). Public management networks are, in every sense, collaborative connections like social networks, although they not only comprise representatives of disparate organizations but also go beyond analytical modes. They are real-world public entities.

The frequently used term *network* (broadcast, supply service, professional, friendship) needs to be further defined. A term is required that fits the activity of cooperation or mutual action without being so broad that it encompasses every human connection. *Cooperation* refers to the act of working jointly with others, usually to resolve a problem or find a corner of activity. It can be occasional or regular, and it can occur within, between, or outside formal organizations. Here the interest is focused on the activities of individuals who represent organizations working across their boundaries. Agranoff and McGuire define such collaborative management processes as “the process of facilitating and operating in multi organizational arrangements to solve problems that cannot be solved, or solved easily, by single organizations” (2003, 4). In other words, the focus of public management networks goes beyond studies of informal and intraorganizational networking among individuals to include interorganizational—in this case, intergovernmental—entities that emerge from interactions among formal organizations. These bodies, according to the literature, tackle the most nettlesome of public problems

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(O'Toole 1997) and “connect public policies with their strategic and institutionalized context” (Kickert, Klijn and Koppenjan 1997, 1).

Ten practical suggestions emanating from a larger study of public management networks are offered here. Readers who wish to gain deeper insights into the workings of such networks will have to go beyond the limited pages of this overview. The issues are empirically derived from a grounded theory methodology (Strauss and Corbin 1998). In other words, it is an inductive study in which the theoretical findings emanate from field-based data. Thus, the methodology places heavy emphasis on the responses of the public managers themselves. Extended discussions were undertaken in the field on two separate occasions with more than 150 public officials, in addition to field observation and examination of network documentation. In essence, the managerial lessons that follow come from the managers themselves. Hopefully, these insights will not only contribute to the collaborative management literature but also will be of use to those who practice this form of management.

Lesson 1: The network is not the only vehicle of collaborative management. **Networking** is a buzzword around public organizations these days that signifies social networking, within-organization lateral relationships, and a host of other collaborative endeavors. When it comes to cross-organization contacts, the managers in the study related that work within the network represents just one of several collaborative contacts.

Foremost among these contacts are informal bilateral linkages with representatives of other organizations. These used to be face-to-face and telephone contacts, but now e-mail allows for nonsimultaneous contact. Managers continue to spend a lot of effort on one-on-one relationships with those in other organizations. In addition, one must remember that many local governments, nonprofits, and for-profits are bilaterally linked with state and federal agencies through grants, contracts, or cooperative agreements. In some cases, these collaborative efforts are multilateral, involving three or more entities. There are also interagency agreements among organizations within the same

government. These can be either bilateral or multilateral. At the interlocal level, there are a host of mutual service, compact, assumption of service, and other arrangements that will be familiar to those who study local governments (Walker 2000).

This is not to say that networks are unimportant vehicles of collaboration. They bring many organizations to the table. They are, as we will see, important vehicles for resource pooling, mutual exploration, and knowledge creation. Most importantly, networks open up new possibilities that would be hard for one, two, or even three organizations working together to achieve. But they are not the be-all and end-all of collaborative management. They share a place—in many cases, a small place—alongside literally thousands of interagency agreements, grants, contracts, and even informal contacts that involve issues such as seeking information or some form of program adjustment (Agranoff and McGuire 2003).

Lesson 2: Managers continue to do the bulk of their work within the hierarchy. A familiar refrain is that networks are replacing hierarchies (Castells 1996; Koppenjan and Klijn 2004). Although it is certainly true that mutual dependency is leading to an increasing number of horizontal relationships crossing many boundaries, lateral connections seem to overlay the hierarchy rather than act as a replacement for them. According to the managers in the study, there is a premium on the ability to understand and function across boundaries, but this skill has not necessarily replaced the need for internal skills.

When asked, most managers said that they spent most of their time working within the hierarchy. There seemed to be a sort of consensus that only 15 percent to 20 percent of their total work time was consumed by all forms of collaborative activity, including their participation in networks. The typical public management network meets as a body monthly or quarterly, and focused project or workgroup efforts usually involve no more than five to seven hours per month. The managers reported that the rest of their time was filled with various nonnetwork (e.g., bilateral) collaboration. “Most of my work is still in planning, budgeting

and human resources, like my other counterparts in _____” said one agency head. Another said, “In my agency I am the orchestra leader, dealing with all of the tasks of a public agency. In _____, I am just one player, and a part-time one at that.”

This does not include the growing number of boundary spanners or program specialists who are involved in networks and thus spend somewhat more time on collaboration. Program specialists frequently (and more naturally) work across agency boundaries. Their work is technical or based on specialized knowledge, and it is geared to solving problems, belonging to epistemic communities, and acting on shared beliefs. For example, developmental disabilities professionals inside and outside government in one public management network reported spending considerably more time solving overlapping problems with clients, services, and funding. “We have worked together so long and so much that now we finish one another’s sentences,” explained one longtime advocacy association specialist. Professionals working on problems seem to form these epistemic communities naturally and reach across boundaries for routine as well as program interagency accommodation (Thomas 2003), and thus they spend more time in collaboration.

The same held true for the few administrators in the study who were full-time boundary spanners. For example, one administrator in the Nebraska State Game and Fish Commission related that his entire job involved acting as a liaison with environmental agencies and bodies, along with those dealing with rural development. Another federal official with the Economic Development Administration was the sole staff person for two midwestern states. He spent most of his time in the field working with local governments or economic development groups, along with collaborative efforts with other federal and state agencies.

For the line administrator, however, it is largely business as usual most of the time, dealing with internal POSDCORB matters, along with increasing collaborative pressures. Of course, as external connections increase, there will be more internal work related to outside-agency contacts.

Lesson 3: Network involvement brings several advantages that keep busy administrators involved. One clear observation is that sustained collaborative activity, such as that of ongoing networks, must demonstrate worth or busy managers will not waste their time on participation. The networks in this study were not all without stability threats, but all had been ongoing for a considerable period of time. The oldest, an Ohio-based public management network that assisted small communities with their water-supply and wastewater problems, dated back to the late 1980s. This was no easy accomplishment, inasmuch as this network was non-chartered. Why do bodies such as these persist? Because they deliver different forms of public value to their multiple participants.

Performance counts in collaborative activity. But the type of result is not completely tied to making the type of policy adjustments mentioned at the beginning of this article. Actually, networks can perform a great many public service purposes. They not only bring many parties to the table but also have the potential to expand the resource base. The most important element of the resource base is the potential for knowledge expansion, a function that administrators said was indispensable. From knowledge comes the possibility of new solutions derived by, owned, and implemented by several parties. Finally, many managers related that a great deal of one-to-one networking went on in and around network activities, “reducing telephone and e-mail tag,” as the saying goes.

The key to sustained network involvement is performance, and the key to performance is adding public value (Moore 1995) by working together rather than separately (Bardach 1998, 8). In the 14 public management networks studied, four types of public value were queried, and managers found substantial benefits in each dimension. The first benefit is the value added to the manager or professional, such as learning new ways to collaborate, inter-governmental skills, and how to network, along with enhanced technical and information and communications technology skills. Second are the benefits accruing to the home agency, such as access to other agencies’ information, programs and resources; access to information and communications technology; cross-training of

agency staff; and most important, enhanced external input into the internal knowledge base. Third are the collective process skills that accrue from working together over a sustained period of time—for example, developing interagency planning, piloting an adaptation of a new technology, developing a mutual interagency culture that leads to subsequent problem solving, and experimenting with electronic group decision technology. Fourth are the concrete results accrued, such as an action plan, a capability building conference, new interagency strategies, and multiagency policy and program changes. These types of value-adding performance results sustain administrators' efforts in collaborative undertakings.

Lesson 4: Networks are different from organizations but not completely different. When managers become involved in these emergent collectives, they find an interesting mixture of old and new practices. Yes, networks are different in the sense that they are non-hierarchical, players at the table begin largely equal as organizational representatives, most actions are discussed and decided by consensus, resources are multisourced, and there are relatively few sanctions for withdrawal. But networks are not different in the sense that they require some form of organization, operating rules, routines, and so on. Most have stated missions, goals, and objectives to frame their type of organization, which, in many ways, look more like the structures of nonprofit organizations than those of large bureaucracies.

Virtually all of the 14 networks studied operated with some form of council or board, elected by the entire body of agency representatives, very much like the board of directors of a nonprofit organization. Normally, the various sectors (federal, state, nonprofit, for-profit) or identified interests (universities, regional agencies) have a seat at the table, but these bodies rarely do the work beyond strategic planning and final approval of projects and efforts. The real work in all of the networks studied was done in either standing committees (e.g., finance, technology transfer, tele-medicine, educational applications, transportation technical review) or focused and usually shorter-term

workgroups (e.g., ortho-infrared mapping, bicycle and pedestrian, broadband usage, community visitation, water and wastewater treatment). Such bodies, of course, resemble the standing committees and task forces of nonprofits in that their participation is voluntary, they reach out to expertise inside and outside the network wherever it can be found, and they generally try to reach agreement on technical merits and possibilities without hierarchical involvement.

There is thus much less difference between organizations and networks than initially appears, particularly when one accounts for the fact that hierarchical organizations themselves are changing. It is an accepted fact that bureaucratic structures have become more flexible and permeable over the past century (Clegg 1990, 181). Today's organizations are becoming more *conductive*—that is, they are continuously generating and renewing capabilities, bearing in mind the alignment between internal forces and external demands, including the importance of creating partnerships through internal-external interaction, building alliances and coalitions, forming and reforming teams across functions and organization boundaries, and collaborating to actively manage interdependencies (Saint-Onge and Armstrong 2004, 191). In this sense, perhaps bureaucracies and standing networks appear a good deal alike because both need to be concerned with managing complex partnerships, with blurring boundaries. The difference is that one structures and creates rules and strategies under the umbrella of one organization, whereas the other must interorganizationally and collectively create structures, rules, and strategies that fit their multiorganizational needs.

Lesson 5: Not all networks make the types of policy and program adjustments ascribed to them in the literature. There are many public value benefits of collaboration, and not all of them fall neatly into the “solving nettlesome interagency problems” domain. When asked how they were able to forge agreement and arrive at a mutually beneficial course of action, managers from a number of networks related that they did not really engage in that type of activity. Subsequent investigation revealed that actually there were four different types of networks among the 14.

Three networks proved to be *informational*, wherein partners came together almost exclusively to exchange agency policies and programs, technologies, and potential solutions. Any changes or actions were voluntarily taken up by the agencies themselves. Another four networks were *developmental*, wherein partner information and technical exchange were combined with education and member services that increased the members' capacities to implement solutions within their home agencies and organizations. Another three networks were identified as *outreach*, wherein the activities of the developmental network were engaged; in addition, however, they also blueprinted strategies for program and policy change that led to an exchange or coordination of resources, although decision making and implementation were ultimately left to the agencies and programs themselves. Finally, four networks were *action* networks, wherein partners came together to make interagency adjustments, formally adopt collaborative courses of action, and deliver services, along with information exchanges and enhanced technology capability.

The fact that informational and developmental networks do not become directly involved in program and policy adjustments does not make them any less public management networks. The study of collaborative management is relatively recent, and no public sector interagency body should be bound by preconceived or deductive research frameworks or definitions. They are every bit collaborative, public-serving bodies. Moreover, their actions often indirectly lead to subsequent strategies, adjustments, programs and policies. Indeed, there may well be more types of networks and collaborative structures—equally successful—waiting to be discovered. Like other aspects of collaboration, the typology suggests that networks must be analyzed with an open mind.

Lesson 6: Collaborative decisions or agreements are the products of a particular type of mutual learning and adjustment. Despite a form of organization that resembles a non-profit organization, networks rarely follow parliamentary procedure. First, because all networks do not really make decisions, it is

preferable to refer to many of their deliberative processes as “reaching agreements” rather than “decisions,” as the latter normally connotes the action of implementation. In collaborative bodies, decisions and agreements are necessarily based on consensus, inasmuch as participating administrators and professionals are *partners*, not superior-subordinates. As such, they are co-conveners, co-strategists, co-action formulators, co-programmers, and so on. It is also true that public agency administrators possess neither ultimate legal authority (except of course, within one's home agency domain) nor control over all technical information. Authority in the network is shared with the many stakeholders at the table: other administrators, program specialists, research scientists, policy researchers, and interest group and advocacy association officials. Among the partners, it is unlikely that any single agency or representative at the table will have the legal authority or financial resources to completely approach a problem. Finally, the all-important potential for agency-based implementation for most collaborative solutions lies not in the network itself or in any one agency or program but among the many.

