Public Administration

An Interdisciplinary Critical Analysis

edited by
Eran Vigoda

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University of Haifa
Haifa, Israel

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ANNALS OF PUBLIC ADMINISTRATION

To my small and steadfast family:
Shlomit, who had to endure my all too frequent engagement in dinosaur affairs,
and little Omri, who is still too small to practice public administration
but already wise enough to manage our family life from his leading-baby position.

Preface

Have you looked outside lately at the world of government and administration? Have you noticed a strange scent in the air indicating the arrival of a new spirit in the public sector? Some people say it is already here. Others say we have witnessed only the edge of the change. Yet by all definitions public administration at the beginning of the 21st century is moving in a new direction. Today, it is already much different from what it used to be 40, 30, and even 20 or 10 years ago. In the coming years it is going to change even more.

This volume is all about contemporary transformations in public administration and about possible future developments. How may governments' actions be improved? How may public administration's services be revitalized? Can bureaucracies respond to challenges and changes ahead, and with what tools? What is the impact of a high-technology environment on our public agencies? How may the (im)possible goal of effective integration between citizens and governments in an ultradynamic society be reached? What are the implications of such transitions on democratic governments, their stability, and legitimization in the eyes of citizens? These questions, as well as others, are among the core issues of this book, which tries to provide a critical analysis of a field in transition. We expect that such an analysis will show the way forward for public administration and will stimulate new thinking that may lead to viable change in the old type of bureaucracies.

The central assumption of this book is that slowly and gradually, but constantly and extensively, a change is being nurtured in public systems and in the attitudes of public managers, politicians, and citizens to the conservative role of public institutions. These transformations carry many challenges, as well as risks, that citizens, governments, and administrators of the future will have to confront and address. They all represent new alternatives for the evolvement of public

administration as an art, and perhaps also as a science and a profession (Lynn, 1996). The present volume, which is part of a long-standing series on public administration and public policy (edited by Professor Jack Rabin, The Pennsylvania State University) published by Marcel Dekker, Inc., offers comprehensive interdisciplinary reading for scholars, students, and practitioners in the field. It combines theoretical, empirical, and comparative critical essays from a variety of disciplines, all focused on exploration of fresh directions for such an evolution. Our mission, stemming from such a perspective, is to better understand the changes ahead, which have the potential of building bridges into the future of modern democracies.

During the last century, modern societies accomplished remarkable achievements in different fields, many of them thanks to an advanced public sector. At the dawn of the new millennium, however, various new social problems still await the consideration and attention of the state and its administrative system. To overcome these problems and create effective remedies for the new type of state ills, there is a need to increase cooperation and collaboration and to share information and knowledge. An interdisciplinary critical perspective on the state of contemporary public administration, as adopted here, is essential. It suggests a multilevel, multimethod, and multisystem analysis of current developments with a look to the future. Leading and long-influential experts, as well as young and promising scholars, in political science, public administration, sociology, and management, present attitudes, research findings, opinions, and recommendations for a better understanding of the field in the coming years.

The first chapter serves as an introduction to the issues discussed in the four main parts. It also tries to suggest a theoretical starting point. More specifically, it focuses on the roots and foundations of public administration that furnish the background and terminology for the discipline. The first three parts contain a collection of original essays, which are the heart of our volume. Each of these parts represents a separate layer of critical investigation: policy and politics, society and culture, and organizational management. The fourth part provides a suggested interdisciplinary synthesis. It attempts to portray boundaries and orientations for the new generation of public administration and for the way forward.

The book's main goal is to shed light on various actual topics in the contemporary study of public systems. It covers: (1) the emerging conflict between business and social considerations in modern democracies; (2) developments and paradoxes in public policy analysis; (3) the relationship between politics and administration, citizens and bureaucracies, and the strategic idea of collaboration; (4) accountability in modern public administration; (5) cultural characteristics and administrative culture in and around the public sector; (6) ethical dilemmas in the public service; (7) the meaning of work for public-sector employees; (8) competition and business trends in a comparative view; (9) public administration in a mass-communication and high-information system era—this theme is

strongly related to the function of e-government; (10) managerial strategies, managerial reforms, and organizational development in the public sector; (11) population behavior during mass disasters and their implications for public administration and for modern societies; and (12) the innovative idea of Consumer Communication Management (CCM) and marketing in the public sector.

The book endeavors to provide insight into the complexity of the discipline by combining different levels of analysis into an integral whole, which better accords with reality. It is intended as a useful tool for students, scholars, and administrators, as well as for citizens in quest of more knowledge on how the state and its executive branches are managed and on the obstacles to better public performance. The book also suggests principles for greater effectiveness and efficiency of public management in future generations, when environmental pressures will grow together with an increase in citizens' demands and needs.

Eran Vigoda

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Acknowledgments

Only a year ago, writing a critical interdisciplinary book on the current state and future development of public administration seemed to me an unrealistic mission. In a world of rapid managerial changes, high-speed communication, flexible-learning organizations, and an ultradynamic society, who can provide reliable criticism that will prove beneficial for the day after tomorrow, not to mention the years ahead? After all, rapid changes may make today's criticism irrelevant, anachronistic, and even misleading. However, good friends encouraged me to take this academic journey and make an attempt to uncover some of the possible, if not definite developments in the field. Trying to generate more confidence, one of these friends even mentioned the ''dinosaur syndrome.''

What is this syndrome? For many of us, he said, public administration carries the image of a slow and heavy dinosaur that can't keep up with necessary transformations of the modern era. Citizens of Western nations are highly critical and skeptical of potential improvements in this field, and some even believe that the public sector, like the dinosaur population, needs to shrink and diminish, if not disappear entirely, in the face of the free market. Yet, like the progress of any heavy creature, the dinosaur of the public sector is moving forward at a snail's pace. Slowly, unevenly—but constantly and with great potential for improvement—it does make progress. Consequently, attitudes toward the public sector are divided between those who can't accept it as it is today and those who can't forgo what it currently offers.

Keeping this metaphor and the advice in mind, I had to make my move. Since riding a dinosaur alone is risky (at least when one does it for the first time in one's life), I invited some of these good friends to join me in this adventure. I was happy to find that most of them showed no fear of dinosaurs. Later on they explained that they had actually wanted to ride one for quite a long time and

were just waiting for the right opportunity. It gave me great pleasure to be able to offer them such an opportunity. I must also confess that this mutual ride made me feel much more relaxed; after all, dealing all alone with the grumpy moods and caprices of the dinosaur is not easy. Now that the journey is over, perhaps this preliminary decision was the most important one I made. In fact, it was the only decision I took absolutely alone. While I carry full responsibility for this volume as an entire piece, all my later decisions benefited from the sound advice, wisdom, and experience of these friends. Hence I would like to thank them for the encouragement they provided as well as for their endless good suggestions and professional comments that greatly improved the final product.

Many have contributed to this volume. I am grateful to my colleagues at the University of Haifa who have put in time, effort, and ideas to improve this book. Other members of Israeli, American, and European universities imparted to this book its international perspective. I am also thankful for the comments and criticism of other members, reviewers, and professionals who offered healthy criticism on what is meant to be a critical book. All have done a superb professional job, illuminating the possible interdisciplinary tracks along which the field is advancing. They are: Ira Sharkansky, Gerald E. Caiden, Naomi J. Caiden, Robert Schwartz, Guy B. Peters, Etai Gilboa, Itzhak Harpaz, Raphael Snir, Rivka Amado, Lynton K. Caldwell, Urs E. Gattiker, Inger Marie Giversen, Michael Harrison, Robert T. Golembiewski, Carl Miller, Alan Kirschenbaum, Moshe Davidow, Arye Globerson, Rami Ben-Yshai, Tony Bovaird, Arie Halachmi, and Jack Rabin. I would also like to thank my colleagues at the Department of Political Science at the University of Haifa, which has always been a natural, inspiring, and supportive habitat for my professional work. On the administrative side I express my appreciation for the proficient work done by the staff of Marcel Dekker, Inc., as well as for the support I received from the Research Authority of the University of Haifa. Special thanks to Meira Yurkevich, Sandra Daniel, Liat Shaked, and Tali Birman.

Lastly, I hope that this book will enrich discussion on the future of the public sector from various critical perspectives and disciplines. Hence the book is dedicated to my current and future students who will have to deal, in class and in practice, with the public administration of tomorrow.

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Introduction

THE NEED FOR INTERDISCIPLINARY CRITICAL ANALYSIS OF PUBLIC ADMINISTRATION

Public administration is a discipline in transition. In fact, it has always been in continuous movement, but not always in the same direction. Contrary to the heavy, formal, and inflexible image of bureaucracies, public sector bodies in America, Europe, and elsewhere have been in a rapidly intensifying transition since the early 1990s. During the last century, public administration underwent significant changes resulting from crises, as well as breakthroughs in an ultradynamic environment. Some 30 years ago, Waldo (1968) noted that these ongoing transformations reflected an identity crisis of a science in formation. They also signaled a struggle for the recognition and legitimacy of public administration as an art, a body of knowledge, and a profession (Lynn, 1996). It seems that today, at the beginning of the 21st century, the formation of public administration is still unfinished business. It is a subject for debate among academics and practitioners across the world who seek higher and more extensive scientific recognition, more accurate self-definition, and better applicability of the field to rapid changes in modern life. This process presents new challenges for public administration. Perhaps the most important is to integrate more widely existing knowledge of the social sciences with efficient public action and with quality governmental operation. In the coming years public administration will be evaluated by higher standards of theory cohesiveness and by more comprehensive performance indicators rooted in a variety of scientific fields. The exploration of new interdisciplinary horizons for public administration is thus essential and inevitable for the successful passage of the field into the third millennium.

In recent decades the struggle over the nature and uniqueness of public

administration has continued, some say even intensified. From the very early days of the discipline to the present, its boundaries have been in a state of ongoing debate. To talk of the ''Public,'' of ''Administration,'' and of the integration of the two constructs into a useful terrain for study involves promises as well as difficulties. But consensus does exist on at least one issue: the public needs a better bureaucracy (more flexible, working efficiently and effectively, moving quickly toward objectives, and at the same time responding to the needs of the people without delays and with maximum social sensitivity, responsibility, and morality). The public also expects good and skillful administrators, familiar with the mysteries of quality services and effective management. Only they can produce better ''public goods'' and deliver them to all sectors of society with minimum time and cost. These goals are undoubtedly ambitious, but only they have the potential of guarding the structure of democratic societies. This is a revised version of the ideal type of public administration system applicable to modern times.

However, reality seems far more complex. In fact, there is growing concern among scholars that today these goals are way beyond reach. Modern states across the world face serious problems of addressing the public's needs. Achieving one target is usually accompanied by painful compromises on others, and limited resources are frequently cited as the main reason for failure in the provision of services. Moreover, fundamental changes occur in people's lifestyles as well as in their beliefs and ideology. They are intensified by high technology, communication systems, new distribution of capital, and the rise of new civic values that never existed before. All these lead citizens to perceive governments and public administration systems differently. The role of the state and its relationship to bureaucracy and to citizens are undergoing substantial transformation, not only in the minds of the people but also in scientific thinking. In a rapidly changing environment, public administration has a major function and new aims that must be clearly recognized. It remains the best tool democracy can use to create fruitful reciprocal relationships between the state and citizens, but on a higher and better level. To uncover the major tasks and challenges facing the new generation of public administration we require a cross-disciplinary strategy and improved integration of all available knowledge in the social sciences aimed at redefining the boundaries of public administration systems in its new era.

THE FRAMEWORK OF THE BOOK

The general approach of the book is to provide insight into the core disciplines from which public administration, both as a science and as a profession, draws its substance. The chapters fall into three main domains, each focusing on a separate

disciplinary perspective: policy and politics, society and culture, and organizational management.

The first chapter describes the background and reviews the heritage of public administration. Its goal is to portray the chronological as well as the disciplinary evolution of public systems over the years. This chapter elaborates on basic assumptions relevant to the three core disciplinary origins of public administration. It concludes by noting recent transformations in public administration theory, such as the reinvention of government and the (new) public management revolution.

The first part of the book is dedicated to the very central and conservative view of the field, highlighting political perspectives, policy, and administrative analysis. Through questions on policy planning, policy making, and policy implementation, Ira Sharkansky discusses the eternal tension between social-oriented policy and business-oriented policy. According to Sharkansky, economic versus social priorities is a common problem that appears in most, if not all, Western democracies. He argues that the political sphere is dominant in making various tradeoffs possible and effective but further suggests that ''the essence of political wisdom is to know when to choose a simplifying device—and which to use—and when to seek out the roots of a problem and to embark on a thoroughgoing and creative solution.'' Taking a politics–policy viewpoint, this essay critiques one of the most important issues in contemporary public administration: the debate over increasing pressures for businesslike public policy on the one hand and the human aspects of solidarism in modern society on the other. It is argued that pressures are exerted to produce numerous benefits but limited resources and/or other conflicts are built into the items on the public agenda. The general answer offered by Sharkansky to this dilemma is ''timing,'' which highly influences the chances to yield an effective and successful public policy.

Following this, Gerald E. Caiden and Naomi J. Caiden discuss the nature of democratic governance in several Western states. Their essay elaborates on patterns of modernizing the administrative state in Australia, North America, and the United Kingdom. These democracies believe that they are well on the way to reconciling various dilemmas in governance and that they have discovered suitable instruments, which they have adopted with some success. However, they still recognize that they fall short of what they would like to attain in the practice of democratic governance. Dealing with concepts such as a Third Way for governance, administrative responsibility, and representative public policy making, as well as ideas of putting citizens, not public officials, first and performance measurement in public agencies, this essay provides a useful comparative view of the current state of administrative reforms in modern societies.

Next is Robert Schwartz's critique on the issue of accountability in an evolving public administration. His chapter discusses accountability in public

management systems, which he sees as an elusive phenomenon that calls for re-exploration by public administration terminology. Schwartz argues that the growing size and complexity of government strain the links of the traditional chain of accountability as power over public resources has been largely transferred to bureaucrats. The crisis of accountability draws its substance from public dissatisfaction with government, which has led to a series of reform efforts currently known as new public management (NPM). The author lucidly develops a theory of accountability types, relationships, and roles in old/traditional public administration. It is then compared with accountability schemes developed in NPM. By calling upon issues of performance measurement, market concerns, political accountability, separation of operative agencies from policymaking centers, and progress-oriented accountability, this chapter provides an extensive critical analysis of the current state of accountability in modern public administration systems. It employs international literature on school reforms (mostly from the United States, England, Wales, and Australia) and presents evidence from Israeli NPM experience of government–third sector collaboration. Three conclusions are suggested: (1) there are significant political and organizational obstacles to the application of a ''purist'' brand of NPM results-oriented accountability; (2) the purist NPM result-oriented accountability is not feasible in all situations; and (3) the NPM general accountability model is replaceable by an alternative contingency model and multitypes of accountability solutions.

The chapter by B. Guy Peters covers state traditions and public administration, linking cultural and historical patterns among the industrialized democracies with their administrative institutions. Peters suggests two extreme models for governing: the traditional hierarchy model and the market alternative, which provides some important benefits in the provision of public services but also may have some weighty disadvantages. Peters argues that the process of moving away from the traditional conception of governing and toward alternative modes of governance is far from complete. What has been occurring is a process of reform of the public sector that introduces some features of the governance model while at the same time retaining many aspects of traditional governing. Thus, it is argued that the central issue of contemporary administrative reform may be the need to find mechanisms for matching the emerging political goals with the important economic and managerialist programs. The three major themes in this regard are better coordination, high level of accountability, and improved performance. Still, in his conclusion Peters suggests that reform is unlikely to stop with contemporary efforts at accountability, coordination, and performance management. Rather, the process of change is likely to continue, albeit in yet again different directions. In line with this we might expect movement toward greater emphasis on broader processes of governance rather than government administration per se. Therefore, we should expect the public sector to become increasingly open

to interactions with other social players (such as the private and third sectors) and increasing interdependence among nongovernmental actors for its success.

This point is exactly the starting assumption of the next chapter, by Eran Vigoda and Etai Gilboa, which deals with the quest for a strategic approach to collaboration in the public sector. The authors explore the vital need for alliances among various social players to achieve the ambitious public goals in modern society. Vigoda and Gilboa try to summarize a knowledge bank that has accumulated over recent decades on the effectiveness and positive potential of sharing forces, the better to serve citizens in ultradynamic environments. The strategic approach is based on six main stages for collaboration: (1) deciding on a fitting issue for collaboration, (2) characterizing the issue by ''what and where'' inquiries, (3) finding out who is involved, (4) finding out how to implement, (5) launching implementation, and (6) evaluating the process. The strategic program is then illuminated with local governance ventures and examples. It is suggested that the local governance arena provides a good habitat for the emergence and development of collaborative ventures among public administration, the private sector, the third sector, and citizens as groups or individuals. The chapter concludes with a synthesis of the current knowledge in the field and with the potential benefits for all parties involved if and when collaboration projects intensify and expand.

The second part of the book attempts a social and cultural analysis of public administration. Tradition, values, and information revolution in the administrative process constitute the core terminology of this section, which seeks to explain how public administration heavily depends on cultural factors in determining collective outputs and outcomes. Raphael Snir and Itzhak Harpaz provide a unique comparative analysis of work values and culture in the public and private sectors. Building on an empirical examination of two samples of the Israeli work force (1981, $n = 973$; and 1993, $n = 942$), the authors search for differences between private and public personnel as related to their perceptions of the meaning of work. The major difference between public- and private-sector employees that emerged from the analyses was that while public-sector employees were more concerned with occupational security and convenient work hours, private-sector employees were more materialistic. In addition, employees from both sectors attributed rather little importance to the notion that working is a useful way for them to serve society, but the public-sector employees attributed more importance to it. No differences were found between public-sector and private-sector employees concerning work centrality, obligation norm, expressive orientation, and interpersonal relations. The similarities or differences between private- and public-sector employees remained stable across labor force sampling time. Snir and Harpaz adopt a cultural approach to the understanding of work in the public sector. One important implication of this study is that businesslike methods of

human resource management are applicable in public domains but only to a certain level. Beyond this level, inherent cross-sectorial variables of work culture may prove relevant and limit the movement noted in recent years toward a businesslike orientation in the public sector.

Another cultural analysis by Rivka Amado deals with current issues of ethics and morality in modern public administration and with new ethical challenges for public personnel in future generations. The issue of ethics in the public administration arena has captured growing scholarly attention in recent decades, and it receives unique coverage in this chapter. However, Amado argues that ethical issues, emerging from the shift to a more participatory style of administration, enjoyed little if any attention in the literature. She further asserts that the new public servant is caught between institutional pressures and interests to keep costs down and consumers' demands for more and better services. Therefore, the public administrator has to engage in joint decision making with citizen-consumers who do not possess the same skills, knowledge, or perspectives as public servants. Obviously, citizens are likely to demonstrate poor understanding of the full range of choices and technologies to solve social problems. Amado uses the intriguing concept of ''ethical imbalance'' to depict the tension between citizen-consumers and public servants resulting from the new reform movement in public administration. Her chapter offers a fresh view of ethical questions, taking an approach comparing the old nature of public administration with the newer styles of managing this sector. Amado concludes that new trends in public administration have not yet resolved this ethical imbalance. Thus, this chapter explores a significant weakness of the value of responsiveness that poses a major challenge for NPM as well as other managerial reforms in the public sector, which will demand more attention in the years to come.

Lynton K. Caldwell addresses problems of public administration in a highly informed society, dealing with ethics, law, human rights, and scientific information. Caldwell argues that with the onset of the 21st century, the expansion of electronics and technology has profoundly altered the processes of communication and the treatment of information. The impact of this increasing electronic capability has been experienced notably in the more ''developed'' societies with higher levels of public information and organized participation in public affairs. While all sectors of the economy, now global, have been affected, the scope offered by these expanding capabilities carries exceptional implications for government and its administration. New opportunities and hazards now challenge public administration. Effects have been multiplied by the expanding role of government, induced by rapid advances in science and technology, and growth of population and the economy. As the consequences of these unprecedented developments are realized, doubt has arisen among many as to our ability to responsibly manage the new information and communication capabilities. So are a rethinking and a restructuring of our institutions for policy analysis, development,

and decision making needed, the better to assure our future welfare and sustainability? This question confronts the new generation in public administration and is extensively discussed in this chapter. Caldwell provides lucid analyses of various examples and illustrations drawn mostly from the United States. Reference is also made to European governments in which administrative management has received particular attention.

Urs E. Gattiker and Inger Marie Giversen present a theory of information technology (IT) and try to explain its current as well as future impact on health care agencies of public administration. This important chapter sets forth a perspective of cultural change, but at the same time it uses strictly managerial/organizational and political ideas. Gattiker and Giversen come from quite distinctive academic disciplines to enlighten an interdisciplinary public managerial arena that is much understudied. They argue that IT has become part of everyone's life, be it through telecommunication, Internet, or databases that contain sensitive information about ourselves. In their view, IT is most important and critical where health or tax records are concerned. The authors suggest that in these times of rapid change, public administration is challenged to provide legislators and public administration professionals with new insights, models, and possible solutions needed to best take advantage of information technology and the Internet. While the media may be excited about the potential of IT in health care, more effective IT use for information exchange among health care professionals requires the development of more mundane procedures affecting administration, medical services, and communication channels alike. The authors indeed critically discuss these issues from a public health service perspective, using Denmark for illustration. They also provide insights for researchers and decision makers of the new type of public agencies.

Focusing on one of the central public services in modern societies, Michael I. Harrison examines exposure to competition in health systems and asks, ''Can it transform public organizations?'' To answer this question he draws on European attempts, mainly in England and Sweden, to revitalize hospitals through market mechanisms. The empirical analysis draws on over 90 in-depth, semistructured interviews that Harrison conducted in Sweden during early 1994 and late 1995 and in England in mid-1996. These interviews furnished the basis for this interesting microanalysis across two European cultures. The study's main findings are that political, organizational, occupational, and technical forces ultimately combined to thwart the attempts of governmental policy makers to generate vigorous competition among public providers of hospital care. However, limited competition did emerge. Competition helped stimulate service production and enhanced providers' responsiveness to client concerns. Yet the study found that competition did not contribute directly to improvement of the clinical quality of hospital services and probably contributed to declines in the scope and quality of care in Britain's National Health Service.

The third part of the book is concerned with organizational and managerial analysis: how to manage the public sector better is central to our discussion, and the issue receives much attention from various aspects. It has structural, social, and, mainly, human facets, which are widely discussed through the chapters. Robert T. Golembiewski and Carl Miller provide an organizational development perspective for public systems based on an analysis of managerial processes in American public administration as part of an organizational intervention in the U.S. Department of Labor. The chapter relies on the vast experience of the authors and, using Golembiewski's and Miller's own words, sets out guidelines that provide a useful sketch of what ''works'' in the practice of change in the public sector. Using a rich pictorial language, this chapter is quite optimistic about the possibility of change in the public sector, particularly regarding technology-for-change with values—usually called Organization Development (OD) or Quality of Working Life (QWL). The cross-national perspective suggests that thousands of applications in about 60 nation-states have been isolated and they generally are rated as ''successes'' by multiple raters. Golembiewski and Miller then go to three sources of evidence supporting optimism for change in the public sector. These are OD success rates, QWL success rates, and success of planned change. Based on these, the authors provide 10 major guidelines for required organizational and managerial change in public administration. They conclude that their view represents a mixed approach: it implies criticism of public administration thinking and approaches and provides a range of alternatives—and sees a major future role for an administrative state, if suitably reformed.