Collaborative decision making and agreement are no doubt similar to the functions of knowledge-seeking workgroups within single organizations (Newell et al. 2002). Consensus prevails over motions and voting. For example, one study participant related, “We have Robert's rules in our by-laws, but only use them after we have reached agreement.” Another network chair said, “Parliamentary procedure rules won't work—as a last resort when we are near consensus we may resort to informal Robert's rules to move things along.” The learning process is clearly and directly a parallel component of network decisions. “Once we agree that a problem is an issue we care to look into, we study it and discuss the results before any action is taken,” reported one participant. “We try to get on the same technical page if we possibly can. That means someone or a work group has to study a problem, then we discuss it,” said another. “Our Technology Transfer Committee is charged with finding feasible small town water solutions used elsewhere; they then become the basis of Steering Committee

discussions.” Finally, one manager interviewed commented, “The Transportation Technical Committee is charged not only with looking at the feasibility of projects, but to advance state-of-the-art [transportation] programming to the Policy Committee agenda.” These comments from the discussants highlight the centrality of making the network a learning entity in the sense of Senge’s (1990) learning organization. One can then characterize the typical network decision-making process as involving joint learning that leads to brokered consensus.

Most importantly, this process is oriented toward creating a collective power of new possibilities. In a confusing, complicated world in which institutional arrangements are loosely arranged, “The issue is to bring about enough cooperation among disparate community elements to get things done” (Stone et al. 1999, 354). In order to open up new possibilities, the networks studied used six distinct predecision or agreement learning strategies. They prepared for brokered consensus through (1) group discussion or exchange of ideas; (2) political negotiation of sensitive concerns and intensely felt needs; (3) direct application of technology or preestablished decision rules or formats; (4) application of preestablished, formulaic procedures (e.g., those related to regulations, grants, or loans); (5) data-driven decisions or agreements (e.g., market studies, usage patterns, traffic or accident counts); and (6) predecision simulation or electronic base groupware or other decision techniques. The informational and developmental networks tended to be involved in the first two categories exclusively—discussion and exchange and political negotiation—whereas the outreach and action networks engaged many of the six. In all, public management networks probably do not make decisions all that differently from the internal processes of learning organizations, but organizational boundaries must be acknowledged through what one could characterize as partner respect or nonhierarchical behavior.

Lesson 7: The most distinctive collaborative activity of all of the networks proved to be their work in public sector knowledge management. In our contemporary information-based society, work is increasingly knowledge

based, but substantial gaps in knowledge led each public management network to seek more and, in the process, somehow manage this commodity. “Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information” (Davenport and Prusak 2000, 5). Whereas *data* refer to discrete, objective facts, and *information* is a message in the form of a document or an audible or visual communication, *knowledge* is more action oriented, both in process and in outcome. Knowledge management has two dimensions: *explicit knowledge*, which can be codified and communicated easily in words, numbers, charts, or drawings, and *tacit knowledge*, which is embedded in the senses, individual perceptions, physical experiences, intuition, and rules of thumb (Saint-Onge and Armstrong 2004). Knowledge management is the process of bringing together explicit and tacit knowledge and displaying and manifesting it, “as it involves skilled performance, i.e., KM [knowledge management] praxis is ‘punctuated through social interaction’” (Tsoukas 2005, 158–59).

In the networks studied, the process of knowledge management in many ways defined the major focus of their standing committees and working groups. First, essentially all of them began by surveying the universe of data and information that their partners had developed or could access, plus external databases of use to them. Second, this information then used to develop their “own source” explicit knowledge using resources such as libraries, map inventories, strategic plans, fact sheets and policy guides, focused studies, surveys, conferences and workshops, electronic bulletin boards, process reviews, long-range plans, models and simulations, and market studies. Third, tacit knowledge was rarely formally codified, but it was regularly approached through stakeholder consultations, best practices booklets, workgroups as “communities of practice,” study project report panels, expert presentations, specialized workshops, SWOT workshops, hands-on technical assistance, community leadership development sessions, forums on “what works,” direct agency outreach, help desks, and public hearings. Fourth,

the networks tried to organize the explicit/tacit interface not through codification but through informal feedback on the myriad of knowledge management activities in which they engaged, usually through some informal post-project assessment or at its board or steering committee meetings. Fifth, most of the networks directly served some of the knowledge management needs of their partner agencies by producing formal reports, responding to data requests, supplying modeling and planning data, circulating policy reports, sponsoring in-agency forums and report sessions, providing technical expert linkages between the network and specific agencies, and in some cases, providing agency-requested studies.

All of these knowledge management activities are now supported by the use of information and communications technology, such as e-mail, teleconferencing, Web-based geographic information systems, decision-support software, and the like. These are essential for partners that are situated in disparate organizational locations, although they are no substitute for face-to-face communication, the normal mode of detailed knowledge management work. In the same way that organizations seek structured predictability, networks try to use their open-ended processes of coordinating purposeful individuals who can apply their unique skills and experiences to the local problem confronting the collaborative undertaking (Tsoukas 2005, 111). They are part of the distributed knowledge systems that are created across boundaries, possessing somewhat fewer constraints or rule-bound actions and approaching those problems beyond the scope of any one agency.

Lesson 8: Despite the cooperative spirit and aura of accommodation in collaborative efforts, networks are not without conflicts and power issues. These concerns became quite evident when the networks' agreements and actions were broken down. Collaborative management, with its joint learning, consensus, and mutual accommodation orientation, may be assumed to be all hugs and kisses as the group sits in the "hot tub" of small groups, contemplates, becomes mellow, and somehow agrees. In fact, a number of the networks participants studied

reported that many of their challenges related to conflicts among partners.

For example, the Darby Partnership, an informational watershed network in central Ohio, almost fell apart when some of its members supported a congressional bill to make the Darby Creek a national wildlife refuge. The wildlife refuge was so divisive that it impeded the partnerships efforts to exchange ideas about the environmental status and remediation efforts in the watershed. Likewise, the Iowa Geographic Information Council struggled for more than two years with the state of Iowa's chief information officer. The officer was unwilling to support the council's efforts to recruit a field technical officer to help local governments access the geographic information system. The Kentucky-Indiana Planning and Development Agency had to deal with major conflict over the siting of a second bridge over the Ohio River into the city of Louisville. After years of conflict, two bridges were proposed (city/suburban), displacing many other local transportation improvements.

These "mega-conflicts," so to speak, illustrate the point that all is not harmony in collaboration. Numerous mini-conflicts occur over agency turf, the contribution of resources, staff time devoted to the network, the location of meetings and conferences, and most importantly, threats of withdrawal because of frustration over the time and effort expended to achieve results. These are the more or less hidden aspects or the other side of collaboration,

Also hidden is the issue of power within networks. Some look at policy networks as coequal, interdependent, patterned relationships (Klijn 1996). On the other hand, it appears that different actors can occupy different role positions and carry different weights, creating unequal opportunity contexts and filling "structural holes" (Burt 1992, 67), whereas others may be less willing or able players. Indeed, Clegg and Hardy conclude that "[We] cannot ignore the façade of 'trust' and the rhetoric of 'collaboration' used to promote vested interests through the manipulation and capitulation by weaker partners" (1996, 679). It is also possible that this type of "power over" exists alongside the "power to," depicted earlier as the power of possibility. In fact, both are at work in networks and other

collaborative enterprises. Indeed, both types proved to be the case in the 14 public management networks studied.

In fact, the two dimensions of power were manifest in a complex power structure found in each network. Beyond the formal structure of the governing body and working committees and groups were four elements of power. First, virtually every network had a *champion* (and in two cases, two champions)—a visible, powerful, and prestigious public agency head or non-profit chief executive officer who organizes or sustains the network. The presence of the champion in the network signaled to others in the field to “stay in” and “cooperate.” Second, there was a *political core*, normally comprising the primary participating department heads or federal government state directors and chief executive officers of the nongovernmental organizations. These managers tended to be part of the governance structure, they sent a message to other participants that the network was important to be involved with, and they were the people who were most likely to be involved in high-level interagency negotiations and resource accommodations. Third, there was a *technical core*, primarily workgroup or committee activists who knew the most about a particular topic (e.g., watershed management, planning, geographic information systems, finance, regulation, information and communications technology, and so on). Because a great deal of the work was bound up investigating problems, creating knowledge, and looking for feasible solutions, their work was at the core of network activity, and the most knowledgeable of these individuals held considerable operating power. Finally, there were paid staff who held the network together through their support efforts, which in the 14 networks ranged from one or two persons who devoted to the network full time to 18 full- or part-time participants in one action network. Because staff orchestrated all of the work—arrangements, negotiations, technical—they had a foot in every phase of the operations and, in their own way, hold considerable sway over network’s work. This power structure is deep, and the four dimensions overlap in practice—it is every bit as real as those in the organizations from which representatives are drawn.

Lesson 9: Networks have their collaborative costs, as well as their benefits. If managers give up or add to the job of internal operations to engage in cooperation, they obviously do this at some cost. To most managers, the most primary costs are related to giving up agency authority or turf and giving up agency resources (Bardach 1998). Many line managers are said to be protective of agency autonomy for one of four reasons: (1) the agency manager knows best, and therefore should carry out its mission and programs; (2) loss of autonomy is associated with the loss of control and guidance of the agency; (3) people place a greater value on losses than on gains; and (4) autonomy reduces uncertainty (Thomas 2003, 33–34). In the study, these turf questions existed, but they were not foremost because most managers thought they had sufficient control over their own organizations and that the collaborative work of the network rarely cut into their core missions. Most managers felt they had ultimate policy control. Resource contributions were somewhat different. For the informational and developmental networks, the only resources contributed involved staff time and information, which normally come at a low or marginal cost. The other networks did have to yield resources for the cause, but when the partners could see their contribution to the larger issue or cause, they felt they could make such contributions. The only problematic issue occurred when resources were withheld.

There were, however, other real costs associated with network participation that the managers and professionals articulated. Six general cost categories were indicated: (1) time and opportunity costs lost to the home agency as a result of network involvement; (2) time and energy costs resulting from the protracted decision-making process, based on nonhierarchical, multiorganizational, multicultural human relations processes; (3) agreements not reached because of the exertion of organizational power or the withholding of power; (4) network gravitation toward consensus-based, risk-averse decision agendas; (5) resource “hoarding,” or agencies’ failure or unwillingness to contribute needed resources; and (6) public policy barriers embedded in legislation, coupled with legislators’ or other policy makers’ unwillingness to

make needed changes, which, in turn, frustrated collaborative decisions. All of these appear to thwart progress within networks.

In the literature, there has been less emphasis on the costs than on the benefits of collaborative efforts. Because the seven costs identified here (turf plus the six drawn from the study) do not nearly exhaust the list, more emphasis must be placed on this dimension. For public managers, they are as real as the benefits.

Lesson 10: Networks alter the boundaries of the state only in the most marginal ways; they do not appear to be replacing public bureaucracies in any way. Just as some assert that networks are replacing hierarchies, there are those who believe that collaborative structures such as networks are pushing out the traditional role of government to include a host of nongovernmental decision makers. Have the boundaries of government changed? Rhodes (1997) refers to the multiple influences of complex networks, among other forces, as differentiating the British polity. Loughlin's (2000) analysis of European regionalism suggests that the transformation from a welfare state to a liberal state to a communitarian state has transformed government into an enabling state in which decentralized public-private partnerships, among other forces, are diminishing governments' hold. Frederickson (1999) points to the increasing disarticulation of the state, where there is an increasing gap between jurisdiction and program management.

Most of the managers and other partners studied felt this to be true, but only to a limited extent. To a degree, the deliberations of the network and the involvement of nongovernmental organizations clearly influenced the courses of action taken by government, and in some cases, new programs and strategies emanated from network deliberations. But the partners were quick to point out three large caveats. First when it comes to policy decisions, it is almost always the public institutions that make the ultimate call, and in the case of implementation, it is the agency. Second, in virtually every public management network, it is government administrators at federal, state, and local levels who are the core or among the core actors in the network. They are able to inject legislative,

regulatory, and financial considerations right into the network mix, which hardly marginalizes them.

Third, many collaborative efforts outside the network form are more tightly controlled by the government, in the form of grant expectations, contract provisions, or loan conditions, tying the nongovernmental organization to the public agency in a tighter way. One might also add that for informational and developmental networks, there is hardly any governmental scope at issue, at least in any direct form. In fact, in most cases, even the outreach and action strategic networks worked on a rather narrow scope of issues—federal transportation funding, educational broadcast policies, rates for use of the state Web portal—or strategies that did not compel but assumed voluntary compliance, such as a small-town water upgrade or a value-added agricultural initiative. In all, networks have some impact on traditional government agency powers, but it is far too early to discuss closing them down.

Hirst (2000) cautions us that government retains essential powers over decision making and traditional normative and services domains. As Sharpe (1986) once suggested, government is not just another organization in the mix of interorganizational actors. The important issue appears to be taking the next research-oriented step to examine just how and how much network-generated complexity affects what we have traditionally known as *government*. Do complexes of networks extend public management processes outward to nongovernmental organizations? In the interim, the research reported here suggests that it is far too early for practicing managers to look for other work. Their “day jobs” appear safe.