Alan Kirschenbaum examines the fascinating issue of population behavior during mass disasters and their public implications. This is an exciting discussion of possible future problems with which public administration will have to deal more extensively and more thoroughly. Kirschenbaum argues that a radical change in the evolutionary process of dealing with disasters has occurred, replacing organic community adaptation with public administration disaster-management systems. In consequence, technology has supplanted grass-roots community policy, data collection has replaced historical knowledge, and specialized emergency managers have displaced community leaders. Therefore, it is argued that these outcomes, based solely on the rationality of action within highly bureaucratic organizations, are detrimental to preventing or mitigating disasters. Public-sector administrations are plagued by internal built-in organizational conflicts as well as self-effacing goals that not only hamper effective disaster management but also exacerbate the conflicts. A comparison of the consensus-based community with conflict-based bureaucratic models of disaster management highlights these differences. Historical global disaster data provide an insight into how public-sector disaster-management units have made little contribution to mitigating disasters. Kirschenbaum presents empirical findings that raise serious doubts as to

the effectiveness of public administration's ability in disaster management, and strongly urges a reintroduction of the community model.

Moshe Davidow builds on the idea of Consumer Communication Management (CCM) and relates it to the process of marketing in the public sector. This business-oriented chapter makes an intriguing point by applying the idea of marketing, which has purely business connotations, to the public sector. First, Davidow explains why and how the concept of marketing can and should be related to public administration. His examples illuminate how marketing is used by local and state authorities to broaden the tax base, increase income, acquire new customers and maintain existing ones, and improve responsiveness to citizens as customers. Next the chapter develops the idea of CCM to argue that it may provide a solution for some current ills of the public sector. CCM is a collective term used to denote all activities that an organization performs reactively and proactively to leverage consumer communications into customer satisfaction. Davidow develops this idea and portrays its mechanisms throughout the text, using a detailed theoretical model that has many advantages but is not barrier-free. All in all, this chapter presents a viable framework that synthesizes current marketing research and successfully applies it to the area of public administration. Undoubtedly, this is an important interdisciplinary contribution that is unique in its attempt to borrow some natural business terminologies for the public arena.

Finally, Arye Globerson and Rami Ben-Yshai present a comprehensive approach to managerial reform in education systems, based on the Israeli case. They argue that in many contemporary societies (and especially in Israel), teaching, as an occupation, is characterized by minimal professionalization, limited and short career paths, poor salary, few mandatory hours in the classroom, low social status, and high levels of burnout. Although these managerial disorders typify the public-service sector, there is little doubt that the severity of its consequences for teaching is unique, given the scope of demands and indispensability of education in the modern era. Thus, Globerson and Ben-Yshai suggest a four-step reform to counter teacher absenteeism, produce an ethical code for the profession, encourage reciprocity among various partners who are related to the educational system, and develop career paths and compensation by task, performance, and merit. In sum, this chapter proposes a comprehensive model of revitalizing public-education systems and provides a unique understanding of how to effectively transform public agencies and make them highly compatible in a managerial-focused environment.

The book ends with a synthesis and summary of the various issues and conceptions as set out by all chapter authors. This summary, by Tony Bovaird, identifies different views as well as common lines of thinking in the realm of public administration that are mutually enriched by a variety of social disciplines. Current interdisciplinary initiatives and projects are suggested as useful and effec-

tive for the future evolution of the field. They are expected to pave the way to meaningful challenges of the public sector in implementing public policy better than ever before. All in all, we propose critical understanding of governance and public services that may shape a new generation of public administration in the 21st century.

TARGET READERS

The goal of this book is to uncover some of the diversity and complexity of the field in a rapidly changing environment, which encompasses a dynamic human arena. The book may well serve scholars from proximate social disciplines who research parallel and cross-sectional public topics but only occasionally get to know one another's work. This reality has yielded many successful studies but has generally failed to build a cohesive science. The book may well serve students of different fields in the social sciences. It provides useful information relevant for public administration students or those of political science, sociology, management and business, human resource and industrial relations studies, public affairs, and communication. Several chapters may also be apt for psychology students focusing on public-personnel attitudes and behaviors and on the human side of the workplace. All these scholars have a specific interest in the evolution of public organizations and their increasing role in society.

The book also serves practitioners and public service managers, the professionals who must run governmental systems more effectively and efficiently. At the same time they have to devote adequate attention and consideration to the social interests of individuals and groups. The public's needs and demands for more economical policy implementation must be balanced against considerations of human equity and social justice. Accordingly, the book takes on the complex assignment of bridging economic and social interests in the study of public systems. This is a challenging objective for the new generation of practitioners of public administration and for all who care about its nature in the future.

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1

The Legacy of Public Administration
Background and Review

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THE EVOLUTION OF PUBLIC ADMINISTRATION: SCIENCE AND PROFESSION IN MOTION

An ordinary citizen of an ordinary modern democracy fortunate enough to undertake a journey backwards in time is likely to find meaningful similarities between public administration of our era and administrative systems of old cultures. The foundations of modern public administration can be discerned thousands of years ago, across cultures and in various nations around the globe. The Bible mentions a variety of hierarchical and managerial structures that served as prototypes for the governance of growing populations. Ancient methods of public labor distribution were expanded by the Greeks and the Romans to control vast conquered lands and many peoples. The Persian and Ottoman empires in the Middle East, like imperial China in the Far East, paved the way for public administration in the modern age, wherein European Christians, and later Christians of the New World, were in the ascendant. All these, as well as other cultures, used a remarkably similar set of concepts, ideas, and methods for governing and administrating public goods, resources, and interests. They all employed professionals and experts from a variety of social fields. They all used authority and power as the

cheapest control system for individuals, governmental institutions, and processes. All of them faced administrative problems close in type and in nature to problems of our own times: how to achieve better efficiency, effectiveness, and economy in government, how to satisfy the needs of the people, and how to sustain stable political hegemony despite the divergent demands and needs of sectorial groups. Not surprisingly, all the above cultures and nations also used similar managerial tools and methods aimed at solving problems of this kind. They all used, fairly effectively, division of labor, professionalism, centralization and decentralization mechanisms, accumulation of knowledge, coordination of jobs, complex staffing processes of employees, long-range planning, controlling for performance, and so on. Intuitively, one feels that nothing has really changed in the managerial and administrative process of public organizations for centuries, possibly millennia, but this feeling is of course exaggerated. Some major changes have taken place in recent centuries to create both a totally different environment and new rules to which rulers and citizens must adhere and by which they must adjust their operation. In fact, a new kind of governing game has taken shape in which public administration plays a central role.

Despite basic similarities, public administration of our times is an organism entirely different from public services in the past. It is larger than ever before, and is still expanding. It is more complex than in the past, and is becoming increasingly so by the day. It has many more *responsibilities* to citizens, and it still has to cope with increasing demands of the people. It is acquiring more *eligibilities*, but more than ever before it must restrain its operation and adhere to standards of equity, justice, social fairness, and especially accountability. Moreover, modern public administration is considered a social *science*, a classification that carries high esteem but also firm obligations and rigid constraints. For many individuals who decide to become public servants it is also a *profession* and an *occupation* to which they dedicate their lives and careers. Most important, however, public administration is one of the highly *powerful institutions* in modern democracies. It wields considerable strength and influence in policy framing, policy making, and policy implementation, hence it is subject to growing pressures of political players, social actors, and managerial professionals.

An overview of the relatively short history of modern public administration reveals that the field is far more eclectic than might be thought. The science of public administration was born toward the end of the nineteenth century when the business of the state started to attract social–academic attention. The revolution that turned public administration into an independent science and profession is traditionally related with the influential work and vision of Woodrow Wilson (1887) and Frank J. Goodnow (1900). These scholars were among the first who advocated the autonomy of the field as a unique area of science that drew substance from several sources. In the first years, law, political theory of the state, and several ''hard sciences'' such as engineering and industrial relations were

the most fundamental and influential mother disciplines. Over time these fields strongly influenced the formation and transition of public administration, but the extent and direction of the influence were not linear or consistent.

Kettl and Milward (1996:7) argued that traditional public administration as advocated by the progenitors of the discipline consisted in the power of law. Representatives of the people make the law and delegate responsibility to professional bureaucrats to execute it properly. Highly qualified bureaucrats, supported by the best tools and resources, are then expected to discharge the law to the highest professional standards, which in return produce good and accountable managerial results that best serve the people. According to Rosenbloom (1998), the legal approach views public administration ''as applying and enforcing the law in concrete circumstances'' and is ''infused with legal and adjudicatory concerns'' (p. 33). This approach is derived from three major interrelated sources: (1) administrative law, which is the body of law and regulations that control generic administrative processes, (2) the judicialization of public administration, which is the tendency for administrative processes to resemble courtroom procedures, and (3) constitutional law, which redefines a variety of citizens' rights and liberties. Several legal definitions argue that public administration is law in action and mainly a regulative system, which is ''government telling citizens and businesses what they may and may not do'' (Shafritz and Russell, 1997:14). Over the years, however, it has become obvious that law in itself does not maintain satisfactory conditions for quality public-sector performance to emerge. Constitutional systems furnish platforms for healthy performance of public administration, but do not account for its effectiveness or efficiency. Stated differently, good laws are necessary but insufficient conditions for creating a well-performing public service.

One such important contribution came from the classic hard sciences of engineering and industrial relations. In its very early stages public administration was heavily influenced by dramatic social forces and long-range developments in the western world. The ongoing industrial revolution in the early 1900s, which was accompanied by political reforms, higher democratization, and more concern for the people's welfare, needed highly qualified navigators. These were engineers, industrial entrepreneurs, and technical professionals who guided both markets and governments along the elusive ways to economic and social prosperity. Various fields of engineering, the subsequent evoking area of industrial studies, and other linked disciplines, such as statistical methods, became popular and crucial for the development of management science in general and were also gradually found useful for public arenas. The link between general management and public administration has its roots in understanding complex organizations and bureaucracies, which have many shared features.

With time, dramatic changes occurred in the nature, orientation, and application of general organizational theory to public administration of modern socie-

ties. A major transition resulted from the exploration of the Hawthorn studies in the 1920s and 1930s, conducted by a well-known industrial psychologist from Harvard Business School, Elton Mayo. A behavioral apparatus was used to drive a second revolution, beyond the revolution that originally produced the theory, which swept the young science into its first stages of maturity. Today, trends and developments in the public sector cannot be fully understood without adequate attention to behavioral, social, and cultural issues, which are also an essential part of the present volume. These aspects conjoin with questions of policy making and policy evaluation, as well as with managerial, economic, and organizational contents, to better illuminate public systems. The human and social side of public organizations became central and critical to all seekers of greater knowledge and comprehension of the state's operation. People and groups were placed at the heart of the discussion on organizational development and managerial methods. The human side of organizations was made an organic part of the art of administration. It is still an indispensable facet of the craft of bureaucracy. All who are interested in the healthy future and sound progress of public organizations and services both as a science and as a profession have to effectively incorporate humanistic views into their basic managerial ideology.

Major transitions still lay ahead, however. International conflicts during the 1930s and the 1940s forced immense changes in national ideology and democratic perspectives in many Western societies, consequently public administration and public policy had to be transformed as well. During the Second World War theoretical ideas were massively supported by advanced technology and higher standards of industrialization. These were pioneered by professional managers and accompanied by new managerial theories. Ironically, the two world wars served as facilitators of managerial change as well as accelerators and agents of future developments and reforms in the public sector. The political leaders and social movements of the victorious democracies were convinced that the time had come for extensive reforms in the management of Western states. The assumed correlation of social and economic conditions with political stability and order propelled some of the more massive economic programs in which the state took an active part. The rehabilitation of war-ravaged Europe involved governmental efforts and international aid, most of it from the United States. Major attention was dedicated to the creation of better services for the people, long-range planning, and high-performance public institutions capable of delivering quality public goods to growing numbers of citizens. To build better societies was the target. A larger and more productive public sector was the tool.

In many respects the utopian vision of a better society generated by the postwar politicians and administrators in the 1940s and 1950s gradually crumbled and fell during the 1960s and 1970s. A large number of governments in the Western world could not deliver to the people many of the social promises they had made. The challenge of creating a new society free of crime and poverty,

highly educated and morally superior, healthier and safer than ever before, remained an unreachable goal, so during the 1970s and 1980s, citizens' trust and confidence in governments and in public administration as a professional agent of governments suffered a significant decline. The public no longer believed that governments and public services could bring relief to those who needed help, and that no public planning was good enough to compete with natural social and market forces. The promises of modern administration, running an effective public policy, seemed like a broken dream. Political changes took place in most of the Western states, most of them stemming from deep frustration in the public and disapproval of government policies. By the end of the twentieth century the crises in public organizations and mistrust of administrators were viewed both as a policy and managerial failure (Rainey, 1990). In addition, this practical uncertainty and disappointment with governments and their public administration authorities naturally diffused into the scientific community. Theoretical ideas for policy reforms in various social fields, which once seemed a key for curing malaise in democracies, proved unsuccessful. Within the last decade the search for new ideas and solutions for such problems has reached its peak, and premises originally rooted in business management have been increasingly adapted and applied to the public sector. Among these ventures are re-engineering bureaucracies (Hammer and Champy, 1994), applying benchmarking strategy to public services (Camp, 1998), reinventing government (Osborne and Gaebler, 1992), and the most influential movement, of New Public Management (NPM) (Lynn, 1998; Stewart and Ranson, 1994). These receive growing attention, accompanied by large measures of skepticism and criticism.

TRANSFORMATIONS OF PUBLIC ADMINISTRATION AS AN ACADEMIC FIELD

Throughout those years public administration as an academic field was also in transition. Today many examples exist in universities of independent public administration units; some operate as schools and some as freestanding faculties. In at least an equal number of universities, however, public administration programs on all levels are only part of larger units such as political science departments, business and management schools, or even public affairs schools. This disciplinary schizophrenia certainly yields a science that is more complex and heterogeneous, but also more challenging and full of promise.

The scientific background of public administration in the late 1990s and early 2000s is still not stable and has not overcome its childhood ailments. On the contrary, identity conflicts have only intensified with the years. During the last three decades Waldo's diagnosis of the late 1960s on public administration as a science in formation struggling with a pernicious identity crisis has not changed much. The evolution of alternative subdisciplines inside and around the

field (e.g., policy studies, public personnel management, information management) carried promises but also risks for its position and role as a central field of social study. As recently noted by Peters (1996), modern public administration greatly reflects a lack of self-confidence both as a science and as a profession. This lack is expressed in many ways, the most significant being an incapacity to guide governments through a safe circuit of public policy change. Much of the accumulated wisdom in the science of public administration has been obtained through social experiments, the commission of policy errors, and sometimes even learning from them about better ways to serve the people. Mistakes cost money, however—much money, money from all of us, the taxpayers. Like good customers in a neighborhood supermarket, citizens should be and have become aware of the services they deserve, of the high prices they are asked to pay, and of governmental actions that should be taken to produce useful changes. Demands for better operation are generally aimed at governments, but they should be— and are—also targeted at science and academia. Science has the potential of exploring new knowledge, generating better explanations for relevant administrative problems, applying sophisticated and useful professional methods, and most important, directing all available resources to produce successful and practical recommendations for professionals. Its prime goal is to design a comprehensive theoretical view of public systems that is clear, highly efficient, effective, thrifty, and socially oriented at the same time. This cannot be achieved without extensive understanding of the diversity, complexity, and interdisciplinarity of the science of public administration.

In many ways the persistent public mistrust of governmental services and institutions, together with the marked instability of public administration as a science, inspired us in the present venture. The fragile status of the theory of public administration is the point of departure for a different kind of discussion, which is broader and multiperceptional. Our core argument is that one can find many ways to depict the administrative system, its functionality, and its relationship with the public, but the identity crisis of public administration cannot be solved until many approaches are combined and coalesce to explain the very basic constructs that modern societies encounter at the start of the new century. A major assumption of this volume is that only mutual efforts and quality combination of critical knowledge from a variety of social disciplines and methods can yield a real opportunity for overcoming public administration's postchildhood problems. Such a crisis of identity, which has existed for more than a century now, carries risks, but also promises, which must be properly isolated, assessed, analyzed, and only then fulfilled. The translation of science into operative acts by government must rely on such sufficient wisdom, which can be accumulated from various social branches. The contribution of this volume is thus its effort to bring these views together and to produce a multifaceted analysis of modern public administration.

DISCIPLINARY ORIGINS

As portrayed earlier, the desired comprehensive understanding of public administration should rely on the accumulated wisdom and knowledge of its sister disciplines (and not necessarily the conventional mother disciplines) in the social sciences. Unfortunately, so far most writing on public systems has adopted a unidimensional viewpoint. Public administration was frequently understood through the eyes of policy analysts or political scientists. Alternatively it was considered a specific field of management science or a domain of organizational studies. While the roots of the administrative process are definitely (and with much justification) identified with political science, policy studies, and managerial constructs of public institutions, it would be most imprecise to point solely to these arenas in portraying the boundaries and nature of public administration. An integrative approach has much merit and potential in this case, and it must be well developed to conform to the complex reality of serving the public.

Administrative science is a discipline in transition that involves politics, but not exclusively. It deals with policy, but reaches much farther and deeper than policy questions. It incorporates sociological and cultural aspects that change rapidly in a mass communicative global world, but it goes beyond these issues. It deals with people as workers, citizens, clients, and consumers, and as leaders and managers, as well as with a variety of other human constructs that merge into a unique branch of knowledge. A multidisciplinary approach is evidently required to explain better what every scholar already knows from his or her personal perspective: that the truth about public administration has many faces and no monopoly exists any longer over the discipline's status and orientations.

We identify three main disciplines that serve today as core sources of knowledge in the study of public administration. These are political science and policy analysis, sociology and cultural studies, and organization management and the business sciences, which also comprise the organizational behavior (OB) and human resource (HR) subdivisions. Beyond the legal approach noted by Rosenbloom (1998), which still has many advantages for the study of present-day public administration, the former disciplines furnished the essence of the field as a new science in its early days. They highly influenced its formation in subsequent years, too. Political science and policy analysis provided public administration with a core scientific terminology, a macro-conceptual framework, a research focus, and a politics-oriented agenda to be developed in later years. In most modern nations public administration is considered mainly a blend of political and organizational knowledge that characterizes large bureaucracies. Sociology contributed the cultural aspect, which is relevant for cross-organizational and cross-national studies (Hofstede, 1980). It also made possible the development of comparative studies and a better understanding of group dynamics and informal structures such as norms or values inside bureaucracies (Schein, 1985).

The business approach guided public administration through managerial considerations and individual behaviors in organizations. Traditional management science of the late 1800s and the concentration on the human side of organizations during the early 1900s exerted increasing influence on administrative thinking. A significant increase and extension of managerial influences on public administration thinking as a science and profession occurred during the mid-1980s with the evolution of NPM trends, which revitalized managerial theory in the public sector. Together these three disciplines and their appropriate internal integration are essential for a better understanding of contemporary modern public services.

THE THREE P's: POLITICS, POLICY, AND PUBLIC ADMINISTRATION

The political approach to public administration was depicted by Rosenbloom (1998) as stressing the values of representativeness, political responsiveness, and accountability to the citizenry through elected officials. These values are considered necessary requirements of democracy, and they must be incorporated into all aspects of government and administration. Wallace (1978) argued that ultimately public administration is a problem in political theory. It deals with the responsiveness of administrative agencies and bureaucracies to elected officials, and through them to the citizens themselves. Shafritz and Russell (1997) provide several politics-oriented definitions of public administration: it is what government does (or does not do), it is a phase in the policy-making cycle, it is a prime tool for implementing the public interest, and it does collectively what cannot be done as well individually (pp. 6–13). It is thus impossible to conduct a politics-free discussion of public administration.

Politics is definitely the heart of public administration processes. Politics focuses on citizens as members of groups or on highly institutionalized organizations that sound the public's voice before political officials and civil servants. The politics approach to public administration involves strategies of negotiating and maneuvering among political parties, public opinion, and bureaucracies. It involves an incremental change in society, which relies on open debate, a legitimate power struggle, distribution and redistribution of national resources and budgets, and a heavy body of legislation and law to regulate these processes. Perhaps the most obvious linkage between politics and public administration stems from policy-making and policy-implementation processes. It is naive to distinguish political systems from professional administration systems in regard to public policy. As Rosenbloom (1998:13) suggested, ''public administrators' involvement in the public policy cycle makes politics far more salient in the public sector than in private enterprise. Public administrators are perforce required to build and maintain political support for the policies and programs they

implement. They must try to convince members of the legislature, chief executives, political appointees, interest groups, private individuals, and the public at large that their activities and policies are desirable and responsive.''

The theoretical contribution of political science to the study of public administration is therefore multifaceted; it invokes better understanding of the power relations and influence dynamics that take place inside and among bureaucracies (Pfeffer, 1992) and determine their operative function as well as outcomes. Here, party politics acknowledges that the investigation of pressure and interest groups and the better understanding of conflict relationships among various players of the state are used to build models of decision making and policy determination that are rational and realistic. In addition, political psychology is implemented more thoroughly to explore personality traits of political leaders as well as public servants. For the same reasons, budgetary studies and policy analysis methods are an integral facet of the political approach, which assumes limited rationality as well as high constraints of time and resources on the administrative process.

From a somewhat different perspective, Ellwood (1996:51) argued that political science has simultaneously everything and little to offer public management scholars, hence also public administration scholars: everything, because both fields deal with political behavior, processes, and institutions; little, because political science deals only with the constraints forced on the administrative process with no practical contribution to the managerial improvement of public systems. Ellwood further agrees that both fields rely on other academic disciplines, employing techniques of anthropology, economics, game theory, historiography, psychology, and social psychology, as well as sociology. In line with this it would be only natural to conclude that the relationship between political science and public administration is described as an on-again, off-again romance. Kettl (1993: 409) suggested that ''the importance of administration lay at the very core of the creation of the American Political Science Association . . . when five of the first eleven presidents of the association came from public administration'' and played a major role in framing the discipline. As Ellwood puts it, over the years public administration became public but also administration; it shifted its focus to a more practical and client service orientation that necessarily incorporated knowledge from other social disciplines, such as personnel management, organizational behavior, accounting, and budgeting. The methodological contribution of a political approach to public administration studies is also meaningful. Here a macroanalysis is necessary if one seeks an understanding of the operation of large bureaucracies and their coexistence with political players. A political approach delivers these goods by means of comparative studies, policy evaluation methods, rational choice models, and simulations, as well as content analysis techniques and other tools useful for observation of the political sphere.

THE VOICE OF SOCIETY: SOCIOLOGICAL AND CULTURAL APPROACHES TO PUBLIC ADMINISTRATION

The second approach that is highly relevant to the understanding of public administration bodies and processes rests on a sociological apparatus. It has a very close relationship with the political approach, so it is sometimes defined as a sociopolitical view of public systems or as a study of political culture (Shafritz and Russell, 1997:76), yet its core prospects are beyond the political context. The voice of society has a special role in the study of public administration arenas not only for democratic and political reasons but also because of its fundamental impact on informal constructs of reality such as tradition, social norms and values, ethics, lifestyle, and other human interactions.

The theoretical contribution of a sociological and cultural approach to public administration consists of several elements. An essential distinction must be drawn between inside and outside cultural environments. An outside cultural sphere incorporates informal activities and behaviors of small groups as well as of larger social units that interact with the administrative system. Included in this category are customers' groups, private organizations, not-for-profit volunteering organizations, and citizens at large. Considerable attention has been turned to communities and to the idea of communitarianism (Etzioni, 1994; 1995), as well as to the emergence of the third sector as rapidly changing conventional structures and beliefs in modern societies. An inside cultural environment is related to internal organizational dynamics and to the behaviors of people as work groups, thus it is sometimes termed organizational culture or organizational climate (Schein, 1985). Like the outside organizational environment it has some observable constructs, but it mostly expresses many covert phases. In many ways, ''culture is to the organization what personality is to the individual—a hidden, yet unifying theme that provides meaning, direction and mobilization'' (Kilmann et al., 1985). It includes basic assumptions as to what is right and what is wrong for a certain organizational community, the norms and beliefs of employees, and unseen social rules and accepted codes of behavior, as well as tradition, language, dress, and ceremonies with common meaning to all organizational members. All these distinguish ''us'' from ''them,'' promote group cohesiveness, and improve common interests.