Conclusion

These lessons represent a start in understanding how collaborative bodies such as networks work on the inside. Theoretically, the broader study is able to make several arguments that add fuel to the debate regarding networks. As suggested here, however much the “era of the network” is present, hierarchies persist to fulfill the legal and policy functions of

government. It also demonstrates that not all public networks are alike; they are differentiated by what they do—or more precisely, by what powers they have. Many have few or no powers. An internal look at networks indicates that although they are largely self-organizing, they require structuring that reflects their knowledge-seeking orientation. They need to be managed like organizations but in collaborative, nonhierarchical ways. Indeed, the data-information-knowledge function of networks is so paramount that their collaborative communities of practice across agencies distinguish them from more bureaucratically oriented hierarchies. Although most public management networks lack formal power to make policy and program adjustments, they do make a difference in other ways. In particular, they add value through their knowledge-enhancement functions, which, in the long run, bring beneficial outcomes to the participating managers and professionals, the partner agencies, the collaborative process, and to short- and long-term policy and program solutions. Finally, networks do change the way in which public managers work, inasmuch as their actions and behaviors are influenced by collaboration, but there are other means of collaborative management and real legal and regulatory limits to the amount of flexibility that most managers have within networks. In this sense, networks threaten or hollow the boundaries of the state in only the most subtle ways.

A research tradition on network operation is beginning to fill in some of the theoretical blanks—for example, the work of Provan and Milward (1991, 1995) on governance structure and outcomes, Mandell (1999) on management styles and instruments, Agranoff and McGuire (2003) on collaborative instruments, Bardach (1998) on theories of collaborative leadership, Koppenjan and Klijn (2004) on management knowledge to deal with uncertainty, McGuire on management styles, and O'Toole and Meier on managerial strategies and behaviors. In addition, Agranoff and McGuire (2001) have pulled together a number of core concepts in collaborative network management into a post-POSDCORB paradigm.

The lessons related here suggest that in some areas of study, there is more than meets the eye,

but in many more, there is substantially less. In regard to the latter, networks are far from the only form of collaborative management, and they may be much less important than contractual or interagency and other cooperative agreements. Managers do spend more time in collaboration, at some cost, but less than one would think. Today's wicked policy problems, dispersed knowledge and resources, first- and second-order effects, and intergovernmental overlays guarantee that managers must engage other governments and nongovernmental organizations (Agranoff and McGuire 2003; O'Toole 1997). The payoff is that public management networks have a lasting collaborative effect, as they build collective capacity for subsequent collaborative solutions and teach managers the essential skill of collaboration.

As observed earlier, it may be impossible to precisely weigh the benefits of networks against the costs, but the advantages must be there—busy administrators and program specialist partners would not engage in collaboration solely for social purposes or for the intrinsic merit of cooperation. There has to be something more in terms of holding participants in. It is hoped that these 10 lessons will be of use to managers who are engaging in or contemplating network collaborative public management.

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Public Value: Theory and Practice : Conclusions

John Benington and Mark H. Moore

The chapters in this book have boldly taken up the challenge of developing the concepts surrounding public value and applying them to different substantive domains, in different institutional contexts and different political cultures. In doing so, they have tested the generality and robustness of the ideas, but also transformed them, and rendered them more practically useful. In *The Savage Mind*, Lévi-Strauss noted that all practical tools become enriched with use. As a tool, originally constructed for some particular use in some particular context is used to solve a different problem in a different context, the tool itself changes. So it is with the tools associated with creating public value.

Our aim in this chapter is not to summarize the themes and arguments running through the book. It is, instead, to look ahead to two key concerns that will continue to challenge theorists and practitioners.

First, to what extent are the concepts and principles of public value still relevant to the world we now inhabit and seek to improve?

Second, what are the important conceptual and practical difficulties that continue to frustrate those who would like to apply the principles of public value creation to particular concrete tasks?

We begin with some broad observations about how the world of public management and leadership seems to have changed in the decades since *Creating Public Value* was first published. We then argue for the continued—indeed increased—relevance of the central ideas contained in the public value concept.

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Finally, we turn our attention to the frontiers of public value theory, and the particular theoretical and practical issues that need to be addressed if the concepts of public value are to be useful in guiding the efforts of government officials and other public leaders in the future.

Changes in the Context of Governance and Public Service

Much has changed in the world in the decades since *Creating Public Value* was first published. Three trends seem particularly important: the rehabilitation of the idea of government as a value-creating social institution, the increased recognition of our interdependence, and the understanding that government is but one part of the overall process of social governance.

The Revival of Government as A Value-Creating Institution

First, the political attack on government has abated, and, more importantly, shifted its focus. Most citizens have come to a renewed understanding that government is, in fact, a value-creating enterprise that helps create the conditions for economic prosperity, civility in social relationships, and the advancement of justice. They continue to debate the particulars about how big the government should be, the purposes government should pursue, and the methods it should use in pursuit of collectively defined goals. But the wholesale assault on government as a socially unproductive institution seems to be over. The attack on government had reached its limits before the recent financial crisis. But the financial crisis has made it abundantly clear to many that unbridled market forces are unable on their own to produce the kind of prosperity, civility, and social justice that human beings want for them selves, their communities and their children. We know that we need government

to do its part as a regulatory and service delivery operation to create the material conditions under which we as individuals and a communities would like to live.

Many citizens are also beginning to understand that government is not only valuable as society's agent in acting to create the conditions that society deems good and just, but also as an occasion for building a public sphere. It is because we have a government, and we have to figure out how to use it, that we have to sometimes leave our private lives aside, and enter into a public realm where we can talk collectively about what we would like to achieve, and what we owe to one another. In such gatherings, we can continue to conclude that we would like to keep the public sphere small to provide for the maximum of individual liberty, but we cannot do without a public sphere where we share our individual ideas about what our society as a whole should be like, and how we should use the collectively owned powers of the state to help us approximate those desired conditions. This means not only improving the practice of traditional representative democracy but also creating wider and deeper channels of consultation between citizens and government about the ends and means of government action. The 2010 coalition government in the UK calls this 'creating the Big Society'.

So, the pressure on government has shifted quite a lot. The demand for smaller government has given way to a new demand for better government. Moreover, the idea of better government includes not only more efficiency and effectiveness in the pursuit of collectively desired ends, but also better processes of public deliberation about what the ends and means should be.

Operational Challenges to Government

On the operational side of government, citizens no longer want or tolerate a 'one-size-fits-all' government. They want a government that can see its citizens as individuals and respond to their particular status and condition and as communities and respond to their diversity.

Citizens have also lost patience with government agencies that excel only in performing their narrowly defined missions. They want

instead a 'networked government' in which different levels of government, and different government agencies, deliver 'joined-up' services to individuals, families, and neighbourhoods in a coordinated way.

And when citizens call their governments to account, they want more than reassurances that organizations have complied with existing policies and procedures and not stolen the money. They want to be sure that the government has actually achieved the outcomes they promised to produce when they asked for tax income and public authority to pursue collectively defined public purposes.

Political/Legitimacy Challenges to Government

On the political legitimacy side of government, citizens have also become more demanding. Formal elections remain the core of democratic politics. But we are increasingly aware of the limits of this process in legitimating all subsequent acts of government.

Fresh electoral mandates go stale very quickly as time passes from the point of election. Many important issues which governments are called upon to face are never addressed in the political campaigns that precede the election. And there are thousands of issues that do not rise to the level of a national debate, but are of extraordinary importance to individuals and groups who will be affected by policy decisions.

Understanding all this, governments have begun to develop new forums and processes for consultation with citizens. There has been a world-wide push to decentralize governance, and to give more autonomy and influence to local authorities and communities.

Increasingly, administrative rule-making agencies have opened up their decision-making processes and sought wider consultations with those likely to be affected by the decisions. Service delivery agencies have created forums in which clients have the opportunity to discuss and define what they value, and what constitutes quality in the delivery of services. And public agencies are making more extensive use of different kinds of surveys to learn the degree to which government seems to be meeting the

expectations and demands of its citizens. In these respects, then, politics—understood as all of those processes through which citizens make claims on government—has opened up, in a bid to improve the responsiveness and democratic legitimacy of the state.

The Re-Emergence of the Social Consciousness of Interdependence

Second, one of the forces that has led to the re-evaluation of government as an important, value-creating social institution is the re-emergent sense of our social interdependence. The politics of Ronald Reagan and Margaret Thatcher insisted on the fundamental independence of individuals. The symbol and instrument of that independence was the right of individuals to choose for themselves. The triumph of individual choice was reflected in the economic sphere by the importance accorded to private market mechanisms. It was reflected in the political sphere by the commitment to shrink the size both of the public sphere and of government.

The neo-liberal emphasis on the fundamental independence of individuals went hand in hand with the attack on government because it implied not only that individuals had a right to decide important matters for themselves, but also that the consequences of individual choices for other individuals, or society at large, would best be orchestrated by the hidden hand of the private market. If this were true, there would be no need for any higher authority to regulate those choices. This was the preferred state of things to the proponents of individualism, because they believed it was nigh on impossible for any kind of collective to decide whether and how it should restrain individual choices to achieve a good and just society.

The ideologies and institutions that give primacy to individuals—liberal democracy in politics and market capitalism in economics—continue their powerful advance throughout the world. But their promise of individual independence masks the real material, social, and political conditions in which people live.

The fact is that our individual lives are becoming much more deeply intertwined

rather than less connected. Each individual is now much more dependent on what others in the world are doing than has ever been true in the past. In today's interconnected global world we have many more opportunities to help and hurt one another than in the past. The emergence of a truly global economy has made each of us vulnerable to competition from others throughout the world, but also given each of us a chance to find others in the world who might value what we can produce. The growth of international travel has brought with it the threat of world pandemics, but also the possibility of far flung but intimate social networks in which the individuals we call our friends stretch across geographic and cultural boundaries. Ethnic and religious conflict and global terrorism have made us feel vulnerable to the intolerant views of our fellow humans, but also forced us to reconsider our own fixed ideas and search for the empathy and common purpose that would allow us to live in a highly diverse but tolerant world. The internet has made us vulnerable to new forms of theft and exploitation, but also spawned a global consciousness of one another as people sharing a physical, economic, and social world without sharp national, political, or cultural boundaries.

The fact of our interdependence forces us to be aware of one another. Consciousness of our effects on others creates some kind of responsibility for taking account of those effects, minimizing them if they are harmful, and finding ways to mutually benefit from the effects if they are positive. Much of this social co-ordinating work can be done naturally as individuals encounter one another and seek both to avoid harm and to find useful means of cooperation on their own.

The Necessity of Social Institutions That Constrain Individuals

While we might hope that this consciousness of others, and the kind of restraint that this consciousness implies, would arise naturally in the society, and that we could manage our interdependence through voluntarily embraced self-discipline, civility and empathy alone, the reality is that to manage our thick, penetrating interdependence reliably, society has to develop

social institutions that do not allow individuals to do whatever they want, but requires them to act with attention to the interests, wellbeing and expectations of others. And that puts independent, choice-making individuals in relationships of duty and obligation to one another, and to the social institutions that both restrain and enable the conduct of individuals and groups as well as protects their rights. One important implication of this line of thought is to understand that individual citizens interact with government not only as customers who receive services and benefits but also as obligatees who will have to accept their fair share of the responsibility for accomplishing important collective goals. If they want to renegotiate these obligations, they have to participate as citizens in designing the ‘architecture of their own restraint’ (Hannah Arendt 1958). Government, in turn, has to learn how to manage relations with individuals. It has to become as expert in the management of ‘obligation encounters’ as it is in the management of ‘service encounters.’ And it has to become expert in creating the occasions for individuals to come together as a public and become both informed and articulate about what they would like to accomplish together through their social institutions.

From Government to Governance

In the past, prior to the neo-liberal attack on government, we have relied on governments to do much of this important work. But the neo-liberal attack on government increased our awareness that government was not the only institution involved in managing the social interdependence of individuals.

The recognition that government is only one part of the institutional apparatus that societies rely on to govern themselves is the third major trend in contemporary understandings of government. We now see not only in advanced industrial societies, but also across the globe, the invention and emergence of new institutions of governance for managing the increasingly complex interdependences that operate with and alongside government, and sometimes quite independently of it. This is happening at the international level as

individuals and nations across the world search for the means to combat global threats such as terrorism, infectious disease and climate change without the benefit of a global government. But it is also happening at the local and grassroots levels as small communities discover the degree to which their neighbours influence their welfare and find ways to come together to solve local problems through the combined efforts of government, voluntary associations and non-profit organizations. And, as noted above governments are learning to supplement their legitimacy and capacity through new working relationships with one another, and with private and voluntary organizations at national, state, and local levels.

The Enduring Relevance of Public Value Theory

These three key changes in our social context—the rehabilitation of the idea of government as a value-creating social institution, the increased recognition of our interdependence, and the understanding that government is but one part of the overall process of social governance—seem to have, if anything, increased the importance of public value as a theoretical concept and a practical framework for public leadership. The authors of the chapters in this volume find ways to use the ideas associated with public value not only to deal more effectively with problems that have been around for a long time, but also to tackle the completely new problems facing governments, citizens and communities. They find ways to use these concepts not only when they are focusing on how to create new programmes within existing organizations to deal with new problems, and not only when they are trying to reposition a particular government organization in a changing environment to make better use of the assets held within that particular organization, but also when they are searching for an improved overall system response to a social problem that is not now being well handled by any single government organization. And, they find ways to use the concepts of public value to talk about improving the processes of public deliberation and community mobilization that are necessary to create both the legitimacy and support

needed to achieve large social outcomes, as well as to mobilize the networks of capacity that are distributed across many organizations and sometimes millions of decentralized individuals. Indeed, if anything, the concepts of public value creation seem even more important in the brave new world of interdependence and networked governance than they were in the old world either of big government on one hand or small government on the other.

One of the most important implications of the above trends shaping our individual and collective lives is that many different individuals, standing on different social platforms, can make contributions to the overall quality of our collective lives. Government officials remain crucially important, of course, as organizers of collective efforts, as deployers of public assets, and as convenors of public deliberations about what we would like to accomplish together. But in the new world of governance, they are joined by individuals in the voluntary, non-profit sector, and even those in the commercial, for-profit sector. Each can offer certain kinds of public leadership in identifying and dealing with public problems.

To do so, however, they have to think and act differently in these roles. And the concepts of public value creation and the strategic triangle give them some useful guidance about how to think and act in these roles, in this new world:

- The concept of public value acts as a guide to search out conditions that need to be improved, and problems that need to be addressed but are not necessarily the responsibility of any single agency.
- The concept of operational capacity highlights the importance of actions taken by ‘partners’ and ‘co-producers’ drawn from the voluntary and for-profit sectors.
- The concept of authorization acts as a reminder that political mobilization is essential to creating social contexts in which government-imposed obligations feel legitimate, and lead to acceptable changes in thinking and behaviour within society.

The idea that politics ought to help the public deliberate about what it should be trying to do with government and other public assets is becoming an urgent issue as citizens

increasingly find the contemporary political discourse lacking in substance, and disconnected from their key concerns.

While the concepts are useful in general, it is worth giving close attention to some which need to be developed further to be particularly useful—first to government officials acting in their role as government managers, second to individuals seeking to offer leadership from other platforms in society.

Public Value as A Guiding Concept For Government Officials and Other Public Leaders

In thinking particularly about public value as an idea to guide the diagnoses, judgments, and actions of government officials (whether if elected, appointed or career positions), five key issues seem to arise.

- Whether and how politics and administration might be more effectively integrated with each other in the development of legitimacy and support for governmental action
- How the performance of government agencies might best be measured and evaluated—that is, how we might recognize the creation of public value when it occurs
- How best to analyse the production processes of government and to orchestrate the contributions made to government and public purposes by partners and clients
- How much room there is for innovation in government, and how to create conditions to stimulate increased innovation
- What government leaders and managers can and should do to help bring a public into existence that can understand and act on its own interests

Increasing Legitimacy by Linking Politics and Administration

There is still a lot of work to do in understanding what public managers can and should do to support and strengthen legitimacy and

authorization for governmental decisions and operations. The old debate about the dividing line between policymaking and administration goes on, and traditionalists continue to emphasize the primacy of elected politicians in defining the ends of government and restricting career civil servants to the search for efficient means to achieve those ends.

But this approach seems to ignore a deeper problem: namely, that democratic government has a legitimacy deficit which is only partly closed by ensuring that the elected government of the day has the necessary authority to implement its policies. Perhaps it would add something to the old debate to recognize that one of the key goals of democratic government (in addition to developing policies and delivering services) is to deepen democracy, and to maximize the legitimacy of the choices made by government. The legitimacy of these choices depends not only on the imprimatur of an elected or appointed government official, but also more broadly on the public's acceptance of the decisions made and of the way those decisions were made (for example the adequacy of the consultative and deliberative processes that informed the decision). The debate should also make room for the idea that the legitimacy of a political choice depends not only on the process by which it was made, but also on its perceived legality and fairness, and the likelihood that it will produce the results that were claimed for it.

If one of the key goals of the elected, appointed and career public officials who share executive responsibility in government is to maximize public legitimacy and support for the government's choices and actions, then the individuals who occupy these positions might do well to think of themselves as a team, jointly aiming to create specific public value outcomes, and with legitimating these choices as one of their common goals. After all, they each bring different assets to that task. Elected politicians bring the authorization that comes from having stood for and won election. Politically appointed advisers and executives bring not only their close relationship to the victors in the election, but also (ideally) some significant expertise and knowledge of their own. And career civil and public servants bring both a detailed knowledge of the laws that guide the actions of government,

and substantive expertise in analysing and dealing with particular policy problems.

If we transform the debate about the relative powers held by elected politicians on the one hand and career civil servants on the other into a discussion which focuses on their joint responsibility for producing and implementing policy decisions and government operations that are legitimated and supported by a combination of political consent, law and expertise, then we need theories and practices that can take account of this emerging reality. This cannot be helped by thinking and acting as though electoral legitimacy is the only kind of legitimacy that is engaged when a public choice is made by a democratic government; nor that the only source of political legitimacy is the judgment of an individual politician acting in isolation from other sources of advice and action within the whole system of governance.

It is also important to note that as democratic governments seek to deepen democracy and close legitimacy gaps by developing new processes of consultation with citizens and users, some political work shifts from national governments to local and community governments and organizations. As local government officials (and leaders of local partnerships between public, private and voluntary sector agencies) take responsibility for orchestrating public deliberations to legitimate the choices they make, and develop new methods of consulting with citizens and client groups, the frontline officials (many of them public servants) become engaged in a particular kind of politics—the politics of how to use administrative discretion to achieve purposes that smaller but more continuously engaged political communities want to achieve.

The old preoccupation with the powers of elected officials over career civil servants remains important in so far as it reminds us that we have to be concerned about enhancing the democratic legitimacy and accountability of government—to be sure that it becomes a 'government of, by and for the people.' But the chances for advancing that goal seem much larger once we understand that the process of endowing decisions with democratic legitimacy can be something more than simply ensuring that elected officials have full and final power

over government agencies. Indeed, elected politicians themselves know this is true, and rarely act as though they had the powers that some would like to give them. They understand all too well that legitimacy is a hard thing to achieve, and that it takes a complex blend of wide political consultation, understanding of the law, and technical expertise to achieve.

The concept of public value and the strategic triangle help to make sense of these complex processes—not only by focusing the joint effort of both elected and appointed government officials on producing out comes that the public values but also by focusing attention on the processes that build legitimacy and support for specific purposes being pursued by government officials using the powers of government. In effect, the strategic triangle makes the creation of a vital public sphere one of the important ends and means of public officials—whether elected, appointed or career.

Recognizing Public Value: Measuring Government Performance

There is also much work to be done in developing the concept of public value outcomes and deploying the performance measures necessary to recognize when and how much public value is being created by government and other organizations. Once again the strategic triangle provides some guidance about how that work should be done.

The choice to give ‘public value creation’ priority standing in the strategic triangle points to the crucial importance of offering a clear account of the value to be produced by a particular government organization or programme. Neither society nor government managers can be sure they are headed in the right direction if no strategic direction or outcomes have been specified. Nor can the conditions necessary for continuous improvement be created if there is no way to measure incremental improvements. So, government organizations cannot function rationally and intentionally without some concept of the public value they seek to create, and some means of measuring the degree to which they are successful in creating it. But there are philosophical,

technical and political impediments to developing useful measures of public value.

The philosophical problem arises because the question of what constitutes public value is, at its core, a normative question. Those attempting to answer the public value question have to consider and respond to the utilitarian idea that social welfare consists of nothing more than the maximization of individual desires. They have to consider the more socially oriented but still utilitarian idea that public value consists of achieving some collectively defined social outcomes. And they also have to consider where and how deontological ideas, such as individual human rights, social justice and fairness in government operations, fit into their conceptions of public value as a whole. When we reflect on these questions about value as citizens or public servants, we enter the realm of political philosophy—engaging in discourse about both the good and the just.

The technical problem arises because those charged with creating and measuring public value must be able to construct a reliable bridge from a philosophical concept of value to an empirically observable reality. If they want to talk about the degree to which a policy satisfies individual values, needs and desires, they have to have some way of measuring that satisfaction. If they want to talk about the degree to which a public policy achieves desired social outcomes, they have to be able to name the outcomes that society values and find the means of measuring the degree to which they were achieved. If citizens and public servants want to talk about the degree to which a policy advances the cause of justice, or the degree to which the policy distributes its benefits and burdens across the population in a fair way, they have to be able to give an operational as well as a conceptual definition of justice and fairness. In each case, it is necessary to construct and test particular instruments to measure progress in achieving the abstract concepts that define public value. The measures have to align closely with the concept, behave consistently over time, and allow for efficient and inexpensive data collection.

It is easy to lose oneself in the philosophical and technical challenges described above in a quixotic effort to construct a simple objective ideal that could do for public sector

organizations what financial measures do for private sector organizations. Yet, there is a danger in focusing on the public value question alone, independent of the parallel questions about legitimacy and support and operational capacity.

A far greater danger, however, is that thinking about public value purely as an abstract philosophical and technical concept tempts one to think that public value is an absolute that can be decided once and for all time, and exists independently of public debate or organizational experience. Viewed alone, one could make the grave error of thinking that the problem of measuring public value is only philosophical and technical—not also political and managerial.

The strategic triangle deliberately and determinedly binds the concept of public value to the idea of political legitimacy and authorization on the one hand and to the idea of operational capacity on the other. The framework insists that the idea of public value can live somewhat apart from and in partial tension with the idea of political legitimacy. It creates a sphere in which new conceptions of public value can be offered to challenge the old, and weaknesses in political processes that cause some important public values and interests to be neglected can be probed. But a satisfactory conception of public value can never be wholly distinct from the democratic political process that confers legitimacy on a particular conception of public value.

Our conception of public value then has not only to stand alone as a philosophical ideal (made concrete and practically useful with the technical construction of a measurement system); it must also be linked closely to the messy and dynamic world of competing and changing political aspirations on one hand, and organizational activity and production on the other. These linkages are among the main benefits of using the strategic triangle as a guide to managerial thinking and action.

Co-Production With Partners and Clients

While much of the controversy about public value has focused on whether and how public managers of different stripes should participate in the political processes that define public

value, public value theory has also contributed to some radical claims about the core production processes of government as well. One of the most important of these is that the successful achievement of socially desired outcomes often depends on the active assistance of actors and stakeholders who operate outside the boundaries of government agencies—that public value is typically ‘co-produced.’ The success of schools often depends on contributions from parents. The success of police departments sometimes depends on neighbourhood watch groups. The success of solid waste management systems depends on the voluntary actions of thousands of home recyclers. And so on.

The role that co-production could play in the achievement of socially desired outcomes was initially heralded by the contracting-out of some government services to private for profit and non profit agencies. The idea that government did not necessarily have to directly produce everything it authorized or financed gave government the opportunity to reach out for and use private and/or voluntary sector capacities when those seemed better able to achieve the desired objectives at lower costs. It also increased the importance of the contracting function in government, and made government procurement managers more central to the managerial task. Critical to the success of these managers, however, was their ability to define and recognize public value. Only when those managing public assets could specify with some precision and objectivity what they wanted to buy (including hard-to-quantify factors like quality, culture, and fairness) could a contract management system be made to produce public value outcomes.

Beyond the relatively narrow idea that government could contract out some of its work lay the larger and more subtle point that virtually all social outcomes sought by government are co-produced, at least in part, by actors who are not being paid or directly supervised by government agencies to produce those results. The performance of schools can be improved in part by strong socio-cultural supports for higher educational attainment. The performance of the police can be improved by communities that are prepared to support the police in their efforts to prevent and control

crime and to reduce fear. And so on. Thus, government success depends a great deal on a supportive (and demanding) civic and political culture that can throw its weight behind government's efforts to produce desired social results.

For public managers, this observation about the dependence of government organization on the contributions of partners and co-producers raises several important practical questions. The first is how much time and effort they should spend on trying to mobilize and deploy the latent capacity of potential partners as against improving the operations of the organizations they directly control. Perhaps, for example, a school superintendent could boost student achievement more by strengthening connections with parents than she could by overseeing operations within the schools?

A second question is whether and how operational managers could adjust the operations of the organizations they lead to build and strengthen working relationships with potentially important partners. For example, a police commissioner paradoxically might improve the performance of the police department she led by focusing more time on responding to citizens' demands for emergency services of various kinds, in the hope of building a stronger working relationship with communities that would pay later dividends when the police needed individuals to report serious crimes and act as witnesses in court.

A third question is the degree to which public managers could afford to adjust their methods and goals to take advantage of the particular interests and/or the particular capacities of partner organizations. Perhaps the manager charged with finding more foster homes for children might be able to tap into networks of faith-based organizations or community-based organizations who are in close contact with potential foster parents if they accommodate their bureaucratic procedures to the methods that these organizations want to use to recruit and support a new group of foster parents?

A fourth question is how government managers ought to respond to the fact that the private and voluntary capacities which are so important to their success in co-delivering desired social outcomes are unevenly

distributed in society. Some neighbourhoods have more, or better aligned, capacity to support government operations than others. Consequently, government managers have to decide whether to compensate for the weaknesses of weaker communities in order to pursue greater equality of provision, or to play to the strengths of the stronger communities in the interests of achieving the greatest overall return for their effort, at the price of exacerbating inequalities between communities.