Several sociological sources can be effective in analyzing public administration dynamics. First is group theory, which is also closely related to the study of leaders and leadership. Second is ethnic studies, which concentrate on minorities and race questions, such as equity, fair distribution of public goods, and integration in productive public activity. Third is communication and the technological information revolution, which have had a radical effect on society, public policy, and public administration units and structure. Information networks and communication have become an imminent feature of the cultural investigation

of bureaucracies. For many years a plausible approach in management science and in the study of public administration called for the formulation of a universal theory in the field, one that is culture-free and applicable across all nations. With the passage of time and with giant technological developments this perception became ever more anachronistic.

Today the goal of a universal administrative paradigm is hardly achievable. An alternative viewpoint is more balanced and contingent. It argues that basic similarities do exist between public organizations and public administration mechanisms, but at the same time intraorganizational and extraorganizational culture fulfills a major mediating role. Culture in its broad context constantly affects the operation of bureaucracies as well as political systems that interact with them. Such examples as theory Z of W. Ouchi (1981) and lessons from more recent Chinese and Eastern European experiences stimulated the scientific community and initiated culture-oriented ventures in general management inquiry (Hofstede, 1980). They especially promoted the investigation of work values and culture-oriented management in private but also in public arenas. Many scholars became convinced of the necessity of incorporating social and cultural variables as core elements in the administrative analysis of public arenas. A sociological and cultural approach to public administration also made an important methodological contribution. It initiated culture-focused surveys of individuals and groups who work in the public sector or of citizens who receive services and goods. Culture-focused observations and analyses possess the merit of being sensitive to individuals' (as citizens or employees) norms, values, traditions, and dispositions, and sometimes they overlap with other politics and policy-oriented studies, the better to explore dynamics in public organizations.

THE HUMAN SIDE OF PUBLIC SYSTEMS: MANAGEMENT, ORGANIZATIONAL BEHAVIOR, AND PUBLIC ADMINISTRATION

A managerial definition of public administration proclaims that it is the executive function in government or a management specialty applied in public systems (Shafritz and Russell, 1997:19–23). Although public-sector management is distinguished from private-sector management, in many ways the two systems share a surprisingly broad area of similarities (Rainey, 1990). For many years, differences stemmed from the nature of services each sector used to provide, from diverse structures and functions, but mainly from discrepancies in the environment. When the environment started to change rapidly, however, organizations had to change as well. Modern societies have become more complex, flexible, and dynamic. Cultural, industrial, technological, economic, and political environments of organizations have undergone rapid transformations that are still in progress today. On the one hand, public and private organizations have to adjust

and comply with similar changes in the environment to safeguard their interests and existence, but on the other hand, the starting point of public organizations is far inferior and urgently calls for rethinking and reinventing (Osborne and Gaebler, 1992).

Conventional wisdom accepted a classic assumption regarding the relatively stable and unshakable structure of public organizations. Drawing on the Weberian approach, hardly anyone disputed the need for large bureaucracies in modern democracies. Moreover, the advantages and disadvantages of large bureaucracies were well known among academics and practitioners. A weighty bureaucracy was considered an axiom of public administration. Only with the emergence of new management trends in old bureaucracy were these basic assumptions questioned. For example, Kettl and Milward (1996) stated that management in the public sector matters. It matters because citizens' demands increase and because the standards of performance expected from governments are higher than ever before. Performance is related in the minds of people and in scientific studies with quality of management, quality of managers, and the administrative process between them. Accordingly, it has much to do with the human aspects of administration. Perhaps this perception has led to some recent developments in public administration, making it client-oriented and more businesslike. Scholars frequently define these shifts as the principal change in public administration and its transition into a revised field of study named public management.

RECENT TRANSFORMATIONS IN PUBLIC ADMINISTRATION THEORY: A PUBLIC MANAGEMENT REVOLUTION?

Since the early 1980s much work has been conducted in public administration theory and practice that claims to go beyond the conservative approach in the field. This ''liberalization'' of public administration is recognized today as the NPM trend. The self-identity problem of public administration was greatly aggravated by the launching of the idea of NPM. As noted by Kettl and Milward (1996: vii), ''public management is neither traditional public administration nor policy analysis since it borrows heavily from a variety of disciplines and methodological approaches.'' Mainly drawing on the experience of the business/industrial/ private sector, scholars have suggested taking a more demanding attitude to the dynamics, activity, and productivity of public organizations; however, ''competing academic disciplines dueled to establish bridgeheads or, worse, virtually ignored each other as they developed parallel tracks on related problems'' (p. 5). Consequently, a cross-fertilization, which could have accelerated learning and improved performance of public systems, was delayed.

What are the roots of NPM, and in what way is it actually a *new* arena in the study of the public sector? Several theoretical foundations, as well as practical factors, can answer these questions. The first, and probably the deepest source of NPM, emerges from the distinction between two proximate terms or fields of research: administration and management. As noted earlier, since the late 1880s the monopoly on the term administration has been held by political scientists. Such scholars as Goodnow and Wilson were those who perceived public administration as a separate and unique discipline that should consist of independent theory, practical skills, and methods. The term management, however, referred to a more general arena, used by all social scientists and mainly by those who practice and advance theory in organizational psychology and business studies. Consequently, conservative administration science tends to analyze the operation of large bureaucratic systems as well as other governmental processes aimed at policy implementation. Management, on the other hand, refers to the general practice of empowering people and groups in various social environments and in handling multiple organizational resources to maximize efficiency and effectiveness in the process of producing goods or services.

A consensus exists today that NPM has become extremely popular in the theory and practice of public arenas, but can we define it as a long-range revolution in public administration theory? No comprehensive answer exists to this question. Some will say that NPM has only revived an old spirit of managerialism and applied it in the public sector. Others will argue that this in itself has been a momentous contribution to public administration as a discipline in decline. Relying on an extensive survey of public management research in America, Garson and Overman (1983:275) argued that this increasing popularity was due to the more virile connotation of the term management than administration. Over the years, a growing number of political scientists have perceived public administration as an *old* and declining discipline; it was unable to provide the public with adequate practical answers to its demands, and moreover it left theoreticians with epidemic social dilemmas waiting for exploration. Interesting evidence of this process could be found in many schools of public administration, which during the 1980s and 1990s decided to become schools of public management. Looking for alternative ideas, management theory was proposed as the source for a new and refreshing perspective. It was suggested that public management rather than public administration could contribute to a new understanding of how to run the government more efficiently and thereby to surmount some of its pandemic ailments.

In an attempt to more fully understand and advocate this inclination, Perry and Kraemer (1983) proposed that a greater impact of new ideas and methods from the field of public management on the administrative science was essential and natural. It reflected a special focus of modern public administration that was

not to be ignored. Rainey (1990:157) claimed that this process was a result of the growing unpopularity of government during the 1960s and 1970s. Ott et al. (1991:1) also stated that public management was a major segment of the broader field of public administration since it focused on the profession and on the public manager as a practitioner of that profession. Furthermore, it emphasized well-accepted managerial tools, techniques, knowledge, and skills that could be used to turn ideas and policy into a (successful) program of action.

During the last two decades many definitions have been suggested for NPM. Nothing seems wrong with the relatively old perception of Garson and Overman (1983:278), however, who defined it as ''an interdisciplinary study of the genetic aspects of administration . . . a blend of the planning, organizing, and controlling functions of management with the management of human, financial, physical, information and political resources.'' As further discussed by other scholars (e.g., Lynn, 1996:38–39), six differences exist between public administration and public management that make the former a new field of study and practice. These are: (1) the inclusion of general management functions such as planning, organizing, control, and evaluation in lieu of discussion of social values and conflicts of bureaucracy and democracy; (2) an instrumental orientation favoring criteria of economy and efficiency in lieu of equity, responsiveness, or political salience; (3) a pragmatic focus on midlevel managers in lieu of the perspective of political or policy elites; (4) a tendency to consider management as generic, or at least to minimize the differences between public and private sectors in lieu of accentuating them; (5) a singular focus on the organization, with external relations treated in the same rational manner as internal operations in lieu of a focus on laws, institutions, and political bureaucratic processes; and (6) a strong philosophical link with the scientific management tradition in lieu of close ties to political science or sociology.

While the emergence of NPM is frequently related to the increasing impact of positivist behavioral science on the study of politics and government (e.g., Lynn, 1996:5–6), the practical aspect of this process should also be considered. Practical public managers (Golembiewski, 1995) as well as political scientists will refer to the difficulties in policy making and policy implementation that confronted many Western societies in Europe, America, and elsewhere during the 1970s. These practical difficulties are viewed today as an important trigger for the evolution of NPM. Reviewing two recent books on NPM (Aucoin, 1995; Boston et al., 1996), Khademian (1998:269) argues that American and British advocates of the field find common ground in explaining why such reforms are necessary. The problem of an inflexible bureaucracy that often could not respond efficiently and promptly to the public needs conflicted with some basic democratic principles and values in these countries. Peter Aucoin elegantly summarizes a ''trinity'' of broadly based challenges with which Western democracies have struggled and will probably continue to struggle in the future, partly through

management reform. These are: (1) growing demands for restraint in public-sector spending, (2) increasing cynicism regarding government bureaucracies' responsiveness to citizen concerns and political authority and dissatisfaction with program effectiveness, and (3) an international, market-driven economy that does not defer to domestic policy efforts. It seems that these challenges have led many Western governments in America, Britain, New Zealand, Canada, and elsewhere to the recognition that sound reforms and changes should be made in the public service.

Scholars agree today that at least some of the accumulated wisdom of the private sector in these countries is transferable to the public sector (Pollitt, 1988; Smith, 1993). In an attempt to liberate the public sector from its old conservative image and tedious practice NPM was advanced as a relevant and promising alternative. New Public Management literature has tried to recognize and define new criteria that may help in determining the extent to which public agencies succeed in meeting the growing needs of the public. New Public Management has continuously advocated the implementation of specific performance indicators (PIs) used in private organizations to create a performance-based culture and matching compensatory strategies in these systems. It has recommended that these indicators be applied in the public sector (e.g., Smith, 1993; Carter, 1989) since they can function as milestones on the way to better efficiency and effectiveness of public agencies.

Moreover, citizens' awareness of the performance of public services was suggested as a core element of NPM since it can increase the political pressure placed on elected and appointed public servants, thereby enhancing both managerial and allocative efficiency in the public sector. Scholars who advocate NPM liken this process of public accountability to stakeholders/citizens to the role adopted by financial reporting in the private/corporate sector (Smith, 1993). As in the private sector, increasing exterior-related outcomes can have a profound impact on internal control mechanisms, as managers and public servants become more sensitive to their duties and highly committed to serve their public customers.

In view of the above, and looking toward the future, Lynn (1998:231) suggested that the NPM of the late 1990s had three constructive legacies for the field of public administration and for democratic theory and practice. These were: (1) a stronger emphasis on performance-motivated administration and inclusion in the administrative canon of performance-oriented institutional arrangements, structural forms, and managerial doctrines fitted to particular context; in other words, advances in the state of the public management art; (2) an international dialogue on and a stronger comparative dimension to the study of state design and administrative reform; and (3) the integrated use of economic, sociological, social-psychological, and other advanced conceptual models and heuristics in the study of public institutions and management, with the potential to strengthen the

field's scholarship and the possibilities for theory-grounded practice. While the first two ''legacies'' are widely discussed in contemporary literature, the third is much understudied and needs further theoretical development, empirically guided research, and practical implementation.

Kettl and Milward (1996) argue that one of NPM's most significant contributions to public administration as a discipline in transition is the focus on the performance of governmental organizations. According to their analysis, this scientific orientation needs to draw on ''a wide variety of academic disciplines for the full and richly textured picture required to improve the way government works. Only through interdisciplinary cross-fertilization will the picture be rich enough to capture the enormous variety and complexity of true public management (and administration) puzzles'' (p. 6).

INCOMPLETE SUMMARY: THE ONGOING JOURNEY OF PUBLIC ADMINISTRATION AND THE WAY FORWARD

In all, modern public administration decidedly benefits from the inputs of managerial and organizational theory. It gains additional profit from traditional political and policy analysis prospects, as well as from a wider society- and culture-oriented theory. Modern societies question current obligations of public personnel toward citizens and urge them to put the people first by treating them as customers or clients, yet these tendencies draw fire from those who argue that a client orientation of the public sector breeds citizenry passivism and lack of individual responsibility for the state and its agencies. It is further assumed that today these obligations and commitments are not clearly decoded, manifested, or satisfactorily implied. Much more can be done to improve responsiveness to citizens' needs and demands without the active role of citizens in the administrative process being abandoned.

Moreover, the application of multidisciplinary approaches (political, social, and managerial) to public service is essential before further advance can be made. It is argued that some tenets of administrative culture and democratic values need to be explored in order to propose higher levels of social theory synthesis and integration. These may also be the milestones on the way to better linkage, partnership, and cooperation between rulers and citizens in modern societies. Here lies the main challenge of public administration in the coming years: the invention of a new vitalized administrative generation tightly bound up with modern participatory democracy.

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2

Economic Versus Social Values and Other Dilemmas in Policy Making

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INTRODUCTION

Difficult trade-offs define those cases of politics and policy making that interest observers. The question of economic versus social priorities is a common problem that appears in Israel and many, if not all, other Western democracies. A further complication in politics and policy making—beyond problematic trade-offs between conflicting demands—are complexities that keep activists from knowing with any degree of certainty what influences their chances of realizing their goals.

Coping is one way for dealing with trade-offs and other complexities that preclude certainty in politics and policy making. Political parties contribute their simplifying cues to voters, politicians, and policy makers. Incremental rules simplify calculations about budgets and numerous other policy issues. There is a host of other simplifications that allow individuals to decide, albeit imperfectly, when they encounter difficulties. These devices are widely used, even if they do not assure success. Indeed, the essence of political wisdom is to know when to choose a simplifying device—and which to use—and when to seek out the roots of a problem and to embark on a thoroughgoing and creative solution.

DIFFICULT CHOICES

Tough choices make for interesting politics. It is common for policymakers to compare economic against social priorities. Some have to decide whether to spend more on defense or domestic needs. Recent controversies in Israel involve benefits in the fields of housing, health, and aid for the disabled on the one hand, and concerns about minimizing budget deficits on the other. Affecting these problems are trade-offs between peace versus security that are even more chronic and that came to the surface to dominate the policy agenda with the onset of Intafada al Aqsa in September 2000.

Details of one trade-off or another are less important than a more general point: the political agenda is likely to feature difficult trade-offs between values that counter one another. To put it another way, there are pressures to produce numerous benefits, but there are limited resources and/or other conflicts built into the items on the public agenda.

The picture is not all gloomy. Conflicts make politics exciting. Political scientists as well as ordinary citizens who are interested in politics gravitate to the more difficult issues. We ignore the great bulk of what government does as predictably humdrum. Most pieces of mail pass through the system and get to their destination in reasonable time. Most traffic flows on the proper side of the road close to the posted speed. Most schoolteachers keep reasonable order and instruct their students in something useful. Most citizens pay amounts close to the taxes required by law on or before the dates they are due.

Political scientists and journalists who follow public policy generally write about the things that do not work well. They describe problems, analyze proposals, and explain the conditions that keep the problems from being solved. Often the explanation of a problem's insolubility is conflicting interests. Some individuals demand something new, but others are cautious about committing resources, or the problem may be one of competing theories and limited information. The recurrent issues of poverty, health care, and crime have long histories of creative proposals, elaborate programming, and frustration in failing to solve one or another underlying cause of the problems.

The chronic problems of politics and policy making lie not only with conflicts between advocates of different positions. Politics is far too complicated for the citizen or the activist to comprehend the options and weigh their benefits and costs. Knowing the postures of candidates is difficult enough. Knowing which of their postures are truly important to the candidates is likely to be impossible. Not even the candidate can predict the conditions that will develop and influence the ranking or reformulation of positions.

Competing for attention requires that activists know how to cultivate a core of supporters, present themselves in public and in the mass media, and exploit their virtues in a competitive process in which others also want attention and

support. Success in competing for political office brings one only partway to having an influence on public policy. Politicking and policy making differ in the skills they reward. To shape policy it is necessary to know what policies exist. Government activities almost never spring up from nothing. They take off from what has been and activists' knowledge of program accomplishments and short-comings. Second, potential policy makers must be aware of the administrative organizations involved with existing programs, along with the procedures used by bureaucrats to decide who gets how much of which services and which clusters of administrators and clients are likely to support or oppose it. Third, potential policy makers should also be familiar with the variety of nongovernmental factors capable of influencing their efforts. In this age of easy travel, instant communication, and global commerce, economic influences flow quickly between countries and continents. Poor banking management in Southeast Asia and then Russia caused the New York Stock Exchange to tumble, along with the markets of Latin America and Western Europe. In turn, those events required recalculations of the tax receipts expected and the payments governments had to make for the unemployed.

The complexities of party politics and policy making come together when the aspiring reformer approaches the upper reaches of a government department or the legislature. Ranking bureaucrats and elected representatives have to pass muster on ideas to give them a chance of enactment. Policy making involves who you know as well as what you know, and the what you know includes the political and professional affinities of key administrators and legislators: which provisions are likely to attract their personal support and which they are capable of promoting among their colleagues, allies, and antagonists. The answers depend not only on personal and political feelings and relationships, but on conditions of the moment. This is what former speaker of the U.S. House of Representatives Tip O'Neil meant when he said that ''All politics is local.'' It involves the personal histories of activists and officeholders, their likes and antagonisms, and their enemies and potential allies. It takes current information and analytic skill to determine what is likely to survive the rivalries in present political and economic conditions. It also requires a bit of luck that one's calculations remain valid through the changes that occur in economic and political environments during the process of policy making.

Changing policy, or changing the rules about making policy, is not likely to be quick in any democratic polity. Government institutions are designed to slow change, thus they offer some protection to affected individuals, who have a chance to voice their opposition, as well as safeguards against demagogues able to fan the passions of the moment. Governments in all democracies are divided in one way or another to separate powers and to require the agreement of different groups of administrators or elected officials. They are slowed further

by requirements that proposed changes be advertised to the public and pass through several stages of consideration before they can affect existing laws or programs. Legislative rules govern the format for presenting a proposed piece of legislation, the referral of the proposal to a committee, procedures to be followed by the chair and members of the committee, and the allocation of time for debate in the full legislature, as well as regulations for voting and appealing judgments about the rules made by the chair of the full legislature or a committee.

Coping

Coping is a way for dealing with trade-offs. The synonyms of coping show that is does not seek to solve problems once and for all time: contend, deal with, endure, fight successfully or on equal terms, handle, hold one's own, manage, struggle, subsist, survive, negotiate, bargain, barter, weather, adapt, and satisfice [1]. These imply decisions that are ''good enough,'' even if they are not what any of the participants really want. Elsewhere I describe several ways of coping with policy problems, under the headings of accommodation, improvisation, avoidance, indirection, and ambiguity, illustrated with Israeli actions in dealing with ethnic and religious competition over Jerusalem and the tensions between religious and antireligious Jews [2].

With respect to coping by Israeli policy makers amid conflicting demands for economic and social goals, the following points can be made:

Israel resembles the United States and Great Britain in its efforts to maintain the symbols of social welfare policy along with economic liberalization.

Prime Minister Ehud Barak was the Israeli Bill Clinton or Tony Blair. Along with efforts parallel to theirs designed to create a new Left closer to the political center, Barak would have changed the name of his political party from Labor to One Israel.

In regard to substantive policy, Barak gave prominence to minimizing the budget deficit. He was generous with warm expression of understanding and support for social claimants, along with tightening conditions in a public housing act meant to sell at favorable terms the apartments rented by low-income families. He offered verbal support more rapidly than tangible resources in response to the demands of university students. The public health system continued to struggle with large deficits and hesitated to provide expensive modes of treatment. There was minimal response to the demands of local authorities for more funds. The demands of the handicapped for greater benefits were answered partially, but in

a way to leave substantial groups of the handicapped with fewer benefits than others.

COMPLEXITIES IN POLITICS AND POLICY MAKING AND THE PRINCIPLE OF SIMPLICITY

A further complication in politics and policy making—beyond problematic trade-offs between conflicting demands—are complexities that keep activists from knowing with any degree of certainty what influences their chances of realizing their goals.

We know a great deal about what can influence public policy, but we know very little about the extent to which each potential influence affects specific outcomes. An analyst seeking to array the conditions to be taken into account in planning a program for a particular setting can spend a lot of time pondering what is likely to influence the chances of a proposal being approved by those officials who must agree, and then the chances of the program being administered as planned and actually having its hoped-for effect on its target. When it comes down to identifying the weight of crucial influences or what will actually determine success or failure of the proposal, our representative policy maker, to be honest, must admit ignorance.

For a number of years now, teachers of policy making have used a systems model to portray the notion of cause and effect, or what is likely to influence what. One formulation indicates that an environment supplies the stimuli of inputs to the policy-making process, which in turn produces policy, which leads to outcomes in society that in turn pass through the environment and feed back into policy making at a later time.

When asked to identify the detailed components in each of the system's categories, students go on for some time. In ''environment'' they place a country's culture, its economic resources, rates of growth in population, industry, and income, plus political tendencies of liberalism and conservatism, and support or opposition to particular ideas and programs. Religion appears in the environment of the policy system. It affects attitudes toward a host of policy issues, such as abortion and the content of schooling. Outer reaches of the environment go beyond the country's borders, and include what happens among near neighbors as well as those on the other side of the world. Overseas demands for a country's industrial product can spur growth, while international depression can put a damper on the economy.

''Inputs'' include the transmissions from the environment to policy making. They include expressions of demands and the flow of resources. The flow of resources reflect tax policy as well as the nature of a jurisdiction's economy. Demands reflect the political culture, the openness of mass media to activists,

and the array of interested individuals and organizations who stand for or against (or are indifferent to) particular issues.

Into the box identified as ''policy making,'' students list governmental institutions and key officials, as well as political parties, interest groups, and citizen activists. In some formulations, parties and interest groups appear in both the system categories for environment and policy making, reflecting the greater distance or closeness to officials by particular parties or interest groups.

''Policy'' includes official pronouncements, plus laws and regulations, budget allotments, and definitions of client entitlements and other program components. ''Outcomes'' are the results of these policies in the near and longer range. In the case of education, outcomes include the learning actually attained by students, and further down the road the impact of that learning on graduates' job placement, earnings, and other adult behaviors that reflect the education they have acquired.

''Feedback'' reflects the dynamism of policy making. It includes responses to policies and outcomes, their impact on the environment, and the subsequent demands coming out of the environment for alterations in policy and resources coming out of the environment that help pay for policies.

Although the schematic of a policy-making system is meant to simplify learning by providing a place for different elements that interact with one another and an ordered way to thinking about what is likely to influence what, the possibilities of adding further details and possible interactions are likely to crowd the classroom display board and overcome the image of simplicity. There is no end to the additions that critics of the simple model can add to the portrayal of the policy-making system. They can distinguish among international, national, and local environments and portray lines of influence among them. They can divide policy making among the various branches of government, separate out nongovernmental actors such as political parties and interest groups and quasi-governmental actors that affect the implementation of policy, such as organizations that contract with governments for the delivery of social services.

There has been limited success in moving beyond the models to statistical analysis of variables that represent components of the policy system. Researchers have compared traits of American state and local governments and the countries of the world in order to test how measurements of environmental, policy making, policy, and outcome traits stand up against statistical tests to support one or another hypothesis about cause and effect. The strongest and most consistent findings point to strong linkages within the ''black box'' of policy making. They indicate that policy is likely to bear close resemblance to its own immediate past. In other words, incremental changes are much more common than major ones.

These and other findings do not rest without criticism from within the community of researchers. Findings are likely to vary with the measurements and statistical tests that are employed, as well as with the jurisdictions being examined

and the time frame of the data. Perhaps the clearest conclusion of this research, aside from the prevalence of incrementalism, is the large number of factors that might influence policy makers, and the problems in ascertaining in advance the weight and direction of influence to come from any one source.

Some time ago, Professor John Kingdon of the University of Michigan sought to explain why some items reach the agenda of the U.S. Congress while others never get there. Being on the agenda does not, of course, mean that something will come to be enacted into law. During 1997, for example, members of the U.S. House of Representatives and Senate introduced over 5,500 items for consideration, and managed to enact fewer than 160 laws [3]. It can be assumed that most of what was introduced was done in order to make a favorable impression on constituents, without having a serious chance of being enacted, or perhaps without the person introducing it intending to work seriously for its passage. These numbers raise the interesting question as to whether being formally introduced as a proposal is enough to say that an item has reached the congressional agenda or whether the agenda is something that is discussed seriously by numerous legislators or by the key individuals who head committees or are minority party leaders.

Kingdon succeeded only partly in his task of explaining how items get to the agenda. He managed to identify a number of factors *capable of influencing* an item's success in reaching the agenda, but he could not measure their influence or say when one or another of the influences would carry the day or fail. His conclusion is both honest and disappointing: ''We still encounter considerable doses of messiness, accident, fortuitous coupling, and dumb luck. Subjects sometimes rise on agendas without our understanding why. We are sometimes surprised by the couplings that take place. The fortuitous appearance or absence of key participants affect outcomes. There remains some degree of unpredictability'' [4].

Simplicity

Recognizing the complexity of political realities leads us to the way that most activists work most of the time: they choose a simple path rendered routine over the years by numerous others who have tread it with some degree of success. It is not perfectly informed as to what is likely to happen, but is likely to be the wisest path to choose. It is not only the profound complexities involved in politics and policy making that discourage fulsome planning, but the pressures of time. Policy makers and their clients want action in the foreseeable future, not an endless analysis of how to get there.

There are many who enjoy plotting out strategies. They work at defining their desires in a way to maximize chances of support. They plan how to maneuver through the relevant institutions and individuals. They take account of current

conditions and looming possibilities in politics, economics, and social fashions. Far be it for us to limit the efforts or enjoyment of those who choose such courses, but we shall play the probabilities. They indicate that actors should learn the simple rules that others have learned before them. Those simple rules will guide many actions even of those who enjoy wallowing in complexity. Limiting the issues they must worry about serves to increase the likelihood that the worriers will succeed.

What is offered here is a partial view of politics and policy making. It focuses on those elements of politics and policy making that demand simplification. If there is a motto for the argument it is one used in the U.S. Army and other organizations that seek to direct concerted actions by numerous individuals: KISS (Keep it simple, stupid).

The principle of simplicity is to politics and policy making what Occam's razor is to explanation; it aspires to employ as few considerations as possible in order to achieve goals. While the famous razor cuts through convoluted explanations in order to find the fewest causes that enable us to comprehend why something has occurred, simple rules of action in politics and policy making employ the least time and the least analysis in cutting through the many possible ways of asserting influence or shaping policy. Simplicity sacrifices elegance in the pursuit of certainty for a reasonable chance at accomplishing an approximation of desires in the time available.

Why go a simple route when a thorough assessment of conditions and a careful choice of strategy may be both more satisfying intellectually and successful in achieving accomplishments? The answer is imperfect, as is the course we choose. A full calculation of options can never be complete, given the large number of actors, the conditions that may influence them, and the dynamics among them. The quick and imperfect shortcut leaves questions as to possible alternatives unasked, but has the weight of experience on its side.

Admittedly, there is no clear evidence on the side of the known but simple shortcut as opposed to the thorough examination of options. Social science remains incomplete and unsatisfying. We cannot know for sure if the choice of simple solutions causes serious loss, if it brings an overall benefit, or if it is neutral with no apparent overall effect on outcomes more or less satisfying. The rhetoric that may convince the doubter remains to be displayed in later sections of this chapter and in a book currently being written [10].

NOT FOR SIMPLETONS

The chief executive or a legislator occupying a key position in the law-making body is not likely to be a simpleton. Whether in a democracy or an authoritarian regime, key officials have gotten to their positions by planning, taking advantage

of opportunity, cunning or wisdom, and having good luck in the occasions that have presented themselves.

Once on the road to high office, and even more so once he or she has arrived, the chief executive has the advantage of an extensive staff, typically made up of individuals who are themselves skilled in spotting and using opportunities. They plan and connive, master the formal procedures of political parties and legislatures, and learn the needs and weaknesses of others within and outside their own country. While they ponder the many sides of evolving details and options for response, however, the key officials are likely to rely on nearly automated routines to deal with most other issues. Simplicity in most matters allows time and energy for those that are most interesting, dangerous, complex, or puzzling.

Party and interest group leaders use a number of simple rules that may help with most of their problems. ''Support our members and oppose our opponents'' is probably the simplest and most pervasive. It does not help, however, in cases in which elusive individuals take complex positions that are not entirely friendly or antagonistic or when a person seeking support takes one position overtly but may be preparing to alter that position once in office. Knowing motives is as impossible as knowing the future. Betting on the outcome may be good politics for a party or an interest group wanting to put an attractive candidate in office, but politicians are skilled at hiding what the outcome will be.

The work of chief executives and their aides is not entirely incisive and exciting; they have to simplify in order to deal with many of the issues that come before them. Much of what they do is the application of routines learned from books, personal experience, and mentors who have gone before them. Elsewhere in government, the vast majority of what occurs is routine. These are simplified procedures meant to produce imperfect but acceptable decisions in the context of problems, options, and procedures of great complexity.

POLITICAL PARTIES

Political parties are cornerstones of democratic politics and policy making. They provide elementary guidance to citizens and elected officials. They are pre-eminent among the institutions that simplify options and help individuals, legislators, and chief executives to choose their political identity, their candidates, their likely allies, and their policy options.

This is not to say that citizens and officials in democratic polities are automatons fixed in their party loyalties. Adherence is impressive, but neither automatic nor stagnant. Individuals depart from established loyalties under the influence of candidates' personalities, economic conditions, or changes in their sense of personal well-being. Lots of voters live without a clear party identity, and

either float from one party to another or abstain altogether from voting. At significant points in the legislative calendar, individual representatives may waver with respect to staying with their party colleagues, and the chief executive may shop for support in the opposition party.

A great deal of the political science analysis of public opinion, electoral politics, and the policy choices of legislators and chief executives deals with cases in which parties do not dominate the scene, when the party in power loses, or when there are widespread shifts in party affiliation. To appreciate the general impact of political parties, however, it is important to recognize the unstated assumption in this science: that parties are the most prominent features of democratic politics and that most of the time they provide the clearest guidance and the most certain predictors of how citizens and elected officials will behave. The wholesale re-election of incumbents, which is a feature of most American congressional elections, suggests that party loyalty is a prominent feature of the process that selects members of Congress. The legislators themselves are more likely to vote with their parties than according to any other categorization that has been identified. A fair amount of the time congressional votes come down to a majority of one party voting against a majority of the other party. During the period from 1963 to 1987, this occurred in the Senate for between 33–51% of the votes, depending on the year, and in the House for between 29–64% of the votes [5].

For the congressional party whose colleague sits in the White House, the president's leadership and party loyalty provide a strong combination. From the administration of Dwight D. Eisenhower to that of Bill Clinton, the president's party members voted with the president between 64–87% of the time, depending on the year, when the president took a position with respect to pending legislation. Presidential leadership was not absent in the case of congressional members of the nonpresidential party. Congressional members of the nonpresidential party, however, voted with the president only 31–52% of the time, again depending on the year [6].

The influence of party begins at home. Research in Great Britain, the United States, and West Germany (prior to the merger with East Germany) has found upwards of 50%, and in some cases as high as 70% of major party affiliations passed on from parents to children. Children who do not adopt their parents' party ties do not adopt another party en masse, but divide in small proportions among other parties and a lack of party affiliation. In one study of Republican families in the United States, for example, 54% of the children identified as Republican, 25% as Democrats, and 21% as Independents. In the case of Democratic families, 70% of the children identified as Democrats, 10% as Republicans, and 20% as Independents.*

The process of party socialization may begin with children perceiving gen-

* The data quoted on party adherence comes from Russel Dalton [7].

eralized images of good and bad associated with the major parties, and become more sophisticated with increasing age and education. Party loyalties transmitted at home are likely to find reinforcement in school and the neighborhood. Party allegiances correspond to rough measure with socioeconomic characteristics, and people of similar social class and ethnicity cluster in the same neighborhoods and send their children to the same schools. Eventually individuals come to acquire policy postures consistent with their party identity. One study found 86% of American Democrats and 71% of Republicans expressing policy attitudes consistent with their party identities. Comparable figures elsewhere were 89% of British Conservatives and 84% of British Laborites, 93% of West German Christian Democrats/Christian Socialists, and 55% of West German Social Democrats.

Party attachment tends to increase with age. Young individuals in both Great Britain and the United States (i.e., those between 15 and 24 years of age) have responded to surveys indicating strong party attachments at the rate of 40%, while 60% and more of those 65 and older show strong attachments. In both countries, studies have found that party identification is more stable than affinities for a variety of policy positions on such issues as legalizing marijuana, abortion, racial integration, gender equality in the United States, and the role of the royal family, trade union influence, industrial nationalization, or affiliation with Europe in Britain. The findings suggest that while the salience of particular issues comes and goes, voters' party affiliations tend to remain, and may contribute to the process by which they decide where they stand on particular issues.

INCREMENTALISM: IF IT WAS GOOD ENOUGH YESTERDAY, IT IS PROBABLY GOOD ENOUGH FOR TODAY AND TOMORROW

Perhaps even more prominent than political parties as providers of guidance to activists in politics and policy making is the routine that goes by the name of incrementalism. It is a pervasive trait of the human condition that most of the time things change slowly, if at all. Transformations come in *increments.*

Some of what we have to say under this heading will strike readers as pedestrian. The child who was 4 feet 7 inches tall yesterday will be very close to that height today. With somewhat less certainty, we can say that the offspring of short parents are likely to be shorter than average. Countries and regions that were poorer than average a decade ago are still likely to be poorer than average, even if they have shown signs of economic development. Some few of those poor regions, however, may have jumped beyond their prior ranking due to discoveries of natural resources, being able to take advantage of new conditions in the national or regional economy, or because of creative leadership. A few other regions will have slipped below prior economic rankings because of bad luck in these kinds of experiences.

Incrementalism is built into social relationships via the strength of social class to perpetuate itself. Individuals from established families are more likely than the poor to have the money, connections, and awareness of how to do things in order to achieve quality higher education and to put themselves on the pathway of career success, reasonable wealth, and the passing on of opportunity to the next generation of their own children. Gene transmission also plays its part. Insofar as individuals tend to select spouses from their own social groups, the process of intergenerational transmission is strengthened. There is the occasional Eliza Doolittle, the character of George Bernard Shaw, who gets a chance at a dramatic leap forward. More often is the incremental change: the child of a blue collar family who makes it to a modest professional position as schoolteacher, accountant, nurse, or pharmacist, and whose own children move higher. There are also cases of slippage, as in the epigram ''shirt sleeves to shirt sleeves in three generations.''

We have already seen some indications of incrementalism in the discussion of political parties. Individuals tend to maintain their attachments from one election to the next and pass on their loyalties to their children.

There are several explicit manifestations of incrementalism in policy making. Administrators and judges spend most of their time extending precedents to the ongoing flow of new cases and claims. The essence of precedent is consistency in decisions. What was good for client X should also hold for other clients showing similar traits. It is possible to distinguish cases. A client who wants something different from the conventional service may get it by persuading officials that special traits justify something other than the conventional award. Judges and administrators may see the imperfections in the precedent and either change the rules outright or declare a justified exception or new departure from established precedents.

Government budgets focus policy making on increments. Typically, the documents that pass between operating units and the central budget office and between the budget office and the legislature list the allocation for the previous and current years and the allocation being proposed for the coming year. In this way, officials who request funding can justify the increment requested by virtue of changing workloads or other considerations, and those who decide on the budget can parcel out increments according to their view of the greatest need or the greatest political support.

The unspoken but obvious ingredient in incremental budgeting is that the ''base,'' or the figure allocated in past and present years, provides the starting point for calculating the next year's budget. Researchers who study the budget process provide explanations and justifications for incrementalism, as well as reservations about its utility, that carry over to other fields of public policy. The base of existing spending has a certain sacredness as the support of current programs. The assumption is that they are justified by virtue of their existence and

age, and cannot be cut back significantly without engendering severe opposition from staff and clients.

Incremental changes are likely to be positive but can also be negative. Some call negative increments decrements. Insofar as they are small, increments and decrements are subject to correction in later years with a minimum of damage. A program that grew too fast can be slowed down or halted in its development to allow administrative corrections. A program that was cut back too much can be given an infusion of additional resources in order to overcome some of the problems caused.

In budgeting as elsewhere, incrementalism is not an iron law. It only occurs most of the time. On occasion there are great leaps forward or severe cutbacks. Moreover, the concept of an increment is flexible. Is it 1% or 10%? Even the continued addition of small increments will add up to significant change over the course of several years. When is a large increment or an unbroken series of small increments in effect a significant nonincremental change? The literature provides no clear answer.

Insofar as there is incrementalism in budgeting, there is also incrementalism in the programming that the budget supports. Most details carry over from one year to the next. Additions or deletions of client services and changes in regulations are likely to come piecemeal. The reasons are similar to those in budgeting. Policy makers do not wish to create disturbances by too many sweeping changes. They may not be sure of the effects to be gained and so they do not want to risk going too far in any direction when the results are uncertain. Perhaps most important of all, policy makers lack the time and resources to examine everything every year. They can look closely only at small pieces of the whole or at proposed increments beyond what exists.

SLOGANS

Slogans are essential to the human condition. Politics would be poorer without them. Advertising could not exist, and religion would be in trouble. Slogans simplify communication. They provide some meaning to those incapable of understanding what is complex, or not wanting to spend the time mastering it. They also express more than they say. They reinforce or trigger existing sentiments. They can soothe or provoke, bringing out what is attractive or ugly in their audience.

Some traits of slogans suggest those less attractive associations of politics—manipulative, self-serving, superficial, evasive, demagoguery and corruption—yet slogans are also tools that facilitate the more attractive face of politics—a concern to recruit supporters in order to facilitate coalition building and the persuasion of adversaries. These features of politics render it a civilized way of dealing with disputes.

Dictionaries indicate that slogans are close relatives of epigrams, cries, mottoes, propaganda, hyperbole, ambiguity, parables, and half-truths. Slogans distort as well as communicate. Their impact can be harmless, as when persuading consumers to buy one soap rather than another (''It floats,'' a slogan on behalf of Ivory from the 1940s), or leading voters to find something attractive in a candidate's personality (''I like Ike,'' in support of Dwight D. Eisenhower). Slogans can hurt or can be dangerous when they distinguish ''us'' from ''them,'' ''friends'' from ''enemies,'' and promote the hatred of ethnic, racial, or religious communities.

Slogans are part of the routines and standard operating procedures (SOPs) that simplify politics and policy making. They provide part of the simplification and shortcuts. They allow activities to go forward with a minimum of thought and planning. Slogans convey images. They reinforce existing attitudes and behaviors as well as seek to spread those attitudes and behaviors more widely in the audience. Like other routines and SOPs, slogans indicate how individuals should respond to situations that resemble those encountered previously.

The problems with slogans come when they promote oversimplification or demagoguery, promote lies, discourage nuance and the pursuit of explanation, lead individuals to actions that are harmful to them directly (''Light up a Lucky''), or add to social problems by inciting animosity and violence.

Slogans can be too successful and create a climate of opinion that discourages changes in policy when existing programs do not work as believed or when conditions shift. Slogans become policy when they keep elites from abandoning the status quo. Examples are the ''war against drugs'' in the United States, and ''Jerusalem must remain united under Israeli control'' in Israel. The first has been associated with substantial increases in the population that is incarcerated, an arguable increase in the violation of civil rights, little apparent impact on the availability or use of illicit drugs, and relatively little attention given to the treatment of drug users. The second exists alongside de facto division of Jerusalem into Israeli and Palestinian sectors, and may get in the way of accommodating Palestinian demands with little bloodshed or other costs.

OTHER RULES FOR OUR PRIMER OF SIMPLICITY IN POLITICAL ACTIVITY AND POLICY MAKING

Party loyalty, incrementalism, and slogans do not exhaust the neat devices, tricks, or coping mechanisms that activists use to manage their lives. Some of the rules have found their way into textbooks on politics and policy making. Others pass informally from mentors to newcomers. The formulations to be listed below include some rules that resemble one another, or might be described under fewer headings with some noted as slight variations on others. They are not described in detail. Hopefully, their labels convey sufficient indications as to their nature.

There is no intention here to provide an authoritative definition of how political activists and policy makers deal with their tensions and opportunities, or to identify all the problematic implications that might flow from individual rules. The point is to provide a sample of how simple rules help. They include the following:

> Serve your constituency.
> Do as little as possible.
> Threaten. It may bring cheap results.
> Postpone the unpleasant by appeals and other delaying tactics.
> Make a moral declaration.
> When competing for support, promise a great deal: the moon, the stars, and perhaps the sun.
> When bargaining, demand a great deal, such as the moon, the stars, and perhaps the sun.
> Take a narrow view of your responsibilities.
> Ignore the inconvenient rules.
> Be politically correct.
> Evade problems when possible.
> Emphasize the positive.
> Be careful what you say and where you say it; symbols may be more important than substance.
> Find the trade-off with the least cost.
> Keep your message simple.

THE ESSENCE OF POLITICAL WISDOM

In its effort to emphasize the pursuit of simplicity yet to distinguish this from superficiality, we must set apart our endeavor from the endless supply of precepts, principles, and prescriptions that have marked much of the writing about public administration [8]. This is not a normative exercise concerned with improving the workings of politics and policy making. It is rather an effort to describe and understand—that is, to analyze—what is. It is empirical more than normative, analytic more than prescriptive. This list features numerous simplifications that individuals use in their political and policy-making activities. Some are more useful in certain circumstances than others, and none is useful at all times.

The essence of political wisdom is to know when to use one rather than another or to know when to avoid all simplifications in order to make an intensive inquiry into root causes and basic approaches to a problem's solution. Adhering to the leadership provided by one's political party need not entail rigid loyalty to an organization or blind adherence to an ideology or a candidate. Likewise, the perspectives of incrementalism are often useful, but at times should bow to the case on behalf of making a large increment or decrement, or departing from

precedent entirely. Slogans are obvious ways to communicate in the competitive and noisy arenas of politics and policy making, but policy makers can become the prisoners of their slogans. Conditions change, and the slogan useful at one time may hinder adaptation to the situation at hand. We are not the first to recognize that utilities depend on the situation. The Book of Ecclesiastes expresses it in poetry. It reads best in Hebrew, but the King James translation is acceptable.

> To every thing there is a season, and a time to every purpose under the heaven: A time to be born, and a time to die; a time to plant, and a time to pluck up that which is planted; A time to kill, and a time to heal; a time to break down, and a time to build up; A time to weep, and a time to laugh; a time to mourn, and a time to dance; A time to cast away stones, and a time to gather stones together; a time to embrace, and a time to refrain from embracing; A time to get, and a time to lose; a time to keep, and a time to cast away; A time to rend, and a time to sew; a time to keep silence, and a time to speak; A time to love, and a time to hate; a time of war, and a time of peace [9].

The trick is knowing when to plant and when to reap, to mourn or dance, and to make war or peace. Judgment may be the essence of wisdom, which differs from the cunning of someone who knows the tricks of maneuvering but lacks the depth to know when to make concessions in the name of more important considerations.

The evolution of the Israeli–Palestinian peace process demonstrates both the attractions and the dangers of postponement. After many years of bloodshed, the Israeli government and the major Palestinian organization agreed in 1993 to settle their conflict in stages. The principle was to settle the easy issues first, and to move through the more difficult issues once a degree of confidence had been established during the early stages.

It worked, more or less, until the onset of what the Palestinians called Intafada al Aqsa in September 2000. Until then, there were incidents of violence, breakdowns in diplomatic contacts that have won the designation of ''crises,'' and delays in the agreed-upon timetable for subsequent agreements, yet countless understandings and agreements were worked out, many of them informal and unwritten, and many between working officials of Israel and the Palestine Authority below the level of key politicians and the hoopla of public notice and the mass media. A measure of public understanding was achieved among Israelis and Palestinians that peace, even with animosity and unresolved issues, is better than violence. As this chapter is being prepared for publication, however, there has been a prolonged period of serious violence. Prime Minister Ehud Barak, identified with the peace process, lost a landslide election to Ariel Sharon early in 2001. In twentieth century American presidential elections, only the victory of Franklin Roosevelt over Alf Landon in 1936 resembled the extent of Sharon's

victory. Since the beginning of this intafada, it has been a time of war rather than peace.

THE DOWNSIDES OF COPING AND SIMPLICITY

Coping with the trade-offs between contrasting values and pursuing simplicity amid the infinite options in politics and policy making are not only ways of dealing with reality. They also contribute stresses that add to the problems of policy making. Israeli and Palestinian activists on either side accuse their leaders of compromising basic aims. Americans suffer from legislation and enforcement against illicit drugs that permit horrible actions against individuals without having a noticeable impact on drug use.

Finding simple rules that are appropriate in the midst of many options and political pressures is not for the innocent. Its techniques involve subtle distinctions, well-crafted appeals to individuals with different perspectives, and perhaps some degree of guile, trickery, mendacity, and outright deception. Judging one's political and policy-making activity is also not for the innocent; it is incumbent on an observer to separate symbolic from substantial actions and sense the true strategy that lies behind the tactics, as well as to admit that strategy may be rendered secondary to the accumulation of tactical accomplishments.

WHEN ARE THEY WORTHWHILE?

The workability of coping and the use of simple rules depends on a willingness to profit from the lack of fullness and finality. Individuals using these devices and those involved as allies or antagonists must accept some measure of uncertainty as to the outcomes. Indeed, allies and antagonists are likely to be pursuing their own coping mechanisms with contrasting values as they see them, along with simplifications in order to work through the options that are possible. There are few philosophers among political activists who truly worry about all the implications of their actions.

Participants must assess their own feelings as well as those of their comrades and antagonists. The gains of coping and simplification will be worth the risks as long as one feels comfortable with the situation. How to read the signs of support for the process amid the feelings of insecurity within onself and complaints from others? Such questions are to be judged by experience. It may require subtle analysis and a capacity to assess with one's fingertips; the signs are seldom absolutely clear.

None of the devices mentioned here offers ideal solutions to the complexity of politics or policy making or to the trade-offs among such contrasting values as economics and social benefits. Party loyalty is widespread and easy, but the risks of supporting a weak candidate or a weak issue are likely to be masked by

friends, party leaders, and campaigners who will be beating the drums and insisting that their judgment is certain. Others among the simple rules reveal what seem like contrary bits of advice. When should you serve your constituency, and when should you do as little as possible? When should you threaten and when should you postpone? When should you be politically correct, and what if different groups of potential supporters have contrasting views of what is politically correct? When should you evade difficult issues and when should you pursue a trade-off with the least cost? The image of Solomonic wisdom is appropriate here. By Jewish tradition, that wise king was the author of Ecclesiastes. Activists must judge what is suitable to the situation at hand. A few rules may be learned in the classroom, but the utility of each is more likely to come from mentoring or experience. Choices are likely to be intuitive. This discussion may help some activist improve their intuition, and may help observers better understand the widespread pursuit of simplicity amid the complexities of politics and policy making.