A related question is whether they should take the surrounding civil and political culture as they find it or whether, in the pursuit of increased legitimacy and improved public value, they should search for methods to challenge and engage the civic culture in a shared effort to define and achieve social outcomes. It is not only private and voluntary organizations that act as co-producers of public value. The clients of government organizations, as well as those who stand alongside government organizations trying to affect the behaviour of clients in ways that are closely aligned with government goals, are also essential to the co-production of public value. This is certainly true when services such as drug abuse treatment or job training are provided to individuals at public expense, at least in part in hope that these services might help the individuals transform their own lives and, in doing so, improve the overall quality of life in the society. The public value outcomes of these programmes depend critically on whether the clients move in the direction the services seek to lead them.

Clients play a crucial role in 'co-production' whether they are accepting public services or public obligations. When a government agency pressures individuals to pay their taxes, or recycle their cans and bottles, or lose weight, or use condoms, its success depends ultimately on millions of individuals accepting the obligation and doing their duty. Some of these obligation encounters are direct, with government agents sanctioning individuals for the failure to do their duty, but others are more indirect—relying on public information campaigns or political mobilizations to remind individuals of their duties and promote changes in thinking and behaviours.

Several public services are exploring this kind of co-creation through open-source innovation, in which users contribute their knowledge and preferences into the design, production and monitoring of services (for example the UK National Health Service programmes for patient and public involvement).

Innovation in Programmes and Institutional Design

The emphasis that public value theory places on innovation (what it is, how it is created, who initiates it, who legitimates and evaluates it, and under what conditions it adds to, or subtracts from, improvement in public service and increases in public value) also seems even more important for the future than in the past. (See Chapter 10 by Hartley.)

Creating Public Value was written at a time when it was generally assumed that government was operating in a fairly simple, stable, and homogeneous environment—in terms of both its managerial ‘task environment’ and its political ‘authorizing environment’. If the scope of government was fixed, and the tasks to be accomplished well known, then there was little need or room for innovation. In this context, the credit that *Creating Public Value* gave to the innovative, value-creating imagination of public executives seemed suspicious to some traditionalists.

Yet, since 1995, these assumptions about the political and task environments in which government works have changed dramatically. Profound changes in the ecological, political, economic and social context have fundamentally altered the roles of government and the meanings of public service. We can no longer assume that the tasks of government agencies are clear, straightforward, homogeneous or static. Those overseeing public schools are no longer satisfied with a one-size fits-all solution for a highly diverse student population. Police departments now reach out for problem-solving approaches designed to predict and prevent as well as to respond to crime. Courts have developed specialized problem-solving arenas to deal with complex issues like domestic violence, child abuse and neglect.

Not only are the tasks complex and heterogeneous, but the overall character of those tasks is changing over time. New problems show up, such as the integration of new immigrant populations into schools, or finding the best means to engage local communities in efforts to prevent school shootings or terrorist attacks. And the relative importance of different kinds of tasks changes over time, with problems that were once minor becoming major, and vice versa. It takes innovation to respond to the variety and fluidity of the task environment.

Experience has shown that the political authorizing environment is also highly complex, heterogeneous and dynamic—and certainly not restricted to the formal cycles of 3- or 4- year elections. The political authorizing environment is composed of many different actors, each with their own interests, priorities and values, and each with their own platform to use in making claims on government operations. The variety of clamouring voices is only partially controlled by elected officials struggling to hold a governing coalition together. Much of it remains uncontrolled, and overflows the political channels that the elected politicians seek to contain.

To deal with this, many governments have opened up new political channels by creating more powerful roles for partners and stakeholders, or developing new procedures for consultation or engagement with users and local communities. All this tends to increase rather than reduce the heterogeneity of the demands made on government managers, and send them looking for ways to adapt their operations to accommodate the new political and public aspirations.

As public executives—elected, appointed, and career—seek to respond to these diverse and rapidly changing environments, they have to increase the range and rate of innovation. Some of these innovations take the form that is familiar in private business—innovations in products and services designed to meet new needs and demands or solve new problems; or innovations in production processes that allow government managers to achieve higher levels of performance at lower costs.

But many of the innovations take the form of altered institutional arrangements that

redistribute rights and responsibilities with respect to particular social conditions, and how collective efforts to deal with socially defined problems will be organized, financed, and governed. In effect, they are innovations in governance arrangements rather than in government operations.

And many of these new governance arrangements are taking the form of public/private/third-sector partnerships in which government is not always the dominant partner, setting the purposes, and then using its authority or money to engage others in the doing of the work. Civic or private sector actors increasingly take the initiative in calling attention to and acting on public problems, and co-opt the government as a partner. Just as often, the government, lacking the knowledge, the powers, the money or the legitimacy to achieve its purposes on its own, reaches out to private and not-for-profit actors for help and practical support. In exchange for their assistance, these actors may seek some special ‘partnership’ role in co-defining and co-creating the proper ends and best means for government to use in trying to achieve these purposes.

If the demand for innovation is high, and if the form that innovation takes is not only product and process innovation but also innovation in governance arrangements, then the question of who can initiate and legitimate innovations becomes an important issue for government. In the past, the implicit answer has been that government should not do much innovation, and when it does, the innovations should be authorized through elections, or by elected officials, and only at the initiative of the government, not in response to the aims and ambitions of other social actors. But that system may produce adaptation that is too slow and/or innovation that is too limited for a period of increased complexity and rapid change. And it may fail to take advantage of the knowledge held by those at the front lines of public organizations, and by those social actors who are in touch with social conditions about which government may be ignorant, or those who have ideas about how to deal with problems that government has not yet fully considered.

In this context some public organizations are decentralizing the authorization to innovate

to the front line where producers and users (‘pro-sumers’) know the problems first hand and can jointly generate innovative solutions or improvements. In some cases this also involves reaching out to those beyond the boundaries of government organizations who seem to have something to contribute to the solution of social problems that may or may not have been assigned to government.

Calling A Public Into Existence: Administrative Politics and Community Consultation

The single most important contribution of public value theory in the future may be its potential to redirect attention to the critical role that democratic politics and public management can play in helping to shape a sense of communal identity and public purpose. (See Chapter 2 by Benington.)

Implicit in the concept of public value is the notion that there is a public (a collective consisting of individual citizens) that can be a reliable arbiter of public value. The core question of public value theory is how such a public can be brought into existence—a public that can articulate the value it wants to produce through the assets it has turned over to its government. That public is different from the mere aggregation of individual client or consumer interests, and different even from the electorate that expressed its views in the most recent elections. It is a broader more actively engaged public that has a stake in how the society and economy develop, what values inform its culture, how its civil society is strengthened, how government uses public assets, and how government is held to account for its performance in achieving these wider societal goals.

The creation of a public that can be articulate about the values it wants to promote in its society and culture, the goals it wants its government to pursue, and the values that ought to be reflected in the way its government operates is, therefore, a central task for successful public leadership and management—both normatively, and practically.

It is at the core normatively because it is only an articulate and engaged public that can

act as the appropriate arbiter of public value. It is at the core practically because only when public leaders and managers enjoy the legitimacy and support that comes from having such a public behind them can they expect to achieve their objectives. Only when they have this legitimacy and support can they count on a continuing flow of public money and authority to do their work. It is only when they have legitimacy and support that they can call upon partners and co-producers to help them achieve public goals. It is only when they have legitimacy and support that they can bring the weight of society's expectations on clients who receive services and obligations from them. And it is only when they and their programmes have legitimacy and support that they can mobilize networks of citizens to cocreate public value. In this sense, enlisting a public to provide legitimacy and support for a particular conception of public value lies at the moral and practical centre of creating public value.

John Dewey, in his remarkable book *The Public and Its Problems* (Dewey 1927), argued that the challenge that democratic societies face when they choose to use the powers of government to act on a problem is how to 'call into existence a public that can understand and act on its own best interests.' What is compelling about this idea is its suggestion that a public does not naturally exist in society; it has to be created, to be called into existence. Moreover, the challenge in calling a public into existence is to do so in a way that can allow that public to think and act as a collective entity that recognizes the diversity of its individual constituents, but strives to build within each individual in the group a kind of empathy, and a sense of the whole interdependent system as well as its separate constituent parts. This encourages each individual to rise a bit above his or her particular situation and to ask government for what is valuable not just for themselves in their own particular role but also for those who have different interests, and for realizing a shared idea of a good and just society.

In this respect, Dewey is talking about an ideal of the public that is similar to ideals the Greeks once held (at least according to Hannah Arendt). It is also close to John Rawls's idea that

a public should consist of individuals who, in making decisions about what would be good or just for all, act from behind a 'veil of ignorance.' Rawls's ideal citizens do not know what particular position they will occupy in society, and so cannot privilege their individual interests within collective decisions. None of these ancient or modern philosophers thought we could routinely and reliably create an ideal public. But they all understood that the quality of a democracy would depend to no small degree on how well we could approximate that ideal.

One of the core challenges that public value theory confronts is this normative and practical question of how those who hold executive power in governments might help to call into existence a public that can understand and act on its own interests. It seems clear that we cannot do that all at once and forever. It will have to be done repeatedly for each of a variety of issues, some large some small, some substantively important, some more symbolically important. And it is here that some of the most important innovations in public leadership and management are likely to come: in the invention of improved ways of engaging the public actively in deliberations about what constitutes public value, and how it might be best produced.

Citizens, political theorists, and public leaders and managers all have to grapple with the challenge of how democratic politics and democratic government can be part of a transformative process in which individuals become conscious of themselves also as citizens as they encounter other individuals and take one another's interests and concerns seriously. The primary challenge facing governments in the developed countries may be to engage individuals in ways that cause them to think and act as citizens. If governments can meet this challenge, they stand to gain both the guidance necessary to define public value and a vital partner in creating it.

Conclusion

The future of public value is bright. It is bright for the same reason that the dream of democracy has always been a beacon for human

societies. The idea of public value creation calls on individuals to pursue the good and right, and to do so with respect to principles of democratic governance—to use their own capacities to do what they can to understand and realize a valued public purpose in the world. The specific ideas and diagnostic frameworks are less important than the call to make oneself of use in creating public value. It is only as individuals heed this call, listen and respond to the initiatives of others, and learn how to deliberate together as well as merely exchange goods and services, that we will find out how to

create public value more reliably, more ably and more respectfully. We trust that this book has contributed something to that goal.

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A CHRONOLOGY OF U.S. PUBLIC ADMINISTRATION