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3

Toward More Democratic Governance
Modernizing the Administrative State in Australia, Canada, the United Kingdom, and the United States*

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> This is the decade when we will look to public service professionals as the by-word for can-do innovation and dynamism: for shaking things up and getting things done (Prime Minister Tony Blair, Gateshead, January 25, 2002).

Public administration is never the same from one moment to another. Its study is difficult because of its many variables, because its subject matter is virtually out of date by the time it is available, and by the impossibility of predicting what will happen next. It has had its quiet moments when little seemed to be happening and it has had its lusty spells when seemingly everything was happening all at the same time. At the same time it has completely transformed itself from its origins, in roaming tribes trying to bring order and stability in group affairs, to the modern administrative state, which attempts to bring order and stability to the globalized human collective that threatens to self-destruct in warfare. Indeed, it has become so vast in scope that many other studies have hived themselves off and disclaim having anything to do with their mother discipline. In every generation, what remains has to reinvent itself, rediscover its mission, redefine its boundaries, and make sense out of the remnants when the bigger picture

(incorporating such offshoots as diplomacy, military science, legal systems, public protection and safety services, schooling, health delivery, economic development, social security, environmental protection, and urban studies) would remind them that its fundamental basics have remained constant for some 5000 years of civilization.

During that long stretch of history, the meaning of public in public administration has had to be reinterpreted from what originally constituted public affairs for small, scattered, simple societies that lived together; protected one another from the elements, wild creatures, and other unfriendly societies; and tried to improve their lot and make things more comfortable for their children and socialize their youngsters into what the adults considered to be the right way to conduct themselves. Those inward-looking parochial societies still exist everywhere around the globe, but the meaning of the word public has come to embrace a much wider and wider scope until today it includes the whole human family and much more—consideration for future generations and even for nonhuman life and inert objects, such as scenery or scenic beauty, anthropological diggings, and the quality of air and water. There are many different publics now and many different ways of dealing with all of them, some so superbly successful as to be taken for granted and barely noticed and others distinctly unsuccessful and the bane of modern living.

Likewise, the meaning of administration in public administration has to be reinterpreted from what originally constituted the running of public affairs for small, scattered, simple societies and that still makes up a significant part of public administration around the globe to matters that concern the whole human family and beyond—indeed, way, way beyond—bureaucratic systems, office management, budgeting, personnel administration, work procedures, and other basics of public administration texts. Today public administration is deeply engaged in thinking about alternative futures for humankind, deciding who should live and who should die, how they should live and how they should be rescued from death, how they should die and how they might be permitted to end their lives and under what circumstances; sheltering refugees and others whom nobody seems to care for or about; rescuing young children from involuntary prostitution and other forms of slavery; determining how land and other resources should be protected and used; finding the poorest of the poor capital with which to start their own businesses; mounting dangerous searches for lost people; rebuilding homes after disasters; ensuring the safety of new products, foodstuffs, and drugs; preserving neglected artifacts; and undertaking the multitude of other activities that people expect governance to provide. Concentrating on the routine functions of internal official housekeeping is to strip public administration of its real significance in promoting human development and civilization and to deprive it of its timeless values and aspirations. Indeed, it is to overlook the very reasons why it came into being, why it has expanded, why it is so different from other human

concerns, and why it goes well beyond mere managerial issues to include assessment of the overall performance of governance.

One significant difference in reinterpreting contemporary public administration is a growing belief in democratic administration as a public good in itself and in its supposed superiority over other forms of public administration, perhaps not in terms of strict economic efficiency or even economy, but in the advancement of human welfare, the preservation of individual liberty, the protection of basic human rights, the rule of law, representative and responsible government, fairness, equity, and decency. The meaning of democratic administration has been too vague in the past. Now it urgently needs to be defined, concretized, and refined; certainly it needs to be clarified and its supports identified and implemented. This movement toward more democratic administration constitutes a challenge to more traditional ways of thinking about public administration. Indeed, it requires some reinvention of modern governance to rid the modern administrative state of its undemocratic forms and practices and replace them with institutions better incorporating the democratic ethos.

Democratic governance has been one of the cherished ideals of civilization. Throughout history there has been conflict between this ideal and the means of achieving it, between representative government and expert bureaucratic administration, between the public interest and vested interests, between public service and self-service, and between integrity and corruption. A number of contemporary prosperous democracies believe that they are well on the way to reconciling these dilemmas in governance and that they have discovered suitable instruments that they have adopted and adapted with some success, but they still recognize that they fall short of what they would like to attain in the practice of democratic governance. The four countries selected for examination share or are coming to share a common ground of how to run their societies, which for want of a better title they call the Third Way, and they have put their faith into several novel mechanisms to improve democratic governance; namely, Australia's evolution of a new doctrine of administrative responsibility, Canada's attempt at more representative public policy-making research, the United Kingdom's search to put citizens not public officials first, and the United States' intent on measuring the performance of public agencies from a societal as well as managerial perspective.

THE SPIRIT OF DEMOCRATIC ADMINISTRATION

What is so impressive about these countries is something that has yet to be adequately captured on paper—and that is the spirit in which their public administration systems operate. That spirit truly embodies the democratic ethos that tries to avoid the deficiencies exhibited by other kinds of governance, such as genocide, totalitarianism, tyranny, absolutism, terror, cruelty, wrongful death, abuse of power, false imprisonment, slavery, victimization, gross injustice, and other

forms of evil knowingly perpetrated on innocent people by heartless public officials, willingly and without remorse, regrets, or shame. These democratic regimes abhor such misuses of power, and their citizens, in and out of power, are disgusted by any revelations of such public maladministration. In them, public administration is not administration *of* the public, but administration *for* the public; that is, on their behalf, in their interest, for their welfare, to advance the quality of life for all and to avoid doing harm to anyone without exception. This spirit runs through their public administration systems from top to bottom and is taken virtually for granted by everyone because they all identify as one community. Anyone guilty of disregarding this spirit of democratic administration is deemed unfit for public office, hounded out of public life, and condemned in the court of public opinion. This spirit of running public affairs has to be experienced to be believed. It rules public administration despite public and professional cynicism and operational lapses in all four countries.

Elements of this spirit of democratic administration can be traced back several hundred years, although it has only taken hold over the past century and not carried to its logical conclusion until the past few decades when these four select countries began to modernize their governance. It has taken several generations to develop and has required strong moral and institutional commitment to flourish. None of these countries has been occupied, although they have been threatened by invasion, and they have lived mostly in peace, coming eventually to accept all their inhabitants and learning to accept one another, live together with restraint, tolerance, accommodation, and common concern if not always with common regard, respect, and identification. Where once they have sought homogeneity, they now accept heterogeneity; that is, variety or diversity over uniformity. Rarely is any specific group singled out and denied what other groups enjoy. All more or less receive equal consideration and treatment. No one is deliberately excluded or denied benefits enjoyed by others, so all qualified persons can identify with the whole. Everyone is a stakeholder without fear or favor, with guaranteed protections and safeguards against discrimination and mistreatment.

These guarantees to the individual are worthwhile and meaningful. There is the whole gamut of democratic political devices—constitutionalism; the rule of law; representative, responsible, and accountable government; free mass media; separation of powers; independent judiciary; division of powers from national to community level; extensive specified human rights; subordinate military, police, and civil agencies; open elections; direct public participation in public administration, and so on—that are long-established and entrenched in the governance system. There is the wide range of democratic administrative devices—professionalized public services; independent commissions and agencies; consultative bodies; fair and just appeal procedures; grievance and complaints investigators; auditors; advice bureaus; annual budgets and reports; minutes of meetings; written memo-

randa; personal identification; published guidelines; comprehensive administrative law, and so on—that have been progressively enlarged. Likewise, there are additional public professional self-accountability mechanisms and various other means whereby the public, if so willing, can penetrate the deepest and darkest recesses of the governance system. The complaint from within the public administration systems is not that there are too few democratic devices, but too many. Having so many invariably inhibits freedom of action, curbs public service initiatives and creativity, requires too much needless red tape, traps enterprising public officials in a network of Catch-22 controls, and generally dampens government initiatives, but all these democratic instruments are deliberately designed not so much to see that governance does good but that it does no harm, not so much to prevent governmental intervention as to curb excessive zeal that might exceed the rightful exercise of power.

THE THIRD WAY

What is new these days to seasoned administrators in these select countries and to everybody else are recent changes in public philosophy evidenced in voting patterns and party platforms dubbed the Third Way. Democracy has always avoided political extremes and aimed at compromise and reconciliation, but this new Third Way is not a middle way between the two major political philosophies that came to dominate post-1940s democracies; namely the old-style social democracy of the Old Left rooted in Keynesian demand management, interventionalist government, the welfare state and egalitarianism, and the neoliberalism of the New Right based on market fundamentalism, which preferred markets to government, opposed the welfare state, and wanted to reduce government to its bare bones. (See Table 1.) The Third Way reflects the thinking about social democracy that has been taking place among social democratic and reform parties in Western Europe, the Commonwealth, and North America, partly in reaction to the neoliberalism of the Thatcher–Reagan era and partly in response to the radical social changes taking place in Western liberal society (Giddens, 1998). It seeks a consensus of the center-left for the twenty-first century in order to weave a theory to support a pragmatic approach to contemporary issues.

The Third Way is a distinct departure from the neoconservative philosophy that preceded it in the Thatcher–Reagan era that pursued the minimalist state, the reduction of the public sector and government activism, the privatization of many government activities, and the reduction of public expenditures, taxation, and employment. These policies increased the gap between rich and poor, the powerful and the weak, the well connected and the isolated, the skilled and the unskilled; multiplied worldwide the poverty-stricken and underprivileged; aggravated crime, violence, and corruption; and degraded the environment. The Third Way does not seek big government but effective government and responsive

TABLE 1 The New Right and the Old Left

Thatcherism, or neoliberalism (the new right)	Classical social democracy (the old left)
Minimal government	Pervasive state involvement in social and economic life
Autonomous civil society	
Market fundamentalism	State dominates over civil society
Moral authoritarianism, plus strong economic individualism	Collectivism
	Keynesian demand management, plus corporatism
Labour market clears like any other	Confined role for markets: the mixed or social economy
Acceptance of inequality	
Traditional nationalism	Full employment
Welfare state as safety net	Strong egalitarianism
Linear modernization	Comprehensive welfare state, protecting citizens "from cradle to grave"
Low ecological consciousness	
Realist theory of international order	Linear modernization
	Low ecological consciousness
Belongs to bipolar world	Internationalism
	Belongs to bipolar world

Source: Giddens, 1998:7–8.

political leadership committed to partnership with nonstate institutions. It seeks the strengthening of civic society and a new kind of mixed economy and social markets that better manage risk, improve social security, provide a safe environment, and work for sustainable development. It wants to avoid top-down bureaucratic government by emphasizing decentralization and devolution but also accepts the challenges of globalization by also calling for more active government at the international level. Government in combination with other public institutions should restore national economies, revitalize declining regions, increase employment, assist the poor, revamp the welfare state and reduce its inefficiency and bureaucracy, and stress education, employability, job mobility, and social justice in a social reinvestment state (Giddens, 1998:99–128).

The Third Way has no set universal prescriptions other than lists of general policies. (See Table 2.) Each country would craft its own solutions according to its circumstances. Crucial to the Third Way is the quality of governance, state capacity, effective and appropriate policy making, and managerial competence and the responsiveness, transparency, and accountability of government. This in turn entails strengthening government through greater democratization ("democratizing democracy"), delegation, and public participation so that it provides a better enabling environment; controls the forces of anarchy, chaos, and disrup-

TABLE 2 Third Way Policies

Third Way Values	The Renewal of Civil Society
Equality	Government and civil society in partnership
Protection of the vulnerable	
Freedom as autonomy	Community renewal through harnessing local initiative
No rights without responsibilities	
No authority without democracy	Involvement of the third sector
Cosmopolitan pluralism	Protection of the local public sphere
Philosophic conservation	Community-based crime prevention
	The democratic family

The Third Way Program	The Democratic Family
The radical centre	Emotional and sexual equality
The new democratic state (the state without enemies)	Mutual rights and responsibilities in relationships
Active civil society	Co-parenting
The democratic family	Life-long parental contracts
The new mixed economy	Negotiated authority over children
Equality as inclusion	Obligations of children to parents
Positive welfare	The socially integrated family
The social investment state	
The cosmopolitan nation	
Cosmopolitan democracy	

The New Democratic State (the State Without Enemies)	The Inclusive Society
	Equality as inclusion
Devolution	Limited meritocracy
Double democratization	Renewal of public space (civic liberalism)
Renewal of the public sphere— transparency	"Beyond the work society"
Administrative efficiency	Positive welfare
Mechanisms of direct democracy	The social investment state
Government as risk manager	

Source: Giddens, 1998: 66,70,77,79,95,105.

tion; channels commercial enterprise into rewarding avenues; reduces concentrated power and privilege; and improves the lot of the weak and the poor. The overall objective is to promote social justice, the common good, and the status of public service, and above all to help citizens pilot their way through global transformations by joining rights and responsibilities (''renewing civil society'').

The implications for public administration are fairly clear. The Third Way favors the administrative state and governance from strengthening international organizations to promoting civic culture at the local community level. It seeks

novel and innovative solutions to global, national, regional, and local problems, bringing the state into partnership with other public institutions. It looks ahead to what governance could achieve, not back to what government did achieve. It acknowledges the failures of both the New Left and the New Right to achieve their objectives and their bequeathing a host of contemporary challenges whose solution though pragmatic should enhance the values of social democracy. Contemporary society needs to care better for its disadvantaged, provide a more even playing field, spread democracy wherever it is absent, modernize public institutions and governance, place greater emphasis on traditional virtues (e.g., personal integrity, the work ethic, tolerance, and the doctrine of the mean; i.e., everything in moderation rather than excessive permissiveness or license on the one hand and prohibition or compulsory abstinence on the other, fair dealing, responsibility, and voluntarism), and work to reduce social inequities. The Third Way is seen as the wave of the future that other countries, not just a select few, should be encouraged to adopt. How should it be realized?

> *Internationalization.* The Third Way does not yet support world government but something less, a stronger international community that is more capable than the present one of dealing with global problems and challenges. It advocates the overhaul of the current international system and supports more radical reform of international organizations. It seeks to improve the performance, credibility, effectiveness, competence, and efficiency of the international network. It searches for more independent and autonomous resources for international organizations and less reliance on voluntary donations and individual bequests. It wants the restoration of a genuine professional international civil service stripped of patronage, cronyism, and nepotism. It pushes for greater international intervention in the affairs of countries that seem incapable of providing effective, strong government, guaranteeing universally acclaimed human rights to their inhabitants and tackling corruption.
>
> *Effective government.* The Third Way wants more effective government through democracy and democratization, strong government and efficacious public administration, the rule of law and just legal enforcement, reliable external and internal security and public safety, fair dependable taxation and economic financial management, and other measures of a solid and hard state in contrast to a hollow and soft state, so it is all in favor of improving public administration and public-sector performance, of strengthening the thinking part of government, of raising the credibility, status, and appeal of public service, of conducting more research into improving government performance, of experimenting with public service delivery, of giving public managers more flexibility and initiative, of enlarging public entrepreneurship, coproduction, and outsourc-

ing, of updating public-sector technology, of encouraging greater participation in public administration by business, nongovernmental organizations, and civic groups, of deregulation, decentralization, and debureaucratization, and of combating governmental corruption, fraud, waste, and abuse; in short, of embracing any administrative reforms that promise to make public administration more adaptive, forward-looking, businesslike, responsive, accountable, and user-friendly.

Revitalizing public administration. The Third Way recognizes the limitations of the traditional ''old-style'' bureaucratic public administration without sacrificing its time-honored values and strengths. The administrative state cannot do everything, nor should it attempt to do so. There are many activities that it can do well, there are other activities it should share, and there are other activities that it should drop altogether because other public institutions can do better, certainly no worse. It should still retain the responsibility to see that all these activities are performed well to protect the public interest and it should preserve the ability to resume their direct performance where nonstate performance fails. Likewise, the state should not administer solely through monopolistic, centralized bureaucracies but should encourage competition, deconcentrate power, and delegate delivery to the closest points of contact with their users/clients/ customers. The state's chosen instruments or agents should conduct themselves in a publicly accountable manner as if they were public organizations following professional public administration norms and ethics, including the new doctrine of administrative responsibility that assures individuals of their right of access to legal and political protection and redress.

COMMON CHALLENGES

Actually there is much in the Third Way with which neoliberals and neoconservatives have no quarrel. There is much in its agenda as regards administrative reform they can support. Indeed, they have been allies in administrative reform advocacy. In recent years there has been much cross-fertilization among political movements and liberal democratic regimes. All four countries under review have agreed on public management reforms for some time, and they have been in the forefront of the New Public Management movement, best manifested by the Commonwealth Secretariat's portfolio on current good practices covering (1) making the most of staff (setting the overall framework, acquiring staff, developing/enhancing staff skills and motivation, managing workforce reduction and exit), (2) making government more efficient (matching the structure to the task, examining structural options, identifying obstacles to efficiency, removing obstacles, creating a framework for change), (3) improving partnerships with

organizations/agencies outside central government (setting the framework, reorienting the public services, forming alliances), (4) improving the quality of services (maintaining open government and quality systems, measuring success), (5) making management more effective (developing managerial capacity, effective information systems, advice, and consultancy), (6) improving financial management (setting the framework, improving the management of inputs, improving management information, focusing on outputs, improving management systems), and (7) improving policy making (policy development, communicating policy) (Commonwealth Secretariat, 1996).

The New Public Management is only a part of a much wider effort to unify reform initiatives and adopt new ways of thinking about governance, the role of the state, the restructuring of the machinery of government, the switch in managerial concerns from inputs to outputs; assessing alternative ways and means of delivering public services; and using new information technology to guide decisions. Attention has been directed at building or strengthening management capacities to

> include (1) a clear mission and vision for the organization and a sense of direction that is clearly and consistently communicated by top leadership; (2) a strategic planning process that yields results-oriented program goals and performance measures that flow from and reinforce the organization's mission; (3) organizational alignment to achieve goals; (4) sound financial and information management systems; (5) the strategic use of technology to achieve mission-related goals; and (6) the effective management of human capital—the organization's employees—including ensuring that the right employees are on board and provided with the framing tools, incentives, structures, and accountability needed to achieve results (U.S. General Accounting Office 1999a:2).

This statement reflects the attempt to make public management more businesslike, but the public sector is not business, a point to be emphasized. Indeed, there are several common concerns that focus on its different nature and the specific problems that administrative reform in the public sector has to confront.

> *Democratic politics.* Democracy is fickle, or rather the electorate is fickle. There is no telling when or which government in office may fall and another take over, the successor bent both on reversing what its predecessor started and on introducing its own proposals. Unfortunately, administrative reforms take time, more time than allowed by the electoral system. As a result, reforms in progress may be abandoned before they take effect. They may be replaced by diametrically opposite proposals, leaving public agencies mystified, puzzled, and cynical. Indeed, after many shifts and turns, the reforms may offset each other. Too often the impression

is created that reforms are in progress when in reality they have yet to be implemented or they have already been abandoned and replaced.

Short-term solutions.   Besides political support and monitoring, administrative reform requires resources and a longer time frame, sometimes much longer than anticipated, and conversely the expected economies never materialize; administrative reform can be expensive. Alas, when governments find themselves short of funds, they tend to end their experiments and opt for publicly dramatic solutions, such as slashing budgets, staff, maintenance and repairs, supplies, training, and reforms in progress. Immediately morale drops, good public servants seek to escape, quality gets compromised, and public confidence declines, and these losses can rarely be made up. Eventually, temporizing and improvisations give way to despondency and putting up with anything. Self-deceptive slogans that are used to keep interest alive in administrative reform do not really fool insiders who know that political opportunists are rarely committed to anything except their own personal careers.

Scarcity.   Although these four countries are among the richest in the world, they claimed during much of the 1990s that they could no longer afford their scale of public expenditures and had to economize. They claimed that they carried too high a debt redemption burden due to high public debts. All of them introduced new taxes and new user charges and sought other ways to boost their revenues. They all claimed to meet marked resistance to increased taxation. Electorates have favored political movements that promised to reduce taxes and generally reduce the public sector. All incumbents are aware of this change in public mood and seek not to further antagonize a discontented public.

Public resentment.   Where once the public welcomed or at least went along with government initiatives, in recent years the public mood seems to have swung in the opposite direction. This swing may indicate one of these cyclical changes in attitude, but it also reflects the steady decline in the credibility of most public institutions since the 1960s. People are not so willing to trust government anymore; they resent public money going to special interests, meaning money spent on other people or controversial programs they do not approve of, or unusually high overheads and perquisites that they do not enjoy or on schemes of dubious public value. Many past beneficiaries of public programs no longer see why anyone else needs them. In short, the public no longer seems to give government the benefit of the doubt when they once did.

Perception of corruption.   The change in public mood is partly due to the perception that government has become more corrupt than it used to be. In reality, the facts may be otherwise. What has happened is that any taboos surrounding the subject of corruption have now vanished and ex-

posure has been heightened. Investigative mass media have been on a mission to expose wrongdoing among the high and mighty, and apparently the public laps it all up. Unfortunately, as scandal follows scandal, the exceptional is seen as routine. It appears as if everyone in public office is on the make, everyone exploits position and power, everyone takes advantage of every opportunity for self-aggrandizement, and everyone seeks to get around official restrictions. All of this may be far-fetched, but the doubts accumulate in the public mind. Every exposure reveals flaws in the system and shows how adept the ingenious are in getting around any obstacles placed in their way.

Disadvantaged public sector.   To some extent the decline in public ethics is attributable to the growing gap between public and private sectors regarding conditions of employment, tax-free benefits, perquisites, and subsidized living standards. Public-sector recruiters complain they cannot attract sufficient qualified applicants or retain those whom they would like to keep. Severe past cuts in public service conditions have come to haunt us, while very little has been done to prevent a runaway private sector whose advantages, particularly at the top and middle management levels, cannot be matched. This inability of the public sector to compete for its fair share of a country's talent takes its toll as vacancies go unfilled and standards are reduced just to get enough people to do the work. The status and image of public service have been lowered and not enough is being done to restore them.

Each of the four selected countries has its own special answers to these and many other common concerns. To cover what they are attempting to do is virtually impossible, as each one has an overfull agenda. Instead, one major administrative reform in each country is selected for detached review because it seems to be working successfully, it deals with an issue of concern not just to all four countries but to almost every country in the world, and most important, it seems that it is unlikely to be reversed and is this generation's lasting contribution to the future of public administration.

AUSTRALIA: THE NEW DOCTRINE OF ADMINISTRATIVE RESPONSIBILITY

In the late 1980s Australia was enthusiastic about the New Public Management, which would give a new breed of public-sector managers greater freedom of action by removing long-standing regulations limiting their ability to depart from rigid administrative procedures designed in a bygone age. Besides the reduction of centralized procedural rules, the New Public Management also involved more emphasis on outputs, the separation of purchaser and provider roles, the develop-

ment of contractual mechanisms of accountability, and departure from lifetime career employment (Hood, 1991). It was criticized at the time for opening the door to the repoliticization of public administration, retreating from traditional norms of public accountability by impeding political oversight of the public bureaucracy and allowing the possible incursion of administrative corruption should public managers realize that they were accountable only to themselves and could cover up their own wrongdoing. Public propriety should not be sacrificed on the alter of economic efficiency, nor should more businesslike public administration be allowed to breach the common law duty to act fairly in making administrative decisions that affected the public's legitimate rights, interests, and expectations. Public interest groups and lawyers worried that public managers might exceed their lawful powers and their obligation to apply the principles of natural justice without adequate legal and judicial safeguards.

A decade earlier, Australia had already decided that the public was insufficiently protected from administrative abuse, when following the establishment of the Administrative Review Committee in 1976, it created a host of ombudsman offices at federal and state levels and introduced the Administrative Appeals Tribunal. These agencies empowered the public to challenge administrative decisions and hold public administrators directly accountable for their administrative decisions. Alongside the New Public Management, additional specialized administrative tribunals strengthened this enforcement of administrative responsibility. The Administrative Appeals Tribunal, which largely deals with appeals concerning medical, social security, taxation evaluation, and compensation appeals, has since been joined by the Immigration Review Tribunal, the Industry Commission, the Refugee Review Tribunal, the Social Security Tribunal, and the Veteran's Review Board. There has been a similar proliferation of investigative and appeal bodies at state and local government levels (notably the Interdependent Commission Against Corruption in New South Wales and the Queensland Cultural Justice Commission) in an elaborate framework that goes beyond the weak powers of persuasion and enforcement of the ombudsman offices whose jurisdiction was found to be too restricted to reconsider administrative decisions on other grounds, such as outcomes, fairness, propriety, and appearance of justice done and seen to be done. In short, public administration is viewed not from above and within, as would be the case of political responsibility and accountability, but from outside and from the standpoint of social justice in a new doctrine of administrative responsibility and accountability.

What has emerged in Australia (and elsewhere in the four countries under review) is a system of administrative responsibility parallel to the system of political responsibility ''by which public servants have direct responsibility for their conduct not merely a derivative responsibility through their minister and parliament'' (Spigelman, 1999:7). Public officials cannot hide behind the skirts of political or governmental action in the public interest as they might claim in

a nondemocratic regime; each is held personally responsible and accountable for the decisions and actions that are taken in office at the time and thereafter while they live, even after retirement. Moreover, they are also held responsible and accountable for not acting when they should have acted to prevent government wrongdoing and harm befalling the public as a whole and as individuals. A whole array of public accountability mechanisms now review and correct decisions made by public administrators, thereby ending the bureaucratic defense of merely following orders or obeying instructions or merely carrying out the will of their political masters. The obligations of public administrators no longer end when they have performed the lawful commands of their political chiefs.

This new doctrine of administrative responsibility goes beyond public administration. It is now being applied to the whole of governance—to all public institutions, public and private.

> Public law rules are very similar to the rules for the exercise of powers by other institutions. If one can set aside its now substantial statutory overlay, many of the rules of corporations law with respect to the structure and operations of corporations are manifestations of an overriding principle that powers conferred on various arms of the corporate entity can only be exercised for the purposes for which they are given and must be rationally exercised for the benefit of those in favour of whom they have been given. Similar principles apply if one looks at the legal rules governing the internal affairs of trade unions and other organizations.
>
> It may be that what the future holds is the emergence of general principles of ''institutional law,'' rather than parallel principles in each of administrative law, corporations law, trade union law and the law of associations. There are core principles, in all these areas, many of which are derived by way of analogy from equity and its control of fiduciary powers (Spigelman, 1999:9).

What is emerging is the application of public administrative law to all public institutions and the extension of the new doctrine of administrative responsibility to all administrators and managers whose decisions affect the public as a whole and as individuals. All executives, public and private, may soon find they will be accountable for following the principles of natural justice and the obligation to prevent harm. This will subject their actions and decisions to independent review, wherein public ethics and public interest criteria will play important parts in the eventual outcome in deciding administrative correctness, who takes the blame for wrongdoing, and who is legally liable to see that adequate compensation is given to those harmed. This merging of public and private administrative

responsibility will create a new world for management wherein the public good will be a foremost consideration and the public will be empowered to enforce its rights.

CANADA: THE NEW POLICY RESEARCH INITIATIVE

Canada has long been at the forefront of administrative reform, ranging over the whole spectrum and trying experiments and innovations wherever better performance seems promising (Savoie, 1994; Dwivedi and Phidd, 1998; Peters and Savoie, 1998). Indeed, so much reform is being undertaken across Canada that it is difficult to keep track of it. Furthermore, Canada has been most active in international arenas to urge the modernization of the administrative state and to assist poor countries to improve their administrative capacity and managerial performance, a challenge demanding Canadian originality. This ability depends (or used to largely depend) on the thinking capacity of its federal government, the embodiment of Canadian independence and national development, but that thinking capacity, like that of all other governments, has been sorely taxed by the global transformations of the past few decades, which in turn demanded the complete transformation of the whole public policy arena. Governments have been slow to act; they have continued to rely on time-honored methods of policy formation that have not adjusted to their turbulent environment sufficiently to devise adequate policies able to deal with contemporary challenges.

The new world requires new policies and strategies, not warmed-up old ones. All governments have suffered from defects and shortcomings in policy research and development, in translating policy intentions into practical realization, in getting other public institutions and the public to go along with policy initiatives, and in monitoring and assessing policy outcomes. Aware of policy vacuums, the initiative has been seized by special interest groups, business and professional associations, academia, splinter political factions, civic bodies, voluntary societies, think tanks, and the emergence of a new profession of policy analysts outside government—all seeking to influence government, which rarely has the capacity to deal with them all or to determine which should be given preference or how to integrate their proposals into a coherent and consistent, forward-looking vision. This has prompted the warning that ''unless the core capacities of central government to engage in setting trajectories into the future are radically upgraded, future historians will add their bitter laments about the future they must live, blaming us for failing to adjust to the central government to their critical task'' (Dror, 1997).

Canada's policy capacity was severely dented by the fiscal restraints imposed during the early 1990s. Senior federal public servants complained about the deteriorating situation and warned that the federal government's policy research and development capacity had been hollowed out (Sutherland, 1999:13).

Improving public-sector management was all very well, but it was in danger of eclipsing the more important task of improving public policy making. In 1995, the Task Force on Strengthening the Policy Capacity of the Government of Canada led by the chief statistician drew attention to the wider Canadian policy community and assessed seven policy aspects: (1) statistics and theoretical research, (2) applied research and modeling, (3) environmental scanning, forecasting, and trend analysis, (4) policy analysis and advice, (5) consultation and relationship management, (6) strategic communications, and (7) program design, monitoring, and evaluation. It pointed out gaps in forward-looking capacity and the dominance of short-term policy work over long-term strategic development. It recommended that more attention should be paid to long-term and strategic thinking throughout the federal government and that a network of policy researchers should be established within and outside the government to develop shared visions and an understanding of the larger context and to pay greater attention to the next generation of policy researchers.

In response, the Task Force on the Management of Horizontal Policy was established later in 1995 by agency heads to consider greater interagency policy coordination. It broadened its vision by considering the changing policy environment in which the government operated, the seeming intractability of many policy problems, and the public demands to be more directly involved in policy making. While indeed there was a growing need for policy coordination, it put greater priority on the development of effective mechanisms to support horizontal policy development. These mechanisms would reduce agency positioning and turf protection with a more corporate culture committed to long-term cooperation, collegiality, and collaboration across agencies: ''The Public Service of Canada must become a borderless institution . . . committed to reducing the barriers to the flow of ideas and information among and within public sector organizations'' (Sutherland, 1999:16).

In July 1996, the head of the federal public service appointed the Policy Research Committee to look at directions in Canadian society to the year 2005 and identify the search needed to help policy makers make informed decisions to position the country successfully and ''make recommendations regarding an interdepartmental research agenda and work program to address gaps in knowledge.'' It quickly produced two reports, *Growth, Human Development and Social Cohesion* (October 1996) and *Global Challenges and Opportunities* (February 1997), which showed what could be done internally and alerted Canadian policy researchers outside the federal government to their future collaboration and input. They also pointed to the importance of international dimension and the need to fill gaps identified in the reports by creating four ongoing networks around the themes of growth, human development, social cohesion, and global challenges and opportunities. Herein was the beginning of the Policy Research Initiative (PRI).

These four networks addressed gaps in the original reports and also provided a forum for an ongoing discussion of horizontal policy issues, the identification of emerging trends, and the dissemination of information and new research findings. A policy research secretariat was created to help integrate and facilitate the work of the four networks, to which were added three complimentary elements: (1) advancing and implementing a forward-looking research agenda; (2) strengthening policy research throughout the government; and (3) facilitating culture change. It also had the task of finding innovative ways to share policy research and reach out to the broader Canadian and international policy research communities. From this modest beginning, the PRI has expanded through the secretariat to develop closer links with Canadian academia to reassess its findings from outside government, to assist other countries that are engaged in similar horizontal policy research policy programs, to develop regional strategies, to create a computer directory of the Canadian policy research community, and to organize meetings and workshops around the country on related policy research themes, such as population health, culture, and sustainable societies and Canada in the twenty-first century.

UNITED KINGDOM: PUTTING PEOPLE FIRST

In traditional public administration studies, more emphasis has been placed on the administrative side because the audience has long been composed of government professionals who seek to make a science out of the art of administration, and less attention has been given to the public side. What is the public in public administration? Who are the public? Which are the publics that public organizations serve? How do they differ in demands, requirements, expectations, and values? Traditional studies assume that public agencies served the government, and that they were purely instrumental, whereas democracy accepts the fact that they have become institutional and that their real masters are the publics they serve. The Westminister–Whitehall model was not just inadequate, but was also self-deceptive. There was more to the government of the United Kingdom than central rule from London; that is, the English imperium. Other peoples composed the British Isles, and the population contained significant immigrant groups who were never considered British enough. The public in British public administration had never been homogeneous.

Not until the 1990s did the British government recognize that London had been too dominant, that centralization of public policy had gone too far, and that the problems of holding together a multinational state has been underrated. The modernization of government had not gone far enough and had not taken into account the transformation of government into governance. Heading its new agenda was political deconcentration and devolution, not just administrative decentralization. This would involve transferring certain central powers to newly

established territorial regional authorities in Wales, Scotland, and Northern Ireland over purely local affairs so that government was brought closer to the publics it served. These new authorities would be able to raise their own revenues and disburse their finances independently of London and they would maintain their own (albeit circumscribed) legal systems. Deconcentration would acknowledge that the local peoples had the right to manage their purely local domestic affairs, and the British Parliament would not have the supreme control it once exercised over the British Isles.

This dispersal of power is intended to bring about the humanization of the state through a reduction in the scale of government, making it less remote and more responsive, which has been the intention behind other administrative reforms in the United Kingdom, such as the Citizen Charter, as part of the government's modernizing mission. In March 1999 it published *Modernising Government*, in which it stated that its program of reform for the future saw government not for those who worked in it but for the people as consumers and citizens. Public services and public servants were to be valued, but they had to perform better; they had to reflect real lives and deliver what people really wanted. All parts of government had to work together better; government should be ''joined-up'' and integrated, and use the best and most modern techniques.

6. People want government which meets their needs, which is available when they need it, and which delivers results for them. People want effective government, both where it responds directly to their needs . . . and where it acts for society as a whole . . .

7. To achieve that, the Government's strategy is one in which the keystones of its operations are inclusiveness and integration:
    *   Inclusive: policies are forwarded looking, inclusive and fair.
    *   Integrated: policies and programs, local and national, tackle the issues facing society . . . in a joined up way, regardless of the organizational structure of government.

8. The Government is putting these principles into practice by aiming to:
    *   Provide public service of the highest quality, matching the best anywhere in the world in their ability to innovate, share good ideas, control costs and above all to deliver what they are supposed to.
    *   Ensure that government is responsive to the user and is from the public point of view, seamless.
    *   Make certain that citizens and business will have choice about how and when to access government services [section on vision].

The government's program would be centered on the following five key commitments:

Policymaking: we will be forward looking in developing policies to deliver results that matter, not simply reacting to short-term pressures.

> *Responsive public services*: we will deliver public services to meet the needs of citizens, not the convenience of service providers.
> *Quality public services*: we will deliver efficient, high quality public services and not tolerate mediocrity.
> *Information age government*: we will use new technology to meet the needs of citizens and business, and not trail behind technological developments.
> *Public service*: we will value public service, not denigrate it. (para. 20)

How each of these commitments was to be implemented was then spelled out in much greater detail, from specific programs, such as setting up the new Centre for Management and Policy Studies and peer review of agencies, to rather abstract statements of intentions, such as encouraging partnership delivery and becoming a family-friendly employer. The government promised to set milestones to chart its course and criteria so that the users of public services could judge whether the modernization program was working. It would report annually on progress through its new modernizing government secretariat in the cabinet office (e-mail: Moderngov@grnet.gov.uk).

UNITED STATES OF AMERICA: MEASURING PUBLIC-SECTOR PERFORMANCE

Among the lasting contributions that the United States is likely to make to governance and public administration is that of measuring public-sector performance. Perhaps the boldest step has been taken by the U.S. federal government through the Government Performance and Results Act of 1993 (GPRA) to identify agency and program goals and annual reporting on performance.

> The required planning and performance measurement, and the possibility of increased managerial flexibility in return for accountability for results, are intended to improve management, improve program performance, improve accountability, support policy decision making, and improve public confidence in government . . . With minor exceptions, federal agencies' strategic plans, annual performance plans and annual performance reports are and will be public documents.
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> In their planning process under the GPRA, agencies are to develop strategic plans that contain mission statements covering the major functions and operations of the agencies; identify strategic goals and objectives including outcome related goals and objectives for their major functions and operations . . . identify the key external factors that could significantly affect the achievement of the goals and objectives; and describe how the performance goals included in annual performance plans will be related to the agencies' strategic goals and objectives . . . Strate-

gic plans are to cover at least five years. They are to be updated as often as is appropriate, at least every three years (Wholey, 1999:293–294).

Implementation of this bold scheme began in 1994 with a series of pilot projects. Unlike past reforms, it was not suddenly imposed on all federal agencies. Instead, it was enlarged only after the initial trials and then widened with agency submissions of strategic plans in 1997 when 1999 performance plans were included in the 1997 budget and the president submitted a governmentwide performance plan in February 1998 as part of the 1999 budget. Thereafter, each agency had to report on program performance for the previous fiscal year so that comparisons could be made between projected and actual results. Where goals had not been met, the agency had to explain why and describe plans and schedules for achieving them, otherwise it had to explain why the goals were impractical or infeasible and indicate what action was recommended. The whole purpose was to change the focus from how much government costs or inputs to the government to what the government achieves or to outcomes to reduce waste and inefficiency that undermine public confidence in government. It would be a difficult objective to achieve.

> The challenges to implementing the Government Performance and Results Act are many. Each agency must focus on the results it wants to achieve, not the product it produces and the process used to produce them. Agencies must coordinate crosscutting programs, thereby reducing mission fragmentation and program overlap . . . Agencies are to show relationships between budgetary resources and performance goals. They must also show how daily operations lead to results. Most fiscal year 2000 performance plans do not sufficiently address how to strategically manage their people (human capital). The systematic integration of human capital planning and program planning—a critical component of high-performing organizations—is not being adequately and uniformly addressed across the federal government. Agencies are also to resolve all mission-critical management challenges and program risks, not just some of them. Agencies need reliable information during their planning efforts to set realistic goals and, later, to gauge their progress toward achieving these goals . . . Agencies must accurately record and report financial management data on both a year-end and ongoing basis (Mihn, 2000).

What has emerged out of this elaborate scheme is probably the most significant public budget reforms of the 1990s, namely, performance budgeting, which is the concept of linking performance information with the budget. It ''assumes that a systematic presentation of performance information alongside budget amounts will improve budget decision-making or by focusing funding choices

on program results'' (U.S. General Accounting Office, 1999:4). After the performance goals had been established, it was found that most plans did not identify how funding would be allocated to the performance goals. Much still remained to be done to clarify and strengthen links between planning and budgeting structures and presentations and challenges in performance planning and measurement and cost accounting. Goals needed to be more results-oriented and coordinated with other agencies, all of which needed to adopt a broader agenda for improving performance plans that included focusing on results, defining clear strategies, and improving capacity to gather and use performance data. Furthermore, complications remained concerning how to relate outputs to outcomes and how to relate costs to outputs.

A QUIET REVOLUTION IN THE MAKING?

Possibly what is most disconcerting for the new generation of public administration is that these attempts to modernize the administrative state to bring democratic governance closer come mostly from within official circles, largely due to outside pressures. They smack of remaining top-down from the privileged elite of the administrative state who disseminate their ideas to the public at large. For instance, devolution still places the top in control and appears to be an act of grace on its part. Real decentralization can only come about from resistance at the bottom. Power can never really be given; ultimately, it can only be taken. It would seem that there is an inherent attitude that public officials at the top of governance systems are only prepared to release just enough of their authority to satisfy their discontented publics but no more. One does not sense overwhelming enthusiasm on their part or any firm realization of their new opportunities by the outside public to take over more governance for themselves.

Nonetheless, if successful, these attempts at implementing a new doctrine of administrative responsibility, establishing wider public policy research initiatives, putting the public first, and measuring public-sector performance may together transform the practice of public administration and possibly demand the reconceptualization of public administration to strengthen democratic administration and good governance. In several respects they turn many current approaches upside down. Instead of looking at public administration and the machinery of governance from above and seeing them as the implementation of public policy and law imposed from on high, they are seen from below as the expression of societal values and mobilized civic culture. Instead of looking at public administration from an elite perspective and in light of managerial requirements, they see it from the perspective of the common and public—not official—convenience. Instead of searching for the universalistic one best way, the emphasis switches to diversity, experimentation, accommodation, and adaptability. No longer is public administration seen as a one-shot instant photograph of the ma-

chinery of government at work at a particular time, but as a continuous video of the complex, ever-changing dynamics of societal organization. No longer is any single country considered in isolation but as a part of an ever-integrating global society in which no administrative system is immune from the influence and impact of other systems.

Because these four selected countries play such an important if not dominant role in international public administration, many other countries will look closely to see whether or not their new administrative arrangements work and whether or not they could copy them or some variation of them. In so doing, they will wittingly or unwittingly be buying their ethos of good democratic governance and a modernized version of Aristotle's doctrine of the mean; in this case, the rejection of ideological extremes, totalitarianism, dictatorship, terror, imposition, and other undesirable attributes or components of nondemocratic regimes. The long-established prosperous democracies in Western Europe, North America, and the Commonwealth can easily embrace this emerging quiet revolution in public administration, but the rest of the world may still not be ready, let alone able to follow suit. It will take generations to be able to develop and entrench the required cultural context and institutional frameworks, even with every backing from these select rich democracies and the international organizations they dominate. Not all countries will want to follow their example—indeed, several will want to isolate themselves from such cultural imperialism—but global trends are such that isolation will not pay. Like it or not, countries unwilling to go along will find that external pressures together with pent-up pressure from their deprived masses may prove too much, so it would appear that a quiet revolution in the theories and practices of public administration has begun and eventually it will spread until the whole global society is covered.

First the initial stages of this quiet revolution have to succeed. Too many times promising administrative experiments and reforms have died miserable and unheralded deaths. Old hands just shrug their shoulders and watch impassively as yet another set of innovators tries to reshape how public business should be conducted. Public officials, the old hands believe, are too well set in their ways and do not change all that easily. What is involved are entrenched vested interests, policies, laws, and bureaucracies that seem to live a life of their own regardless, largely because much public administration is so well designed and is performing so well that there is little need for revolutionary changes. Public administration generally is reliable and dependable and often proves itself in crises. This is particularly true in rich democracies, which rarely act hastily and are reluctant to abandon anything without good cause. As yet the four new directions described above have not been so secured. In some cases, they have been sprung on unsuspecting publics and still lack sufficient official and popular support, not enough to prevent their being just as quickly abandoned by a different set of politicians. In other cases, they are novel to governance and untried; the ideas are not yet

properly fleshed out or workable; the groundwork for them has not been completed; and ownership of them and commitment to them remain questionable. All of them are much unexplored or lead to uncharted territory that conservatives fear to enter.

The new doctrine of administrative responsibility attracts; in a democracy few can oppose the idea of holding all wrongdoers accountable for harming the public. It greatly widens the nature and scope of public accountability. But what exactly constitutes wrongdoing? How can the term be defined in precise legal language? What if the wrongdoing stems from bad policy making and not from its successful execution? What weight is to be given to extraneous circumstances? What happens when wrongdoers destroy all available evidence and reinvent history? What about selfless wrongdoing? Honorable wrongdoing? What constitutes repentance, redemption, atonement, or forgiveness? Theologians have struggled with similar questions without any definitive universal resolution. Public administration may also find itself in endless disputation over these and other connected issues.

Opening up public policy research initiatives instead of confining them to the inner circles of government is also to be welcomed. Hopefully, it will bring more meaning to the term public in public policy and draw on a wider array of community talent and creativity. It may even result in more acceptable and workable policies, but will including more people necessarily improve the quality of policy making? Will consideration of a wider range of policy initiatives be worthwhile or just result in more delay, expense, and circumlocution? What blocks genius from getting a proper hearing or having a real say in policy arenas? What can save good policy making from poor execution?

The issues involved in putting the people first, the public, the citizenry, the recipients, the consumers, and the folks who foot the bills, go well beyond the purely managerial, and seemingly should not be contentious. How are pious intentions translated into practical realities? How is the machinery of government to be reshaped to serve both masters and servants? Who is to devise the new ways of conducting public business? Where are the initiatives in administrative matters to come from? Who judges their practicality? Who monitors their performance? Who evaluates them?

This is where public-sector performance measurement enters, but before measures can be devised, public agencies have to know what they are supposed to be doing, what they are about, and what is their mission or missions. These then have to be translated into achievable or attainable practical objectives and reduced to meaningful indicators. Alas, it turns out that some areas, such as the conduct of foreign relations, defy measurement, and other areas, such as the military, refuse to reveal anything publicly lest potential enemies derive comfort therefrom. Nobody enjoys or welcomes others measuring their performance; everyone involved wants to manipulate the results to put the best light on what

they do and to justify their continuing existence. Successful measurement requires clearing away a dense undergrowth that political indifference and bureaucratic dysfunction have permitted to flourish for too long.

That is exactly what this potential quiet revolution in public administration is designed to reveal, clear away, and refurbish, not in one fell swoop but gradually, incrementally, and progressively in time. The intent is to restore to the public what is considered rightfully its own, to reduce the unaccountable powers of elites and increase the power of the citizenry, to remind public officials, both political and administrative, both within and outside government, that the public is the master, not the other way around, and to give the citizenry the feeling that it is in control and that it is the most important stakeholder in governance. The quiet revolution is expected to combat other trends in the contemporary global society that set rulers and ruled further apart, that increase the distance between the governors and the governed, and that alienate the seemingly powerless masses from their powerful elites.

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4

Accountability in New Public Management
An Elusive Phenomenon?

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INTRODUCTION

Public administration discourse bestows an honored place to the theory and prac-tice of accountability. During much of the twentieth century the focus was on how to reconcile Big Government with democratic accountability. The size and complexity of government put considerable stress on the links of the traditional chain of accountability as power over public resources was largely transferred to the hands of bureaucrats. Efforts to maintain public accountability focused largely on refining hierarchic bureaucratic control structures by way of legisla-tion, administrative directives, and internal standard operating procedures.