| 1776 to the Present |

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- 1776** Declaration of Independence is signed.
Adam Smith in *The Wealth of Nations* advocates the ability-to-pay principle of taxation and discusses the optimal organization of a pin factory—the most famous and influential statement on the economic rationale of the factory system and the division of labor.
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- 1787** Northwest Ordinance provides for (1) future states to enter the union and (2) federal aid to local public schools.
Constitutional Convention convenes in Philadelphia.
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- 1789** U.S. Constitution is adopted.
Congress establishes the first federal administrative agencies (the Departments of State, War, and the Treasury, and the Office of Attorney General). The Federal Judiciary Act creates the Supreme Court; it is organized in 1790 with John Jay as the first chief justice.
New York City becomes the first capital of the United States.
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- 1790** First national census sets population at 4 million; Philadelphia is the largest city with 42,000 people.
U.S. Capitol moved from New York to Philadelphia.
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- 1791** Ratification of the Bill of Rights (the first ten amendments) to the Constitution is completed.
Congress passes the first internal revenue law, a tax on distilled spirits.
Alexander Hamilton's *Report on Manufactures* advocates government intervention in the economy.
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- 1800** U.S. Capitol is moved from Philadelphia to Washington, D.C.
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- 1803** The Supreme Court first asserts the right of judicial review in the case of *Marbury v. Madison*.
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- 1806** In the case of *Commonwealth v. Pullis*, unions are judged to be criminal conspiracies at the Philadelphia trial of striking cordwainers (shoemakers).
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- 1813** Robert Owen in his "Address to the Superintendents of Manufactories" puts forth the revolutionary idea that managers should pay as much attention to their "vital machines" (employees) as to the "inanimate machines."
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- 1814** A president of the United States (James Madison) for the last time took to the field as commander-in-chief of the armed forces at the Battle of Bladenburg (Maryland); the British soundly defeated the Americans and then marched on to burn the White House.
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- 1819** The Supreme Court case of *McCulloch v. Maryland* establishes the doctrine of implied constitutional powers and the immunity of the federal government from state taxation.
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- 1823** Jeremy Bentham philosophizes that the role of government is to strive to do the greatest good for the greatest number of people.
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- 1829** President Andrew Jackson in his first annual message to Congress provides justification for the spoils system that followed when he asserts that “the duties of public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance.”
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- 1832** Senator William L. Marcy gives title to the spoils system when he asserts in a Senate debate that politicians “see nothing wrong in the rule that to the victor belongs the spoils of the enemy.”
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- 1833** Charles Babbage’s “analytical engine” is the first mechanical device to contain the basic elements of the modern computer.
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- 1836** Alexis de Tocqueville publishes *Democracy in America*, his classic study of U.S. political institutions and political culture.
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- 1840** President Martin Van Buren establishes the 10-hour day for most federal employees.
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- 1842** In *Commonwealth v. Hunt*, the Supreme Judicial Court of Massachusetts issues the first ruling establishing the legality of the right of workers to strike for higher wages.
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- 1844** The New York City Police Department is established by the Municipal Police Act; the mayor is empowered to select two hundred officers to patrol the streets 24 hours a day.
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- 1849** The U.S. Department of the Interior is created.
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- 1851** Massachusetts enacts the first law permitting towns to use tax revenues to support free libraries.
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- 1862** The Morrill Land Grant Act endows state colleges of agriculture and industry.
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- 1863** First military draft enacted during the Civil War; one could avoid conscription by paying for a substitute.
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- 1865** New York City establishes the first fire department with full-time paid firefighters. The Thirteenth Amendment is ratified, abolishing slavery.
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- 1868** Judge John F. Dillon first puts forth his rule that local governments may exercise only those powers unambiguously granted to them by their states.
The Fourteenth Amendment, providing that no state shall “deprive any person of life, liberty, or property without due process of law,” is ratified.
President Andrew Johnson is impeached by the House of Representatives; he is tried and acquitted by the Senate.
Congress mandates an eight-hour day for federally employed laborers and mechanics.
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- 1871** A rider to an unrelated appropriations bill allows President Ulysses S. Grant to create the short-lived (1872–1873) first federal Civil Service Commission.
The corruption by New York’s Tammany Hall is exposed, which ultimately sends William “Boss” Tweed to prison.
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- 1880** Dorman B. Eaton advocates the adoption of the merit system in America.
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- 1881** President James Garfield is assassinated by a deranged office-seeker. This leads to pressure for passage of federal civil service reform and the establishment of a merit system for hiring in government.
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- 1883** The Pendleton Act creates the U.S. Civil Service Commission.
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- 1885** Captain Henry Metcalfe, the manager of an army arsenal, publishes *The Cost of Manufactures and the Administration of Workshops, Public and Private*, which asserts that there is a “science of administration” that is based upon principles discoverable by diligent observation.
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- 1886** Henry R. Towne’s paper “The Engineer as an Economist,” read to the American Society of Mechanical Engineers, encourages the scientific management movement.
American Federation of Labor is formed, with Samuel Gompers as its president.
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- 1887** Congress creates the Interstate Commerce Commission, the first federal regulatory commission.
Woodrow Wilson’s “The Study of Administration” is published in the *Political Science Quarterly*.
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- 1888** Lord James Bryce’s analysis of the U.S. political system, *The American Commonwealth*, finds the government of U.S. cities to be a “conspicuous failure.”
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- 1894** National Municipal League founded to fight local government corruption.
The Dockery Act creates (1) the first federal fiscal accounting practices and (2) the Office of the Comptroller of the Treasury.
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- 1899** National Municipal League issues the first Model City Charter.
Hollerith cards, punched cards used by computers, were first developed by Herman Hollerith for the U.S. Bureau of the Census.
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- 1900** Frank J. Goodnow's *Politics and Administration* provides the first definition of the politics-administration dichotomy.
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- 1901** Galveston, Texas, devastated by a hurricane in the previous year, is the first city to install the commission form of government.
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- 1902** Vilfredo Pareto becomes the “father” of the concept of social systems; his societal notions would later be applied by Elton Mayo and the human relationists in an organizational context.
Oregon becomes the first state to adopt the initiative and referendum.
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- 1903** Frederick W. Taylor publishes *Shop Management*.
Congress provides for a general staff for the U.S. Army.
The American Political Science Association is founded.
U.S. Department of Commerce and Labor is established.
The Boston police are the first to use an automobile, a Stanley Steamer, for regular patrol.
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- 1904** Lincoln Steffens's muckraking *Shame of the Cities*, which finds Philadelphia to be “corrupt and contended,” arouses sentiment for municipal reform.
Frank B. and Lillian M. Gilbreth marry; they then proceed to produce many of the pioneering works on motion study, scientific management, and applied psychology, and 12 children.
Ukiah, California, establishes the first chief executive officer post to manage municipal affairs.
Jane Addams explores the roles of government, administrators, and citizens in *The Problem with Municipal Administration*.
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- 1905** New York City starts the first police motorcycle patrol.
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- 1906** The Bureau of Municipal Research is founded in New York City to further the management movement in government.
The Pure Food and Drug Act is passed.
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- 1908** Staunton, Virginia, appoints the first city manager (unless one considers Ukiah's chief executive officer to be the first city manager).
Arthur F. Bentley's *The Process of Government* argues that political analysis has to shift its focus from the forms of government to the actions of individuals in the context of groups.
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- 1910** Louis D. Brandeis, an associate of Frederick W. Taylor (and later a Supreme Court justice) coins and popularizes the term *scientific management* in his *Eastern Rate* case testimony before the Interstate Commerce Commission by arguing that railroad rate increases should be denied because the railroads could save “a million dollars a day” by applying scientific management methods.

Ohio is the first state to empower its governor to prepare and submit a budget to the legislature.

Los Angeles hires the first policewoman, Mrs. Alice Stebbins Wells, a former social worker.

1911 Frederick W. Taylor publishes *The Principles of Scientific Management*.

1912 The Commission on Economy and Efficiency, the Taft Commission, headed by President William Howard Taft, calls for a national executive budget.

The first position classification program is adopted at the municipal level in the city of Chicago.

Sumter, South Carolina, is first to install the council-manager form of city government.

The Lloyd-LaFollette Act guarantees the right of federal civilian employees to petition Congress, either individually or through their organizations, and provides the first statutory procedural safeguards for federal employees facing removal.

Congress approves the eight-hour day for all federal employees.

1913 The sixteenth Amendment to the U.S. Constitution creates the first permanent federal income tax.

The Federal Reserve Act creates a central bank responsible for national monetary policy.

The U.S. Department of Commerce and Labor is divided into two separate cabinet departments.

1914 The City Manager's Association is formed (in 1924 it changes its name to the International City Manager's Association; in 1969 "Manager's" is changed to "Management").

The University of Michigan creates the first master's program in municipal administration.

Dayton, Ohio, is the first major city to have a city manager.

Robert Michels in his analysis of the workings of political parties and labor unions, *Political Parties*, formulates his iron law of oligarchy: "Who says organization, says oligarchy."

1916 In France, Henri Fayol publishes his *General and Industrial Management*, the first complete theory of management.

The Institute for Government Research is established in Washington, D.C., by Robert Brookings (in 1927 it becomes the Brookings Institution with William F. Willoughby as its first director).

1917 Robert M. Yerkes, president of the American Psychological Association, creates the first modern personnel research unit in the federal government by developing mental ability tests for the U.S. Army.

1918 William F. Willoughby in *The Movement for Budgetary Reform in the States* outlines developments that were leading to the creation of modern budget systems.

- 1919** The failure of the Boston police strike sets back municipal unionization and makes Calvin Coolidge, the governor of Massachusetts, a national hero.
The Eighteenth Amendment, Prohibition, is ratified; the Volstead Act is passed to enforce it.
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- 1920** The Retirement Act creates the first federal service pension system.
The Nineteenth Amendment is ratified, giving women the right to vote.
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- 1921** The Budget and Accounting Act establishes the Bureau of the Budget in the Department of the Treasury and the General Accounting Office as an agency of the Congress.
The Port of New York Authority is created by the states of New York and New Jersey.
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- 1922** Max Weber's structural definition of bureaucracy is published posthumously; it uses an "ideal type" approach to extrapolate from the real world the central core of features that characterizes the most fully developed form of bureaucratic organization.
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- 1923** The Classification Act brings position classification to Washington-based federal employees and establishes the principle of equal pay for equal work.
The Teapot Dome scandals reveal widespread corruption in the Harding administration.
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- 1924** The Maxwell School of Citizenship and Public Affairs is established at Syracuse University to offer graduate work in the social sciences and public administration.
Hawthorne studies begin at the Hawthorne Works of the Western Electric Company in Chicago; they will last until 1932 and lead to new thinking about the relationship of motivation and productivity in the work environment.
The Rogers Act creates a merit-based career system for the Department of State.
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- 1926** Leonard D. White's *Introduction to the Study of Public Administration* is the first text in public administration.
The first factor-comparison position-classification system is installed by Eugene J. Benge at the Philadelphia Transit Company. (The federal government will adopt this kind of system in 1975.)
Mary Parker Follett, in calling for "power with" as opposed to "power over," anticipates the movement toward more participatory management styles.
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- 1929** The University of Southern California establishes the first independent professional school of public administration.
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- 1930** Durham County, South Carolina, is first to install the county manager form of county government.
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- 1931** James D. Mooney and Alan C. Reiley in *Onward Industry* (republished in 1939 as *The Principles of Organization*) show how the newly discovered "principles of organization" have really been known since ancient times.
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- 1932** Wisconsin passes the nation's first unemployment insurance law.
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- 1933** President Franklin D. Roosevelt's New Deal begins.
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- 1936** J. Donald Kingsley and William E. Mosher's *Public Personnel Administration* becomes the first text in this field.
- John Maynard Keynes publishes his *General Theory of Employment, Interest and Money*, which calls for using a government's fiscal and monetary policies to positively influence a capitalistic economy.
- The President's Committee on Administrative Management is established; known as the Brownlow Committee after its chairman, Louis Brownlow (the other two members are Charles Merriam and Luther Gulick), it examines the organization of the executive branch.
- E. Pendleton Herring in *Public Administration and the Public Interest* asserts that bureaucrats, by default, must often be the arbiters of the public interest.
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- 1937** The Brownlow Committee's report says that the "president needs help" and calls for the reorganization of the executive branch.
- Luther Gulick and Lyndall Urwick edit the *Papers on the Science of Administration*, an attempt to summarize the state of the art of organizational theory that is now considered to be the high-water mark of public administration's "period of orthodoxy"; Gulick's "Notes on the Theory of Organization," which calls attention to the various functional elements of work of an executive with his mnemonic device POSDCORB, is first published in this collection.
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- 1938** The Fair Labor Standards Act provides minimum wages, overtime pay, and limits on child labor.
- Chester Barnard's *The Functions of the Executive*, his sociological analysis of organizations, encourages and foreshadows the postwar revolution in thinking about organizational behavior.
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- 1939** The American Society for Public Administration is founded.
- The Reorganization Act enables the creation of the Executive Office of the President and the transfer of the Bureau of the Budget from the Treasury to the White House.
- Lewis Meriam's *Reorganization of the National Government* offers arguments against the expansion of executive powers at the expense of the Congress.
- The Hatch Act is passed to prohibit political activities by federal employees (the next year it is amended to also prohibit political activities by state and local government employees who are paid with federal funds).
- F. J. Roethlisberger and William J. Dickson publish *Management and the Worker*, the definitive account of the Hawthorne studies.
- The federal government first requires the states to have merit systems for employees in programs aided by federal funds.
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- 1940** Robert K. Merton's article "Bureaucratic Structure and Personality" proclaims that Max Weber's "ideal-type" bureaucracy had inhibiting dysfunctions leading to inefficiency and worse.

Carl J. Friedrich in “The Nature of Administrative Responsibility” asserts that accountability and responsibility are best ensured internally through professionalism and professional standards.

The *Public Administration Review* is first published; Leonard D. White is its first editor. V. O. Key, Jr., bemoans “The Lack of a Budgetary Theory” in the *American Political Science Review*.

- 1941** James Burnham in *The Managerial Revolution* asserts that as the control of large organizations passes from the hands of the owners into the hands of professional administrators, the society’s new governing class will be the possessors not of wealth but of technical expertise.

Herman Finer in “Administrative Responsibility in Democratic Government” argues that accountability and responsibility can be maintained externally only through legislative or popular controls.

The Japanese sneak attack on Pearl Harbor brings the United States into World War II.

- 1943** Abraham Maslow’s “needs hierarchy” first appears in his article “A Theory of Human Motivation” in *Psychological Review*.

Withholding for federal income tax begins as a temporary wartime measure.

- 1944** J. Donald Kingsley’s *Representative Bureaucracy* develops the concept that all social groups have a right to participate in their governing institutions in proportion to their numbers in the population.

David E. Lilienthal in *TVA: Democracy on the March* writes that the planning process of government is a blatantly political enterprise, a situation that is both healthy and beneficial for a democratic society.

- 1945** Paul Appleby leads the postwar attack on the politics – administration dichotomy by insisting in *Big Democracy* that apolitical governmental processes contradict the American experience.

With the dropping of the atomic bomb and the end of World War II, the suddenly public Manhattan Project marks the federal government’s first major involvement with science in a policy-making role.

- 1946** The Employment Act creates the Council of Economic Advisors and asserts that it is the policy of the federal government to maintain full employment.

The Administrative Procedure Act standardizes many federal government administrative practices across agencies.