As the last quarter of the twentieth century approached, several commenta-tors noted a general perception of a crisis of accountability (Normanton, 1966; Smith, 1971; Crozier et al., 1975; Yates, 1982). Public dissatisfaction with gov-ernment waste, graft, and ineffectiveness expressed itself in various forms of bureaucrat bashing and in the emergence of administrative reform on the public agenda. The desire for more effective accountability schemes resonates in the series of reform efforts across a broad spectrum of countries that has become known as the New Public Management (NPM).

Accountability is a complex construction, encompassing numerous combinations of things to be held accountable for; people to be held accountable; bodies to be held accountable to; and means of holding people to account. Several accountability typologies appear in recent public administration literature (Romzek and Dubnick, 1987; 1994; 1998; Romzek, 2000; Stone, 1995; DeLeon 1998; Thomas, 1998). While there are some differences in labeling and in groupings, the most common and significant categories are hierarchical, professional, political, and legal. Romzek and Dubnick (1987; 1994) distinguish between internal accountability (hierarchical and professional) and external accountability (political and legal).

ACCOUNTABILITY IN NPM

In the quest for improved governance, NPM reforms offer an accountability model that significantly changes the relative importance of different types of accountability. While there are substantial differences among reforms in various countries, they share a general direction in the desired accountability scheme. Table 1 outlines ''pure forms'' of traditional public administration and NPM accountability schemes.

The central change prescribed by NPM doctrine is a move from process-oriented accountability to results-oriented accountability. This shift cuts across accountability types. Supervision of subordinates within organizations moves away from hierarchical accountability based on detailed standards and guidelines about how to operate and toward professional accountability, in which professional managers are left free to manage processes while being held to account for the achievement of output and outcome objectives. Political accountability to external stakeholders, which had suffered from the advent of Big Government, becomes a central focus in NPM, with special attention to responsiveness to ''customers'' for results through opportunities of voice and exit. Legal accountability in traditional public administration focused on laws and contracts that emphasized the processes of operation. New public management seeks to hold individuals, agencies, and contractors to account through contracts that spell out the results expected.

Romzek (2000:39) observes that ''the accountability relationships that are best suited to these reforms are professional and political types which rely on expertise, increased discretion and responsiveness.'' Several authors perceive a contradiction between these trends and traditional forms of democratic accountability (Hood, 1991; Moe, 1994; Deleon, 1998; Behn, 1998). Hood (1991), for example, feared that the demotion of traditional accountability mechanisms designed to promote ''honesty'' and ''neutrality'' would ''induce corrosion'' in these values. According to Robert Behn's (1998: 151) analysis, advocates of NPM ''have not been able to answer the accountability question for performance:

TABLE 1 "Pure" Public Administration and NPM Accountability Schemes

Type of Accountability	Accountability relationship	Role in traditional public administration	Role in NPM
1. Hierarchical	Superior/ subordinate, supervision	Maximal	Minimal
2. Professional	Deference to expertise	Minimal	Maximal (for process)
3. Political	Upward to legislature	Maximal (ministerial responsibility)	Minimal (agencification)
	Responsiveness to customers; competition and exit opportunities	Minimal	Maximal
	Downward to local communities	Minimal	Maximal
4. Legal	Lawmaker/law executor	Maximal for processes	Minimal for processes
	Principle/agent, fiduciary	Minimal for results	Maximal for results

'Is it possible to permit empowered, responsive civil servants to make decisions and be innovative and still have democratic accountability?' ''

This chapter explores the extent to which accountability schemes developed in the context of NPM reform conform to the prescribed pure model. The seductive qualities of ''letting managers manage'' and ''steering rather than rowing'' mantras anticipate broad acceptability of the purist NPM accountability scheme with its shifted focus on results, yet analyses of previous reform efforts suggest political and organizational impediments to adoption and implementation of this kind of change. Research from a range of disciplines raises cultural, organizational, managerial, and political impediments to the NPM accountability ideal.

March and Olson (1983: 283) use the term realpolitik in describing administrative reorganization as ''a political struggle among contending interests,'' in which ''fundamental political interests, within the bureaucracy and outside, seek access, representation, control and policy benefits.'' Based on their examination of twelve comprehensive administrative reorganization attempts in the United States, March and Olson (1983: 284) conclude that ''Reorganization efforts that

ignore such networks of power and interests will fail or be inconsequential.'' In a comparative review of developments in administrative reform, Caiden (1991) reflects that, ''Politics limits how far reforms can be taken and because politics cannot be stretched too far, reforms are compromises and invariably incremental and tentative and therefore incomplete.'' One observer of NPM accountability reforms warns that ''A major factor shaping the evolution of accountability re-gimes is the interest of executive elites in maintaining institutional arrangements which ensure their dominance'' (Stone, 1995: 524).

To what extent have political and organizational interests prevented shifts to results-oriented accountability schemes in practice? While this question has received little systematic attention in the literature, there is preliminary evidence that political institutional interests have prevented or obfuscated the shift in a number of settings. This chapter reviews the international literature and presents evidence from Israeli NPM experience in school reform and in government–third sector collaboration (Schwartz, 2000; 2001). Political–institutional impediments to NPM accountability change are grouped as follows:

1. Difficulties in implementing NPM accountability
   a. Lack of real market competition
   b. Resistance to choice and to results measurement
   c. Weaknesses of downward accountability
   d. Negligence of compliance with vital procedural guides, leading to disaster
2. Difficulties in eliminating process-oriented accountability
   a. Lack of real relaxation of process control; substitution of internal hierarchic process controls with arms-length regulation

RESISTANCE TO PERFORMANCE RESULTS MEASUREMENT

Performance results measurement is a central element of NPM accountability. It plays a potential role in hierarchic, legal, and political accountability types. While measurement is clearly a managerial tool, it is also a political acitvity with sig-nificant organizational ramifications. Its results can have significant consequences on resource allocation, sanctions, and rewards. Stakeholders who fear that perfor-mance measurement will work against their interests resist attempts at introducing these schemes. Once introduced, they do their best to minimize damages. As Greiner (1996:17) poses the problem

> Are administrators willing to report the bad as well as the good? Can they stand up to possible misuse of performance data? The prospect of accurate performance information and increased accountability can be very threatening to some elected officials, managers, line personnel, and

> interest groups. Governments that lack confidence in their ability to accept and deal with such information will be reluctant to implement performance measurement. Indeed the first rule of public sector performance measurement is ''If you don't want to know, don't ask.''

International and Israeli experience in implementing performance measurement systems in the context of NPM school reform measures demonstrates how stakeholder resistance has made this tool of results-oriented accountability elusive. Literature on school reform in the United States, England, Wales, and Australia reveals considerable resistance to the measurement of school performance. Cuttance et al. (1988: 140) show how teacher's organizations frustrated Australian government attempts at introducing monitoring schemes in the 1980s. They further attribute the failure to implement and sustain school-level performance-reporting systems in Australian states predominantly to ''fear by entrenched senior State education bureaucrats (and Ministers) that accountability processes and outcomes might produce unwanted scrutiny (from the Federal Government, the public or others), loss of control and embarrassment to themselves.'' Farrel and Law (1999) report similar opposition from local education officials in Wales to publishing school performance results.

Elmore et al. (1996) provide examples from a number of American states in which political opposition has hindered the implementation of performance-based reward and sanction systems. They describe how pressures from ''school people'' often force legislators and governors to backtrack on performance accountability policies perceived as potentially harmful to particular schools and legislative districts. David K. Cohen (1996) notes that stakeholder opposition is responsible for the fact that school performance schemes in all but a few states do not link performance results with rewards and sanction. A 1988 study found that district and local forces had exerted significant pressures in order to thwart potentially damaging consequences of state-initiated school-performance reporting schemes. (OERI State Accountability Study Group, 1988). Cibulka and Derlin (1995: 484) provide illuminating examples.

> When Pennsylvania officials reported state achievement test results in rank order, they encountered a storm of controversy, particularly from districts who claimed the playing field was not level if they had many economically and socially disadvantaged, or at-risk children and inadequate resources. Yet, reporting the results by grouping together districts that have similar socioeconomic (and other) characteristics is also controversial. Many states report that they considered such approaches (which are used in some states such as South Carolina) but ultimately rejected this approach because of criticism that grouping lowers expectations or justifies existing performance differences.

In Israel, strong opposition to school performance measurement has blocked Ministry of Education initiatives. In 1991, the Ministry of Education's chief scientist initiated achievement testing aimed at providing both the ministry and individual schools with feedback on academic achievements in order to diagnose problems and rationalize resource allocation. While there was no intention of publishing school-level results, school rankings were leaked to the press.

Reaction was quick to come. School principals reportedly inundated their organization with phone calls claiming that parent and community reactions to the publication of school rankings were akin to an educational ''day of atonement'' for them. The head of the teachers' union begged that the ministry stop ''torturing'' the teachers and threatened serious action—including strikes—if results were published again. Inspectors and senior Ministry of Education officials, many of whom come from the ranks of teaching professionals, supported teachers, arguing that external testing hurt the overall education experience by diverting resources to ''learning for the test.'' A revealing interview with a former school principal demonstrates the bureaucratic interests of inspectors and regional educational officials: ''The inspector and Regional Ministry Office want 'industrial quiet'. They are not interested in publication of school achievements, but only in showing how much they have done, showing off project starts.'' The minister of education and his director-general acquiesced to the teachers' threats, ending national performance testing and prohibiting the publication of school rankings on regional or local level testing.

A perhaps surprising opponent of performance measurement comes from budgeting departments. Evaluative information that demonstrates ineffective operations often reveals the need for additional funding. In a country in which many public services suffer from chronic underfunding this may act to decrease the propensity to evaluate. In 1984, for example, the Ministry of Education stopped conducting national achievement tests because it was unable to fund improvements needed in underachieving schools (Razel, 1996). Ralph Kramer (1993: 10) finds similar rationale for the lack of evaluative information about grants in Israel: ''Some of the dilemmas in securing accountability were epitomized for me in the reply of an official to my question as to why the government seemed to require so little information from the VNPOs it funded: ''If we knew more, we'd have to pay more.''

RESISTANCE TO MARKET ACCOUNTABILITY

In NPM, market or quasi-market forces are brought to bear on services that remain within the responsibility of government. Rather than selling public entities to private-sector enterprises, NPM introduces competition among potential service providers who enter into contract relations with government. In Romzek and Dubnik's typology, market accountability is a specialized form of political

accountability in which, under the threat of exit, implementers are expected to be responsive to demands of ''customers.'' The theoretical underpinnings of market accountability are that competition among service providers allows the threat of exit to ensure strong performance, competitive tendering helps achieve cost savings for government agencies, and service recipients have the opportunity to choose to use the services of an alternative service provider. Where ''good'' performance information is available and where there are real alternative service providers, market accountability appears to provide unambiguous, transparent control, while allowing for flexibility in the processes of service provision. Both school reform and government–third sector collaboration include attemps at introducing market accountability.

In the sphere of education, market accountability includes opening up school registration areas, instituting vouchers, and establishing magnet schools that enable parents and pupils to choose among a variety of schools. In school choice, competition among schools for students is expected to provide a strong incentive for improvements in school performance.

Henig's (1994) portrayal of the development of school choice policies in the United States demonstrates considerable opposition. He notes severe opposition to school choice (voucher) policy from organizations representing schoolteachers, school administrators, and local education officials. Teachers and administrators in the public school system feared that voucher policies would bring about massive transfer of students out of the public school system, posing a direct threat to their livelihoods. Local education officials perceived threats to their hegemony in educational planning and difficulties in managing both overenrollment and underenrollment problems with the ensuing need to expand some school sites while closing others. Mitrom and Vergari (1997: 148) note opposition by teacher groups and local school officials to open-enrollment ideas: ''In several states, these interests have successfully lobbied against the adoption of such legislation. In other states, they have influenced the shape of enacted legislation.'' Vandenberghe (1999) reviews evidence suggesting that implementation of school choice policies in other countries has encountered similar opposition.

School choice arrived on Israel's policy agenda and a splash when in 1992 the Tel Aviv municipality announced plans for a limited choice scheme at the junior high level. Political opposition surfaced immediately. The press quoted stiff opposition from politicians, teacher representatives, and academics, all of whom claimed that their central concern was for protecting school-integration policies. The teachers' union threatened to strike if the school choice plan was implemented, and university professors used search findings from the United States and the United Kingdom to demonstrate the damaging effects of school choice on weaker population groups.

Heated political debate occurred both in the Tel Aviv Municipal Council and in the Knesset Education Committee. The debate climaxed when the minister

of education appointed Tel Aviv's director of education—upon whose initiative the Tel Aviv choice scheme emerged—to become the director-general of the Ministry of Education. In an unprecedented move the government approved this appointment on condition that any decision made by the ministry regarding school choice would be subject to government approval. As it turns out, the ministry has yet to adopt a school choice policy. More widespread are cross-district magnet schools.

The ministry has faced considerable opposition to magnet schools as well. The *Report of the Public Commission for Examination of the Status of Super-Regional Educational Frameworks* (1991) found that 3.7% of pupils attended magnet schools of various kinds, most of which were highly selective and clearly anti-integration. According to Ministry of Education estimates, about 50% of pupils in the state religious sector study in cross-district schools. In testimony before the commission, teacher and principal representatives vigorously opposed cross-district magnet schools on the grounds that they ''don't enable any true basis for integration,'' they introduce ''the threat of competition among schools,'' and they empty other schools ''of musicians, artists and scientists.''

Equity has been the central rallying cry of opponents to school choice. American education authorities, for example, designed school choice plans to comply with desegregation policies in an effort to dismantle racially dual school systems. Opponents argued that these plans failed to achieve meaningful desegregation, leading to a court declaration that they were inappropriate (Alves and Willie, 1990). Ravitch and Viteritti (1997) demonstrate that the voluntary nature of most school choice plans in the United States means that a limited number of spots are available for disadvantaged students in ''high-quality'' insitutions. Research from Belgium, the Netherlands, New Zealand, and Scotland reveals a similar pattern of school choice tending to increase interschool segregation (Vanderberghe, 1999).

The anti-integrationist effects of school choice provide grounds for professional interest opposition. Education professionals in Israel and abroad have opposed policies that increase the homogeneity of school composition and class composition. They use research findings showing that pupil heterogeneity positively affects educational attainment. Vanderberghe (1999) states the argument in economic terms: ''If the objective is to maximize the average educational attainment of a cohort this can be compromised if individuals are inappropriately allocated among schools.''

Although their rhetoric speaks mostly of a desire to safeguard school integration, opposition by Israeli teacher and principal representatives undoubtedly reflects fears of the repercussions of school choice on job stability. School choice, the most radical education reinvention tool, spurs extreme opposition. Those with personal interests at stake have at their disposal powerful professional and equity arguments. The loaded issue of integration makes adoption and implementation

of school choice policies a politically precarious exercise. Sensitivities were so high in Israel as to make the appointment of the director-general of the Ministry of Education conditional on government approval of any change in school choice policy.

Much government collaboration with third sector organizations is organized on the premise that competition among service providers will entice good performance, yet here too a number of obstacles threaten to foil the dream: good performance information is hard to come by, sparse competition among alternative service providers leads to mutual dependency, and where competition prevails it tends to bring about commercialism in the activities of third sector organizations.

Israel's experience with the National Health Insurance Law demonstrates that lack of good performance information inhibits expected benefits of competition in government–third sector collaborations. The law opens up the primary health care market to competition among sick funds, which are amongst Israel's largest third sector organizations. A recent study shows that the law has largely failed to bring about the benefits of competition because citizens lack information about the quality of care that would allow them to make educated choices among health providers (Gross et al., 2000). The authors note that the Ministry of Health does not systematically collect or publish information about the quality of service (waiting time for services, distance from the member's home to where the service is provided, and arrangements for choosing suppliers) or the quality of clinical care.

The international literature notes significant obstacles to competition in government–third sector collaborations. Kettl (1993: 171) notes, for example, that ''most social service contracts tend to be negotiated, not put up for bids.'' Salamon (1999a: 359) observes that ''in practice, however, such markets have been found to be lacking in many cases. In such circumstances, government agencies find themselves obliged to purchase the range of services the existing array of agencies can provide rather than the set they would ideally prefer.'' There is also evidence of what has been called mutual dependence, which occurs mainly when government agencies face contractors who hold a monopoly in providing certain services. Even when there is the potential for competition, government agencies sometimes resist putting out competitive bids for political reasons. Contracts may be given to providers with close family or political ties with agency heads. Political agency heads are more interested in quick program start-ups than in administering competitive bids and monitoring the performance of existing contracts.

Problems are found even where quasi-markets are successfully established and third sector organizations compete among themselves and with for-profit enterprises for government contracts and for clients. Commenting on the American situation, Salamon (1999b: 13) notes that such competition leads to situations

in which ''Squeezed operating margins undermine ability to subsidize mission-related activities, such as charity care or research.'' One result has been that third sector organizations in the social service field prefer to keep caseloads up instead of getting them down by successfully turning individuals' lives around. This narrows and perhaps even eliminates substantive differences between nonprofit and for-profit providers.

An Israeli example of this type of commercialization is in the provision of home nursing care where third sector organizations compete among themselves and with commercial enterprises. Schmid (2001) finds that competition has led nonprofit providers to adopt commercial modes of operation, making them virtually indistinguishable from for-profit providers. A similar pattern is evident in preschool care, where commercial providers compete freely with previously dominant voluntary agencies. Ostensibly political-competition accountability does not damage the flexibility of third sector organizations in processes of care; it does not lay down rules as to how things must be done. The need to compete for contracts, however, often results indirectly in severe restrictions on flexibility. Narrow ''profit'' margins curtail the ability to provide extra charitable care to meet particular needs of service recipients.

WEAKNESSES OF DOWNWARD ACCOUNTABILITY

Definitions of political accountability include a broad range of activity through which constituents and stakeholders participate in determining policies and overseeing their implementation. Classic political accountability involves holding elected politicians accountable through the election process. Problems with upward accountability mechanisms (e.g., strengthened legislative oversight mechanisms, state audit, program evaluation, performance budgeting) have led to suggestions on behalf of downward accountability, by which local communities of service users would hold community organizations accountable (Day and Klein, 1987; Smith and Lipsky, 1993; Taylor, 1996). Third sector voluntary organizations provide the opportunity for citizens to actively engage in managing and overseeing activities through membership, election and participation in governing boards. Their proximity to operations holds promise that citizen-participants will be highly interested in holding community third sector organizations to account. One critic, however, takes much of the air out of the argument that third sector organizations can provide meaningful downward accountability.

> Both the Right and Left, however, usually fail to distinguish between different forms of voluntarism: between volunteers as unpaid staff, and as peer self-help, and between mutual aid associations, neighborhood or community-based organizations, and service bureaucracies staffed by

> professionals. This confusion is part of the mystique of voluntarism, in
> which its virtues are exaggerated and contrasted with what are believed
> to be the inherent vices of government or the market (Kramer, 1993: 10).

Support for this critique is provided in Yael Yishai's (1990) study of Israeli organizations for helping the sick and the handicapped. She finds that they are run like ''private governments'' by closed elite groups and provide only weak accountability to the public and to their clients. Durant (1999) provides further evidence from this study of the Montgomery County Department of Health and Human Services (MCDHHS) experience in partnering with third sector organizations for service provision. Durant (1999: 327) comes to the clear conclusion that ''Policy makers must abandon the idea that partnering in the neoadministrative state facilitates results-oriented management, makes service delivery more responsive to citizen needs, or fosters greater accountability to the public by sharing responsibility with mediating institutions closest to the people.''

Schools, it would seem, offer an excellent opportunity for the exercise of ''downward accountability'' to local communities. Local communities of parents, businesspersons, and concerned citizens have a stake in overseeing the performance of schools in educating their children, their future employees, and their neighbors. Recent policy attention to such forums occurred in the 1988 ERA (Education Reform Act) in Britain, which granted considerable power to school governing boards in the areas of financial and personnel management. In the United States, district and local school boards have long held these responsibilities. Over the past decade, school-based management policy initiatives have to a varying extent devolved these responsibilities to professional school staff and to individual school councils that sometimes include parent and community representatives.

Evidence from both the United States and Britain suggests that some district and school-level governing bodies fulfill important accountability roles. Ouston et al. (1998), for example, find that school governing bodies in England and Wales ''play a pivotal role in the governance and accountability of schools . . . Schools are accountable to their governors, and the governors are accountable to the parents and the LEA.'' Similarly, in the United States ''of all the relevant authorities, local boards are generally regarded as the ones most responsible for school governance. Boards also wield real power, including the authority to hire and fire superintendents and to negotiate with teachers' unions'' (Chubb and Moe, 1990). First (1992) used an analysis of board minutes form twelve districts in Illinois over a three-year period to demonstrate that contrary to common belief school boards spend a great deal of time and effort in dealing with substantive issues on the local education agenda. Moreover, studies show that the public values the role played by school boards as an intermediary between them and professional educators.

There is some contrary evidence suggesting that the political accountability opportunities offered by school boards were created largely for their symbolic value. Tucker and Ziegler (1978), for example, refer to citizen district school boards in the United States as engendering a ''myth of lay control.'' Jennings (1981) depicts the failure of American school councils in representing various constituent groups. Williams (1997) suggests that provisions in 1988 legislation in Britain for the involvement of parents and local communities in school governing bodies ''is largely illusory.'' Several observers note that head teachers dominate governing bodies in English schools (Williams, 1997; Ouston et al., 1998). Parent and community representatives are perceived as not being accountable to their constituents, lacking ''real'' responsibilities, and lacking the skills necessary to carry out their functions.

Williams (1997) suggests that there was never any real intention of making school governing bodies effective accountability mechanisms; rather, in keeping with the political theory of policy selection, they were meant to serve as a smoke screen to mask the actual centralization and tightening of bureaucratic control of the 1988 school reforms. It was particularly important to the conservative government of the day to make it appear as though authority was being transferred to the people.

Unlike the United States and Britain, Israel has not even the facade of downward political accountability for school performance. There are no municipal or district-level public forums for education policy making or monitoring. On the level of downward accountability, there is no policy or general legislation of school boards. Parent associations exist at the school, municipal, and national levels, but these have no official status.

One attempt at instituting downward accountability reflects strong opposition to shifting accountability in this direction. In 1993, the Committee for Self-Managed Schools recommended the establishment of school boards of governors with teacher, local authority, and community representatives. The school principle would serve as chairman, and together with teacher representatives would constitute a majority of the board members. Even this rather nonthreatening form of downward accountability was seen as a threat to the professional standing of school principals. In the words of the proposal initiator, ''the idea of the board of governors was scrapped because principals saw it as endangering their independence.'' It is interesting to note that parent and community representatives did not even attempt to push for the proposal—which originated from within the Ministry of Education.

NEGLIGENCE OF COMPLIANCE WITH PROCESS— DISASTER

A key tenet of NPM is to separate operational agencies from policy-making central ministries. In this model ministers are responsible for setting policy and de-

termining output and outcome objectives. Agency heads are held accountable for achieving the policy output and outcome objectives. This represents a significant departure from traditional hierarchic accountability in which administrators were held accountable primarily for compliance with laws, regulations, and standard operating procedures. As noted, many public administration scholars have expressed fears that this departure would lead to serious malfunctions.

To what extent have these fears been born out? Some indication of a real problem comes from reports that connect the occurrence of disasters with the relaxation of process controls. Three cases outline how narrow focus on outputs and outcomes has led to some ugly unintended consequences. These cases do not prove a link between NPM style accountability and disaster; there is no absence of disasters in more traditional styles of administration.* They do, however, suggest the possibility that results-oriented pressures combined with deliberate decreases in process controls will lead to otherwise avoidable disasters. It is interesting to note that following the occurrence of each of the disasters, process-oriented accountability pressures came to the fore.