- 1947** The National Training Laboratory for Group Development (now called the NTL Institute for Applied Behavioral Science) is established to do research on group dynamics and later sensitivity training.

The first Hoover Commission (1947–1949) recommends increased managerial capacity in the Executive Office of the President.

The National Security Act creates the Department of Defense.

Robert A. Dahl in “The Science of Public Administration” argues that public administration needs to deal with its normative aspects, that the study of it has become too

parochial, and that workers can no longer be viewed in the scientific management tradition as human interchangeable parts in a bureaucratic machine.

Herbert A. Simon's *Administrative Behavior* urges that a true scientific method should be used in the study of administrative phenomena, that the perspective of logical positivism should be used in dealing with questions of policy-making, and that decision-making is really the true heart of administration.

President Harry S. Truman's Executive Order 9835 launches the federal government's loyalty program, designed to root out subversives in the bureaucracy.

- 1948** Dwight Waldo publishes *The Administrative State*, which attacks the “gospel of efficiency” that dominated administrative thinking prior to World War II.

The Inter-University Case Program is started to encourage the development and dissemination of case studies in public administration.

Wallace S. Sayre in *Public Administration Review* attacks public personnel administration as the “triumph of techniques over purpose.”

President Harry S. Truman orders the integration of the armed forces.

- 1949** Philip Selznick in *TVA and the Grass Roots* discovers “cooptation” when he examines how the Tennessee Valley Authority subsumed new elements into its policy-making process in order to prevent those elements from being a threat to the organization.

In his *Public Administration Review* article, “Power and Administration,” Norton E. Long finds that the lifeblood of administration is power and that managers have to do more than just apply the scientific method to problems—they have to attain, maintain, and increase their power or risk failing in their mission.

- 1951** David Truman's *The Governmental Process* calls for viewing interest groups as the real determinant of the focal point of study on public policy.

Kurt Lewin proposes a general model of change consisting of three phases, “unfreezing, change, refreezing,” in his *Field Theory in Social Science*; this model becomes the conceptual frame for organizational development.

Ludwig von Bertalanffy's article, “General Systems Theory: A New Approach to the Unity of Science” is published in *Human Biology*; his concepts will become the intellectual basis for the systems approach to organizational thinking.

- 1952** Harold Stein edits the first major casebook, *Public Administration and Policy Development*.

Verne B. Lewis's “Toward a Theory of Budgeting” presents a theory of alternative budgeting that will be an important link to the planning programming budgeting systems of the 1960s and the zero-based budgeting systems of the 1970s.

- 1953** The second Hoover Commission (1953–1955) recommends the curtailment and abolition of federal government activities that are competitive with private enterprise.

The Department of Health, Education, and Welfare (HEW) is created.

- 1954** Peter Drucker's book, *The Practice of Management*, popularizes the concept of management by objectives.

The Supreme Court in *Brown v. Board of Education Topeka, Kansas* holds that racially separate educational facilities are inherently unequal and therefore violate the equal protection clause of the Fourteenth Amendment.

Senator Joseph McCarthy (and in effect McCarthyism) is censured by the U.S. Senate.

Lakewood, California, pioneers the service contract whereby a small jurisdiction (such as Lakewood) buys government services such as police and fire protection from a neighboring large jurisdiction (such as Los Angeles).

Alvin Gouldner's *Patterns of Industrial Bureaucracy* describes three possible responses to a formal bureaucratic structure: "mock" where the formal rules are ignored by both management and labor, "punishment centered" where management seeks to enforce rules that workers resist, and "representative" where rules are both enforced and obeyed.

- 1955** The Kestenbaum Commission on Intergovernmental Relations recommends the establishment of a "permanent center for overall attention to the problems of inter-level relationships."

The AFL-CIO is formed by the merger of the American Federation of Labor and the Congress of Industrial Organizations.

Marver Bernstein in *Regulating Business by Independent Commission* develops a life-cycle theory of regulatory commissions with these stages: gestation, youth, maturity, and decline.

Catheryn Secker-Hudson takes a technical approach to the development of "Basic Concepts in the Study of Public Management."

Dwight Waldo's *The Study of Public Administration* seeks a fusion of the longstanding art of public administration with the newly emerging science of public administration.

- 1956** William H. Whyte, Jr., first profiles *The Organization Man* as an individual within an organization who accepts its values and finds harmony in conforming to its policies.
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- 1957** C. Northcote Parkinson proffers his law that "work expands so as to fill the time available for its completion."

Chris Argyris asserts in his first major book, *Personality and Organization*, that an inherent conflict exists between the personality of a mature adult and the needs of modern organizations.

Douglas M. McGregor's article, "The Human Side of Enterprise," distills the contending traditional (authoritarian) and humanistic managerial philosophies into Theory X and Theory Y.

Program Evaluation and Review Technique (PERT) is developed by the United States Navy during planning for the Polaris ballistic missile system.

Anthony Downs's *An Economic Theory of Democracy* establishes the intellectual framework for "public choice" economics.

Philip Selznick in *Leadership in Administration* anticipates many of the 1980s notions of "transformational leadership" when he asserts that the function of an institutional leader is to help shape the environment in which the institution operates and to define new institutional directions through recruitment, training, and bargaining.

1958 James G. March and Herbert A. Simon in *Organizations* seek to inventory all that is worth knowing about the behavioral revolution in organization theory.

Wallace S. Sayre in “Premises of Public Administration: Past and Emerging” predicts that a “new orthodoxy” in public administration will evolve to replace the “old orthodoxy.”

The Government Employees Training Act allows federal agencies for the first time to spend significant funds for employee training and development.

1959 New York City is the first major city to allow for collective bargaining with its employee unions.

Wisconsin is the first state to enact a comprehensive law governing public sector labor relations.

The Advisory Commission on Intergovernmental Relations is established.

Charles A. Lindblom’s “The Science of ‘Muddling Through’” rejects the rational model of decision-making in favor of incrementalism.

Fredrick Herzberg, Bernard Mausner, and Barbara Snyderman’s *The Motivation to Work* puts forth the motivation-hygiene theory.

1960 Richard Neustadt’s *Presidential Power* asserts that the president’s (or any executive’s) essential power is that of persuasion.

Herbert Kaufman’s *The Forest Ranger* shows how organizational and professional socialization can develop in employees the will and capacity to conform.

1961 Victor A. Thompson’s *Modern Organization* finds that there is “an imbalance between ability and authority,” causing widespread bureaucratic dysfunctions.

Who Governs? is published; Robert A. Dahl’s description of community power in New Haven, Connecticut, would become one of the most famous descriptions of U.S. pluralism at the local level.

Tom Burns and G. M. Stalker’s *The Management of Innovation* articulates the need for different types of management systems (organic or mechanistic) under differing circumstances.

Rensis Likert’s *New Patterns of Management* offers an empirically based defense of participatory management and organizational development techniques.

President Dwight D. Eisenhower in his farewell address warns the nation that “in the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military industrial complex.”

President John F. Kennedy’s Executive Order 10925 for the first time requires that “affirmative action” be used to implement the policy of nondiscrimination in employment by the federal government and its contractors.

The Peace Corps is established.

Alan B. Shepard becomes the first U.S. astronaut to fly in space. President Kennedy calls for the landing of U.S. astronauts on the moon by the end of the decade.

David Novick and the Rand Corporation help the Department of Defense install PPBS.

- 1962** President John F. Kennedy issues Executive Order 10988, which authorizes the unionization of federal workers.

Robert Presthus's *The Organizational Society* presents his threefold classification of patterns of organizational accommodation: "upward mobiles" who identify and accept the values of the organization, "indifferents" who reject such values and find personal satisfaction off the job, and "ambivalents" who want the rewards of organizational life but can't cope with the demands.

- 1963** The "March on Washington" for civil rights takes place on August 28; Martin Luther King, Jr., delivers his "I Have a Dream" speech.

President John F. Kennedy is assassinated on November 22 in Dallas, Texas; Vice President Lyndon B. Johnson becomes president.

- 1964** The Civil Rights Act prohibits discrimination on the basis of race, color, religion, sex, or national origin in most private sector employment; creates the Equal Employment Opportunity Commission for enforcement.

Aaron Wildavsky publishes *The Politics of the Budgetary Process*, which becomes the definitive analysis of the tactics public managers use to get budgets passed.

The Economic Opportunity Act becomes the anchor of President Lyndon B. Johnson's "war on poverty" and other major initiatives in his Great Society domestic programs.

Robert R. Blake and Jane S. Mouton's *The Managerial Grid* explains how a graphic grid-iron can facilitate an organizational development program.

Michel Crozier in *The Bureaucratic Phenomenon* defines a bureaucracy as "an organization which cannot correct its behavior by learning from its errors."

- 1965** PPBS is made mandatory for all federal agencies by the Johnson administration.

Don K. Price publishes *The Scientific Estate* in which he posits that decisional authority inexorably flows from the executive suite to the technical office.

Robert L. Kahn's *Organizational Stress* is the first major study of the mental health consequences of organizational role conflict and ambiguity.

James G. March edits the huge *Handbook of Organizations* that tries to summarize all existing knowledge on organizational theory and behavior.

The Department of Housing and Urban Development is established.

Medicare is created through amendments to the Social Security Act.

- 1966** The Freedom of Information Act allows greater access to federal agency files.

Morton Grodzins claims in *The American System* that the federal system is a marble cake, instead of a layer cake, because "no important activity of government in the United States is the exclusive province of one of the levels."

Daniel Katz and Robert L. Kahn in *The Social Psychology of Organizations* seek to develop an open systems theory to unify the findings of behavioral science on organizational behavior.

Warren Bennis in *Changing Organizations* sounds the death knell for bureaucratic institutions because they are inadequate for a future that will demand rapid organizational change, participatory management, and the growth of a more professionalized workforce.

1967 The Age Discrimination in Employment Act is passed; it will be amended to raise to 70 the minimum mandatory retirement age for all employees except federal employees, who have no mandatory retirement age.

The National Academy of Public Administration is organized; its first members will be all of the living past presidents of the American Society for Public Administration.

Edward A. Suchman's *Evaluation Research* puts forth the concept that evaluation is a generic field of study and that evaluative research and practice can and must be studied in a general context outside of evaluation applications in the various specialty fields.

The National Advisory Commission on Civil Disorders, the Kerner Commission, established to study the causes of urban riots, reports that the "nation is rapidly moving toward two increasingly separate Americas," one black and one white.

James D. Thompson's *Organizations in Action* seeks to close the gap between open and closed systems theory by suggesting that organizations deal with the uncertainty of their environments by creating specific elements designed to cope with the outside world while other elements are able to focus on the rational nature of technical operations.

Terry Sanford in *Storm Over the States* develops the concept of "picket-fence federalism," which holds that bureaucratic specialists at the various governmental levels exercise considerable power over the nature of intergovernmental programs.

Anthony Downs's *Inside Bureaucracy* seeks to develop laws and propositions that would aid in predicting the behavior of bureaus and bureaucrats.

Yehezkel Dror in his *Public Administration Review* article, "Policy Analysts," identifies an old function but new occupational specialty, that of policy analyst.

Anthony Jay in *Management and Machiavelli* applies Machiavelli's political principles (from *The Prince*) to modern organizational management.

1968 "Younger" public administration scholars meeting at Syracuse University's Minnowbrook conference site call for a "new public administration" that would emphasize social equity concerns.

Harold Wilensky's *Organizational Intelligence* presents the pioneering study of the flow and perception of information in organizations.

The Federal Executive Institute in Charlottesville, Virginia, is established as an in-residence training facility for executive development.

Frederick C. Mosher's *Democracy and the Public Service* traces the evolution of the U.S. civil service and confronts the problem of professionalism.

Martin Luther King, Jr., is assassinated.

Robert F. Kennedy is assassinated.

Dwight Waldo asserts that public administration is in a time of revolution.

1969 The "rape of the merit system" is encouraged by the *Federal Political Personnel Manual*, popularly known as the Malek Manual after Fred Malek, chief of the Nixon administration's White House personnel office.

Aaron Wildavsky explains in "Rescuing Policy Analysis from PPBS" how the planning and analytical functions of PPBS are contradictory to the essential nature of budgeting.

Herbert Kaufman addresses the administrative implications of the 1960s cry of "power to the people" in "Administrative Decentralization and Political Power."

Theodore Low's *The End of Liberalism* attacks interest-group pluralism for paralyzing the policy-making process.

President Richard M. Nixon's Executive Order 11491 expands the scope of collective bargaining for federal employees.

Neil Armstrong, a U.S. astronaut, becomes the first person to walk on the moon.

Martin Landau argues that public organizations might find that redundancy is something to be sought, not avoided.

- 1970** The National Civil Service League revises its Model Public Personnel Administration Law to call for the replacement of traditional civil service commissions with (1) personnel directors directly responsible to an elected political executive, and (2) a labor relations board.

The Intergovernmental Personnel Act allows for the temporary exchange of staff between the federal government and state, local, and nonprofit organizations.

The Bureau of the Budget is given responsibility for managerial oversight and reorganized as the Office of Management and Budget.

The Postal Reorganization Act creates the U.S. Postal Service as a public corporation within the executive branch and allows for collective bargaining over wages by postal employee unions.

David T. Stanley in "What Are Unions Doing to Merit Systems?" correctly predicts structural changes in both public sector personnel systems and public sector unions.

Hawaii becomes the first state to allow state and local government employees the right to strike.

The Occupational Safety and Health Act creates the Occupational Safety and Health Administration (OSHA).

The Environmental Protection Agency (EPA) is established.

- 1971** The Supreme Court attacks restrictive credentialism when in *Griggs v. Duke Power Company* it rules that Title VII of the Civil Rights Act of 1964 "proscribes not only overt discrimination but also practices that are discriminatory in operation"; thus, if an employment practice operating to exclude minorities "cannot be shown to be related to job performance, the practice is prohibited."

PPBS is formally abandoned in the federal government by the Nixon administration.

Graham T. Allison's *Essence of Decision* demonstrates the inadequacies of the view that the decisions of a government are made by a "single calculating decision-maker" who has control over the organizations and officials within government.

- 1972** The Equal Employment Opportunity Act amends Title VII of the Civil Rights Act to include prohibitions on discrimination by public sector employers.

The Watergate scandal erupts when men associated with the Committee to Reelect the President are caught breaking into the campaign headquarters of the Democratic opposition located in the Watergate hotel-office-apartment complex.

The wildcat strike at General Motors' Lordstown, Ohio, automobile assembly plant calls national attention to the dysfunctions of dehumanized and monotonous work.

The Equal Rights Amendment is passed by Congress; it does not become law because too few states ratify it.

The Technology Assessment Act creates the Office of Technology Assessment to help Congress anticipate and plan for the consequences of the uses of technology.

Harlan Cleveland in *The Future Executive* asserts that decision-making in the future will call for “continuous improvisation on a general sense of direction.”

Charles Perrow’s *Complex Organizations* is a major defense of bureaucratic forms of organization and an attack on those writers who think that bureaucracy can be easily, fairly, or inexpensively replaced.

H. George Frederickson’s paper “Toward a New Public Administration” makes him the leading voice in the call for a more responsive, more prescriptive, and more normative public administration.

Frederick C. Mosher in “The Public Service in the Temporary Society” accepts Warren Bennis’s premise of a “temporary society” and assesses its implications for public administration.

Revenue sharing is introduced with the passage of the State and Local Fiscal Assistance Act.

- 1973** Vice President Spiro Agnew resigns after pleading “no contest” to a charge of tax evasion stemming from illegal payments made to him by contractors when he was governor of Maryland.

The Comprehensive Employment and Training Act creates a program of financial assistance to state and local governments to provide job training and employment opportunities for the economically disadvantaged, unemployed, and underemployed.

Jeffrey Pressman and Aaron Wildavsky publish *Implementation* and create a new sub-field of public administration and policy analysis.

- 1974** The Congressional Budget and Impoundment Control Act revises the congressional budget process and timetable and creates the Congressional Budget Office.

The Supreme Court in *United States v. Nixon* denies President Nixon’s claim of an absolute and unreviewable executive privilege, and Nixon is forced to resign in the face of certain impeachment because of Watergate.

Gerald R. Ford becomes president and grants former president Nixon a full pardon for all possible crimes.

At the request of Congress, a panel from the National Academy of Public Administration headed by Frederick C. Mosher examines the administrative abuses of Watergate: in their report, *Watergate: Implication for Responsible Government*, they urge educational institutions to “focus more attention on public service ethics.”

Samuel Krislov’s *Representative Bureaucracy* builds upon Kingsley’s concepts and denies that the goal of government employment is efficiency; rather it is to minimize social conflict and gain the acquiescence of the governed.

An amendment to the Social Security Act provides for automatic cost-of-living adjustments in social security payments.

- 1975** The federal government adopts the factor-evaluation system of position classification for nonsupervisory positions.

The Municipal Assistance Corporation (Big MAC) is created to lend money to New York City so that the city can avoid default.

- 1976** The Sharon Report finds extensive corruption in the U.S. Civil Service Commission. Uniform Guidelines on Employee Selection Procedures are issued by the four federal compliance agencies. Colorado is the first state to enact “sunset laws” as a method of program review and evaluation.
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- 1977** Zero-based budgeting is required of all federal agencies by the Carter administration; Peter A. Phyrre becomes the guru of the zero-based approach to government budgeting. Hugh Heclo’s *A Government of Strangers* becomes the leading analysis of the relationships between political and career executives in the federal bureaucracy. The Presidential Management Intern Program is established as a special means of bringing public administration masters’ graduates into the federal bureaucracy. The Government in the Sunshine Act requires all multiheaded federal agencies to have their business sessions open to the public. Herbert Kaufman’s *Red Tape* finds that “one person’s red tape may be another’s treasured procedural safeguard.” The Department of Energy is created.
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- 1978** The Civil Service Reform Act abolishes the U.S. Civil Service Commission and replaces it with (1) the Office of Personnel Management, (2) the Merit Systems Protection Board, and (3) the Federal Labor Relations Authority. The Ethics in Government Act seeks to deal with possible conflicts of interest by former federal employees by imposing post-employment restrictions on their activities. Proposition 13 requiring reduction in local property taxes is voted into law in California. The Supreme Court in *Regents of the University of California v. Bakke* rules that a white male applicant denied admission to medical school in favor of minorities with lesser objective credentials had been discriminated against and had to be admitted; but at the same time the Court holds that race is a factor that can be taken into account in admissions decisions. The Supreme Court in *City of Los Angeles, Department of Water and Power v. Manhart* rules that Title VII of the Civil Rights Act requires that male and female employees contribute equally to pension plans even though females as a group live longer. The Pregnancy Discrimination Act amends Title VII of the Civil Rights Act to include prohibitions on discrimination on the basis of pregnancy, childbirth, or related medical conditions. Charles H. Levine, in a *Public Administration Review* symposium, uses “cutback management” to describe the decline of public organizations in times of fiscal stress.
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- 1979** The Department of Health, Education, and Welfare is divided into (1) the Department of Education and (2) the Department of Health and Human Services.
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- 1980** The Equal Employment Opportunity Commission issues legally binding guidelines holding that sexual harassment is sex discrimination prohibited by Title VII of the Civil Rights Act and that employers have a responsibility to provide a place of work that is free of sexual harassment or intimidation.

The Supreme Court in *Branti v. Finkel* rules that the dismissal of nonpolicy-making, nonconfidential public employees for their partisan affiliation violates the First and/or the Fourteenth Amendments.

The Supreme Court in *Fullilove v. Klutznick* rules that Congress has the authority to use racial quotas to remedy past discrimination.

Graham T. Allison seeks to answer Wallace S. Sayre's question of whether public and private management are "fundamentally alike in all unimportant respects."

- 1981** President Carter's zero-based budgeting requirements are rescinded by President Reagan.

David Stockman, director of the Office of Management and Budget, tells the *Atlantic Monthly* that "none of us really understand what's going on with all these numbers."

Professional Air Traffic Controllers (PATCO) strike, and President Reagan fires 11,500 of them for striking in violation of federal law.

- 1982** The Grace Commission, the President's Private-Sector Survey on Cost Control, finds widespread inefficiencies in the federal government.

The Comprehensive Employment and Training Act is superseded by the Job Training Partnership Act.

- 1983** The birthday of Martin Luther King, Jr. is made a national holiday.

The Supreme Court questions the constitutionality of the legislative veto in the case of *Immigration and Naturalization Service v. Chadha*.

- 1984** The American Society for Public Administration adopts a code of ethics.

The Supreme Court in *Fire Fighters Local Union No. 1784 v. Stotts* rules that courts may not interfere with seniority systems to protect newly hired minority employees from layoffs.

- 1985** The Gramm-Rudman-Hollings Act is signed into law; it seeks to balance the federal budget by mandating across-the-board cuts over a period of years.

The Department of Commerce announces that the United States has become the world's largest debtor nation; for the first time since 1914 the United States owed foreigners more than they owed the United States.

- 1986** The Tax Reform Act revises the federal income tax.

The Supreme Court in *Meritor Savings Bank v. Vinson* finds that sexual harassment is prohibited by the Civil Rights Act of 1964.

The national debt passes \$2 trillion.

The space shuttle *Challenger* explodes on takeoff, killing seven astronauts.

The Iran-Contra scandal begins to unfold.

- 1988** The United States and Canada reach a free-trade agreement.

The Civil Rights Restoration Act is passed over President Reagan's veto.

- 1989** *The New York Times* in an editorial declares that the “cold war . . . is over.”
The Supreme Court in *Wards Cove Packing v. Antonio* puts the burden of proof upon the plaintiff in equal employment opportunity cases.
The Financial Institutions Reform, Recovery, and Enforcement Act is passed to help clean up the \$500 billion savings and loan scandal.
The National Commission on the Public Service, the Volcker Commission, calls for a revitalization of the public service.
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- 1990** The Budget Enforcement Act amends the Gramm-Rudman-Hollings Act to require that new spending be balanced by new taxes or spending reductions.
The Credit Reform Act (in response to the savings and loan scandal) tightens requirements on federal lending and loan guarantees.
The Chief Financial Officers Act requires federal agencies to create a chief financial officer position to oversee agency finances.
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- 1991** Soviet Union dissolves. The cold war is over.
Civil Rights Act of 1991 overturns a series of Supreme Court decisions (most notably the 1989 *Wards Cove v. Antonio* ruling) that made it more difficult for employees to sue employers for job discrimination.
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- 1992** David Osborne and Ted Gaebler publish *Reinventing Government*.
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- 1993** The Government Performance Results Act requires agencies to justify their budget requests on the basis of the results or outcomes to be achieved.
The Supreme Court in *Harris v. Forklift Systems* rules that a person complaining about sexual harassment did not need to have a “nervous breakdown” or prove the offensive conduct to be “psychologically injurious.”
The Clinton administration announces that a National Performance Review will be undertaken to “reinvent government.” The *Gore Report* is the result.
Omnibus Budget Reduction Act reduces defense spending and raises taxes on upper-income citizens.
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- 1995** The state of California dismantles many of its affirmative action programs.
Over a third of the federal government shuts down for two several-week periods (the second extending into 1996) when Congress and the president fail to agree on the budget for fiscal year 1996.
In reaffirming his administration’s support for affirmative action, President Bill Clinton asserts that “affirmative action should not go on forever.”
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- 1996** The Clinton administration announces that it is suspending all federal programs that reserve some contracts exclusively for minority and women-owned companies.
Congress approves the line-item veto for the president (beginning in 1997).
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- 2000** George W. Bush’s election as president is secured after a United States Supreme Court decision resolves the dispute surrounding the 2000 presidential election in recounting ballots in the State of Florida (*Bush v. Gore*, 531 U.S. 98).
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- 2001** Terrorists attack the World Trade Center and Pentagon.
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- 2003** Congress creates the Department of Homeland Security.
The Supreme Court in two landmark education cases concerning the University of Michigan upheld the law school policy that considered race among other factors in reviewing the candidate's entire application but denied the undergraduate program practice that assigned a fixed number of points based on membership in an underrepresented racial category.
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- 2005** The storm surge from Hurricane Katrina causes levee breaches, flooding most of New Orleans and resulting in one of the worst engineering disasters and failures in government emergency response in modern U.S. history. Over 1,000 deaths were attributed to the disaster.
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- 2008** A global financial crisis, caused in part by high risk financial speculation and unsecured subprime loans, leads to a global recession, bankruptcies, and huge declines in housing prices and the stock indexes. The federal government creates the Troubled Asset Relief Program (TARP) and provides funding to banks to preclude a financial meltdown.
Barack Obama is elected president, marking the first time the nation's highest elected office is not held by a white male.
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- 2009** A fiscal stimulus package totaling over 750 billion dollars is passed to stem the recession, which many fear will lead to a depression.
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- 2010** The Democratic controlled Congress passes and President Obama signs the first comprehensive health care bill (Affordable Care Act) in more than 40 years that extends health care coverage to 30 million people over the next 5 years.
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- 2012** The United States Supreme Court upholds by a 5-4 vote the constitutionality of the Affordable Care Act's individual mandate as an exercise of Congress's taxing power but also rules that states cannot be forced to participate and can opt out of the ACA's Medicaid expansion in *National Federation of Independent Business v. Sebelius*.
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- 2013** The city of Detroit, Michigan, filed for Chapter 9 bankruptcy. It is the largest municipal bankruptcy filing in U.S. history in terms of population affected (over 700,000 people) and by debt, estimated at nearly \$20 billion.
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- 2014** 2014 is logged as being the hottest year on record globally, and temperatures from 2001 to 2012 were warmer than any previous decade in every region of the United States.
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- 2015** President Obama issues an executive order that requires the federal government to cut greenhouse gas emissions by 40 percent from 2008 levels and to increase 25 percent of federal energy (electric and thermal) consumption to clean energy sources by 2025. The Environmental Protection Agency proposes a Clean Power Plan that requires states to meet carbon dioxide emission standards for existing power plants by 30 percent below 2005 levels by 2030.
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