The first case illustrates how pressures on Air Force officers to achieve results led to neglect of basic procedural rules of flight safety and the deaths of 35 people, including U.S. Secretary of Commerce Ron Brown. In seeking to understand the causes of this disaster, Romzek and Ingraham (2000) observe that Air Force commanders neglected operational process rules in favor of being ''responsive to some of their key stakeholders, the distinguished visitors they were transporting around the arena, and their own superior commanders.'' They preferred the results-oriented ''can-do'' culture of accountability present in many military (and civilian) settings to compliance with rules and regulations designed to ensure safety and hierarchic control.

Similar if less direct consequences of NPM's focus on results are illustrated in New Zealand's Cave Creek incident, in which the collapse of a viewing platform in a national park killed 14 students (Gregory, 1998). Attempts at pinning the blame on the agency head revealed an excellent record of accomplishments in achieving output targets. Gregory suggests that the disaster would never have occurred in the prereform regime—apparently because of attention to process controls—that is, the need for a building consent.

A fresh incident from the Israeli experience provides further grounds for thought about the unintended consequences of NPM's results-oriented accountability. Video documentation of the collapse of the floor of a wedding hall received worldwide press attention. Twenty-three people were killed and hundreds were injured. Newspaper reports suggest a connection between the building collapse and the privatization of building inspections (Ha'aretz, 2001: pp. c1–2).

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* For a critical view of disaster management under both traditional public administration and NPM systems, see in this volume: A. Kirschenbaum, ''The Organization of Chaos: The Structure of Disaster Management.''

Opening of the inspection system to competition was meant to ensure speedy inspection at reasonable prices. Stiff competition and the profit motive have resulted in shoddy inspection practices and hence buildings in danger of collapse.

DIFFICULTIES IN ELIMINATING PROCESS-ORIENTED ACCOUNTABILITY

While the previous section addressed problems associated with the elimination of process-oriented accountability, the evidence in this section demonstrates that in some cases NPM accountability is elusive because process-oriented accountability is not actually eliminated.

A number of studies indicate that legislative and central executive authority actors have prevented the elimination of much process-oriented accountability. David Rosenbloom (1993) makes what is perhaps the most direct acknowledgment of the potential of institutional interests to impede shifts in accountability schemes. His article, ''Having an Administrative Rx? Don't Forget the Pol,'' purports that American legislators have good reason to resist the relaxation of red tape and process controls from which they derive much of their power. Iso, Rosenbloom (1998) recently observed that Congress has refused to adopt a biennial budget or decrease its micromanagement of the executive branch. Hood (2000) brings evidence showing that the U.S. Department of Defense ''reinvention'' initiatives under the National Performance Review also often observed more rather than fewer rules and constraints on management. Romzek (2000) provides yet further evidence suggesting that reforms actually provide less discretion than promoters promise. Indeed, American political culture (and apparently British as well) may not be compatible with high levels of discretion and entrepreneurial management. In the United States the political culture is ''blame-oriented, rule-oriented, litigious, and the institutional context has never been trusting of government and its administrators.''

Campbell (1993: 124) brings some anecdotal evidence of similar trends in the United Kingdom and Australia. A senior U.K. official noted, for example, that the Treasury continued to impose process accountability for such matters as personnel and accommodation to such a degree that ''the amount of delegation of actual control was at most five percent.'' Analyzing control changes in the United Kingdom, Hoggett (1996) identifies ''new forms of proceduralism.'' Examples include proceduralist models of quality control in the Citizen's Charter initiative and the British standards approach, and contracting practices in which specification documents ''come thicker than telephone directories.'' Galnoor et al. (1998) find similar control issues in Israel. Their research describes how the unwillingness of Ministry of France officials to relinquish control foiled efforts to decentralize personnel management powers.

Experiences with school-based management (SBM) reforms illustrate well the difficulties in relaxing process controls. School-board management entails decentralization of decision making to schools. It typically includes transfer of authority to schools for budget allocation, curriculum, and personnel management. Transfer of authority in these three key areas releases schools from reams of rules and piles of procedures and allows them to manage their own resources so as to respond to the particular needs of their student bodies. School-based management thus encompasses two important components of NPM doctrine that have a great deal of popular appeal: (1) decentralization, and (2) cutting red tape process controls.

The popular appeal of SBM did not escape policy makers in Israel's Ministry of Education. Starting in the 1970s, the Ministry of Education adopted policies aimed at decreasing the strong central grip on schools, and in the 1980s official policies encouraged granting schools wide autonomous powers in most aspects of planning and implementing educational activity (Haymann et al., 1997).

Stakeholder political opposition to SBM policies did not take long to surface. Observers trace the main source of opposition to Ministry of Education officials responsible for various educational programs and to local politicians and officials who preferred expanding their own powers rather than transferring power to school sites. Avi Havinski (1997) demonstrates how the Ministry of Education's project-based funding prevents the full realization of budgetary independence in the framework of SBM. This method of funding grants project managers in the ministry authority to allocate resources to schools that agree to implement their projects. These project-based funds account for almost all of the school's discretionary teaching budget, as the base teaching budget only barely suffices to cover the teaching of core curricular subjects. Predictably, project managers are reluctant to relinquish control over the project-based funds that provide them their major source of power.

As a result, the school autonomy plans of the 1980s generally failed to go beyond the declarative level. Observers agree that during the 1980s, the ministry paid much lip service to the idea of school autonomy, but did little to decrease central mechanisms of control and supervision (Haymann et al., 1997). In assessing the state of school autonomy in 1992, Wolensky (1992: 15) finds that even in the most advanced ''autonomous schools'' no budgetary autonomy was granted.

Aware of these constraints, the ministry launched a much stronger SBM reform in 1993. Political opposition nipped two central items of the reform in the bud. Teachers' unions, objecting to granting principals the authority to fire and hire school staff, squashed this recommendation at the outset, and pressure from principals, unwilling to share their power, led to the abandonment of the proposal to establish school boards of governors—this despite the fact that the school principal was to serve as chairman of the board and together with teacher representatives would constitute a majority of the board. In the words of the

proposal initiator, ''the idea of the board of governors was scrapped because prinicpals saw it as endangering their independence.'' A third central component of the SBM plan—budgetary independence—remained intact for the ministry's phased implementation. Experience from the first years of operation, however, shows that the obstacles faced during the 1980s continued to impede the realization of budgetary autonomy. Control claims by stakeholders in the Ministry of Education and local authority representatives have curtailed reform success.

This type of control-oriented stakeholder opposition to SBM is not unique to Israel. Summing up the American experience, Ravitch and Viteretti (1997: 5) conclude: ''Thus far the research on site-based management suggests that school districts are unwilling to cede real authority to schools. Often decentralization is token and marginal. In such important areas of discretion as budgeting and personnel, local school boards and central administrators have a difficult time relinguishing power.''

Opposition to SBM based ostensibly in *professional interests* is reflected in the refusal of Israeli school prinicpals to share decision-making authority with parent and community representatives on school councils. Principals felt that such a move denigrated their professional authority and risked ''nonprofessional'' decision making by parents and other laypersons not trained in education. Of course, it is impossible to determine whether the principals were actually more concerned with defending their personal interests of being able to do as they pleased without having to deal with outsiders as opposed to genuine concern for maintaining professional decision making fed by years of training and experience as educators. Similar professional concerns were evident in New Zealand in opposition to SBM policies that placed considerable decision-making responsibility in the hands of ''volunteer agents drawn from local communities.'' Here central policy makers and administrators feared ''bounded rationality'' on the part of these nonprofessional decision makers (Tooley, 2000).

Teachers' union representatives in Israel feigned concern for *equity* in opposing the decision to grant principals the authority to hire and fire teachers. Their purported fear was that principals would abuse this power by introducing ''foreign interests'' into hiring and firing decisions. A more skeptical analysis accuses teachers of self-interest in trying to sustain a system that makes it nearly impossible to get fired. A similar concern for equity can be found in New Zealand, where various stakeholders feared that layperson-controlled school boards of trustees would function in an ''opportunistic'' fashion. These stakeholders may have some legitimate grounds for concern. New York City's school decentralization resulted in widespread systemic corruption, leading one observer to suggest that decentralization can ''invite, facilitate, and even necessitate wrongdoing'' (Segal, 1997: 141).

School-based management, like other devolution and decentralization reinvention measures, changes the distribution of power among education stakehold-

ers. It has evoked opposition in Israel, the United States, and New Zealand. Teachers, principals, local authorities, and Ministry of Education officials have sought to protect their power stakes by opposing various aspects of SBM. Their efforts have been largely successful in Israel and partially so in New Zeland and in some American locales.

A second strand in the literature finds that where internal process controls have been reduced, they have been replaced by arms-length regulation of processes. Hood et al. (1999:206) observe this phenomenon in the United Kingdom. They find that

> along with attempts to managerialize and entrepreneurialize public services has gone a marked extension and development of oversight systems . . . in the form of aggrandizement of audit, inspection, grievance-handling, and judicial review which introduce copious new bodies of rules and standard operating requirements, imposed at once remove.

While their study did not examine causal processes, the authors offer a number of possible explanations for what they have called ''regulation.'' These include self-interest ''bureau-shaping'' (Dunleavy, 1991), emergence of a low-trust ''audit society'' (Power, 1997), and ''juridification'' trends.

DISCUSSION

The evidence points to significant political and organizational obstacles to the application of a ''purist'' brand of NPM results-oriented accountability. Clearly this evidence does not represent the entire reality of NPM implementation. Counter examples can be found for each impediment, yet it is easy to imagine parallels in other settings to the examples brought here from Israeli and international experiences. Contributing to the elusiveness of NPM-type accountability are technical obstacles not addressed here. These include difficulties in identifying measurable output and outcome objectives, developing valid measures, and collecting reliable data in a timely fashion and at reasonable cost. Gregory (2000) notes that even if such technical obstacles can be overcome, performance measurement alone does not ensure accountability. He observes that at least in the New Zealand experience, managers have not been made to suffer the consequences of poor performance. All this suggests that NPM offers no panacea to the problem of accountability in the era of Big Government.

The immediate lesson is that one size does not fit all; purist NPM results-oriented accountability is not feasible in all situations. Policy makers and administrators would do better to design accountability regimes that take into account institutional constraints, political interests of various stakeholders, and technical feasibility. They should also consider the risks of disaster when process accountability is sacrificed on the altar of results-oriented management.

An alternative to the NPM general accountability prescription is a contingency model. Recent public administration literature notes that there is no one right type of accountability (Romzek and Dubnick, 1994; Stone, 1995; Deleon, 1998). These authors suggest that programs benefit from the application of a combination of accountability types. The appropriate combination depends on a program's environmental context and managerial strategy and the degree to which program tasks are routinized, have clear goals, and have certain causality relationships between means and goals.

Accountability will undoubtedly continue to preoccupy public administration scholars. More systematic research on the trials and tribulations of applying different combinations of accountability types over a range of circumstances will likely lead to more refined accountability policy prescriptions, yet the advice to date suggests that particular political and organizational pressures will continue to dictate what types of accountability will dominate in any given situation. Results-oriented NPM accountability regimes are unlikely to predominate in many administrative settings. In designing new accountability schemes management advisors would do well to consider the research from a range of disciplines that addresses cultural, social, managerial, organizational, and political conditions and variables that affect what types of accountability combinations are most likely to succeed under different circumstances. Policy makers would do well to heed Aucoin and Heintzman's (2000:54) conclusion: ''Improving accountability arrangements does not necessarily improve performance, but the proposition that there can be improved performance in the absence of improved accountability is a proposition that cannot be sustained.''

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5

Governing in a Market Era
Alternative Models of Governing

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INTRODUCTION

The past several decades have been characterized by sharp movements away from what had been conventional models of governing in most industrialized democracies. In particular, these governments have been implementing a shift away from hierarchical, Weberian styles of governing in favor of several alternate conceptions of what constitutes more appropriate styles of governing for the ''modern'' era. These changes represent both the ''pull'' of several new ideologies about governing and the ''push'' factor resulting from skepticism about the effectiveness of the top-down styles of governing characteristic of the previous decades. The emerging conception is that government can perform better with more open and entrepreneurial organizations than it will with the familiar bureaucratic style. (See Peters, 2001.)

The change in thinking about governance also involves change in the relationship between the public sector and organizations in the private sector. In the emerging conception of the role of the public sector, governments remain a central, if not the central, actor in providing governance. Governments are, however, no longer committed to being both the maker and implementer of all polices, but

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rather are likely to utilize a variety of different instruments and institutions in order to achieve their policy goals. This change in thinking produces more possible routes for governments to achieve their goals, as well as the opportunity to build closer connections with the private sector and to enhance the role of civil society. This involvement of society not only reduces costs but also can make policy more democratic.

Expressed in other terms, both scholars and practical public managers have been shifting their attention from government per se in favor of a greater concern with *governance* as a more inclusive process of steering society and economy (Pierre and Peters, 2000a; 2000b). In this emerging conception of the role of the public sector those public institutions continue to bear the primary responsibility for steering the economy and society. Government may, however, be able to discharge that fundamental responsibility through means other than the direct imposition of authority, or use other instruments requiring direct government involvement in the social processes being influenced. In the governance conception steering is assumed to be achieved through involving networks of social and economic actors rather than depending entirely upon government organizations themselves. Governance is, in the words of prominent Dutch scholars (see Kickert, 1997), ''steering at a distance.'' This style of steering is more palatable politically in an era in which there is significant public resistance to the state and its more intrusive forms in intervention.

Alternatively, governments have been perceived to have lost control of policies because of the influence of international actors, including both market and nongovernmental organizations. Some scholars (Strange, 1996) have argued that governments have lost the capacity to control their central economic policies because of the pervasive influence of the international marketplace and the processes associated with globalization (but see Hirst and Thompson, 1999; Peters and Pierre, 2000). Other scholars (Rhodes, 1997; but see Dowding, 1995) have argued that governments have lost their governance capacity to those very networks that we are now arguing constitute a crucial element in the governance conception of the process of governing. The assumption behind this argument is that networks are in fact sufficiently well-organized to become capable of capturing the authority of the state and of using it for their own purposes.[1] In such a view the participants in the networks seek their own goals and are sufficiently capable of evading the regulatory capacity of government to reach those goals.

Another desirable element of this emerging style of providing direction to the society, at least in the eyes of its advocates, is that it involves autonomous social actors and facilitates the adaptation of the governing system to changes in the environment. The argument is that the conventional public sector is so dominated by formal rules and internal regulations that it is incapable of responding to the socioeconomic and even political environment, and hence incapable of responding to the legitimate demands of the public. In addition, many

formal styles of governing are relatively disconnected from their environment, making decisions on political or ideological grounds rather than because of close connections with social forces. The more socially driven governance model would, it is assumed, be more responsive to those external forces and hence perhaps also in principle more democratic.

Still other scholars (Marks, 1996) have argued that governance is now being produced through complex intergovernmental arrangements and is now a ''multi-level'' process rather than being centered on the nation–state level as in the past. The argument here, not dissimilar to that offered by the advocates of the network conceptualization, is that the state has been losing power upward to regional structures such as the European Union and NAFTA, as well as downward to local and regional governments. The emerging style of governing, it is argued, makes the state just one of a number of actors involved in the governing process with no privileged position relative to the other participants. Further, governing in this conception is much less determinate than in the past, so that not only do governments have difficulty in managing their policies, but individual citizens and firms may find it difficult to predict their own position relative to regulation or other public-sector controls over them.

Finally, the governance conception emphasizes the role that private and third sector actors play in providing policy, implementing public programs, and serving as mechanisms for accountability. While most traditional conceptions of governing emphasize government as both formulator and implementor of policy, a governance emphasis is more agnostic about the implementation aspect of policy (Walsh and Stewart, 1992). Again, the steering capacity of the public sector depends in this conception more upon the capacity of government to establish clear, operational goals and to monitor the implementation of those goals than it does on the actual delivery of public services themselves. Indeed, steering may be reduced by a direct government role, given that there may be greater public resistance to direct imposition by government than there is to the same rules being implemented either through self-implementing provisions such as tax expenditures or through third sector providers.

We reject the extreme conceptions of the loss of authority of the nation–state, although certainly there have been important transformations of the manner in which governments deliver their services to the public. The governance conception can still locate the public sector at the center of the process, and indeed government is crucial for maintaining democratic legitimacy for the activities being undertaken in the name of the public (Peters, 2001; Hirst, 2000). In addition, governments tend to be superior institutions for establishing collective goals for society than other possible competitors; that is, network theory appears to assume that there will be agreement among the members of a network, and hence that they will to some extent be capable of achieving agreement on policies and how to govern. (See Marsh and Rhodes, 1992.) In reality, however, any network

that is truly representative of the interests involved in the policy domain will involve competitive interests as much as collaboration, and hence must have mechanisms for resolving those conflicts. In the best of worlds that can be achieved through negotiation, but in reality that level of cooperation and collaboration may be difficult to achieve.

The process of moving away from the traditional conception of governing and toward alternative modes of governance has been far from complete. What has been occurring is a process of reform of the public sector that introduces some features of the governance model while at the same time retaining many aspects of traditional governing.[2] In particular, much of the traditional responsibility of government for establishing goals is retained, along with the capacity of state actors to monitor goal achievement and perhaps retake control of implementation if the private sector or quasi-public organizations fail to attain appropriate standards. Implementation through the nongovernmental actors may enhance the economy and efficiency of government while losing little or nothing of the overall steering capacity, given that there are effective means of assessing and correcting errors in that implementation.

THE MARKET MODEL

The market has become the principal alternative to traditional styles of governing. The assumption has been that if governments could function more like market organizations then the public sector would perform better. In particular, it has been argued that government organizations are often inefficient and ineffective because they are monopolies and are not forced to confront alternative providers of the same services. In this emerging conception of governing, the obvious remedy to the problems of governing is therefore to create competition, whether that competition is within the public sector itself or between the public- and private-sector organizations. This competition is assumed to reduce the costs of delivering services, and therefore to provide collective benefits to society.

Likewise, citizens are assumed to be better off because of the opportunity to exercise more options when receiving public services. The conventional mechanisms for service delivery in the public sector have emphasized coordination and an absence of redundancy in programs, but the market conception of good governance assumes that some redundancy—and with it some competition—is a virtue. Further, when possible, some of the alternatives to conventional forms of creating services can be located in the private sector (e.g., through creating vouchers for education or housing). Indeed, in the most extreme conceptions the entire operation of the public sector can be conceptualized as a series of contracts or principal–agent relationships that depend upon exchange to control behavior. (For a critique, see Krause, 1999.)

The market model provides some important benefits in the provision of public services, but also may have some serious disadvantages. In particular, the conception of the public interest being manifested through the market model assumes that economy and efficiency is at least as important as the quality of the services being provided. As we will point out below, quality and performance are being reasserted in some of the more contemporary reactions to initial rounds of administrative reform, so that the simple logic of saving money is being supplemented with attempts at measuring the quality of services provided. In addition, the market model stresses opportunities for choosing policies for themselves, but the choices exercised are largely economic; that is, by providing vouchers and other means of subsidizing individual consumers of public services members of the public are able to have more control over what they do consume, but still have relatively little opportunity to shape the options being offered.

DEMOCRATIZATION AND PARTICIPATION

In addition to the market ideal, there are also other more politicized conceptions of governance emerging that reject the extremes of both the traditional hierarchy and the favored market alternative. Lying between the hierarchy and markets are several more directly political means of governing. Associated with those governance models are various concepts of networks of public and private organizations that cut across conventional vertical and horizontal lines of governing and attempts to provide adequate governance without as direct and authoritative a government role as in the past. These alternative views of governing represent a second wave of reform of the public sector, as the rather simplistic reforms in the first round increasingly are supplemented and replaced by substantially more sophisticated approaches to governing. Politically, the increasing advocacy of more direct means of public involvement in decision making reflects a perceived failure of government to legitimate many of its activities, including many of the recent reforms. The need for more public involvement is seen to be essential for both the formulation stage of the policy process and the implementation of programs to give the public the sense that governance is occurring on their behalf.

In many ways participation in contemporary democracies is becoming directed more toward bureaucracies and other output institutions rather than through the usual input mechanisms such as parties or even interest groups (Kliksberg, 2000). Citizens are expressing increasing discontent with the conventional means of participation and appear to want to have the means of more directly affecting policy decisions and program delivery. At one end of the spectrum there is increased interest in both direct democracy and deliberative forms of democracy that do permit more direct influence for the public. In addition, the means by which clients can influence the administration of their programs or participate

directly in the management of the programs are also becoming of greater concern to the public. In some ways this emphasis on the output side of the public sector reinforces the ''consumerization'' of government (Hood et al., 1996) characteristic of some of the market reforms initiated during the 1980s, but it still does provide an alternative channel of influence.

While the democratization of policy making is a procedural remedy for problems of governing, the creation of networks and other mechanisms for linkage between public and private organizations is a more structural solution for the problems (Kliksberg, 2000). In some ways this solution is a very old one, with corporatist and corporate pluralist mechanisms for participation in government being familiar instruments for involving private-sector organizations in policy making. What tends to differentiate the emerging patterns of involvement is that they are more inclusive of the range of interests surrounding the policy area. Further, the emerging patterns of involvement of social groups tend to be directly related to performance of organizations within the public sector. Evaluation of performance is to some extent objective and professional, but it is also increasingly a political process in which members of the public and their assessments of the programs being delivered to them become a major consideration.

THE REFORMS CONTINUE

One of the most interesting aspects of the administrative reforms implemented during the past several decades is that rather than a series of changes followed by some years of consolidation and perhaps even some reversals, there has been a succession of reform efforts. One reform has followed another in rather rapid succession, seemingly regardless of the politician in office or of objective environmental conditions. These reforms have tended to build on one another and to make most earlier attempts at administrative reform appear quite crude, both politically and technically. In particular the simple economistic (to use Peter Self's term) conceptions of good governance that have been adopted began a drive toward greater efficiency in government. More recently reformers have been focusing on performance within the public sector and on the outputs of the system, taken very broadly. (See below.) This conception of performance in the public sector requires in turn greater involvement by the general public in order to define the nature of the outputs desired, and perhaps it may also require enhanced opportunities for public involvement in the actual production of those outputs.

The central issue of contemporary administrative reform therefore may be the need to find mechanisms for matching the emerging political goals with the important economic and managerialist programs more characteristic of the first stage of reform. The first round of reform broke the domination of traditional

forms of administration over the delivery of public services. The need now is to think about means of blending a variety of important public values, including efficiency, democracy, and service quality. The important reform question at the outset of the new millennium is how to build on those relatively simple conceptions of efficiency in order to build more complex conceptions about the best ways of delivering services to the public. The managerialist reforms were very good at saying how the public sector could save money and be more efficient, but they were much less concerned with what government was doing.

The emerging managerialist tradition in government also is much less concerned with the interface between political leadership and management than is the traditional pattern of governing, and that issue—usually phrased as accountability—has now resurfaced in a very significant way. Accountability must now, however, be discussed in a very different way than in the past. This is true in particular because the structure of the public sector is substantially different from that within which traditional parliamentary accountability had been exercised. In particular, the decentralization and deconcentration of public administration and the increased use of nongovernmental actors in the delivery of public services means that there is a need to rethink how to link service delivery with political power. There is now a good deal more managerial freedom, but many fewer ways of controlling it.

We should remember, however, that this accountability question is as troublesome for politicians as it is for citizens and public managers. Politicians are now being held responsible politically for actions over which they have a decreasing degree of influence. For example, the spate of rail disasters in the United Kingdom is being placed at the doorstep of the government, but the actual delivery of the service in question is through an executive agency that operates at arm's length from the minister responsible. The public may consider that the minister is still responsible in a case such as this, although he or she may actually have minimal control in the day-to-day management of the agency. It may therefore appear in a number of cases that no one is really responsible for government actions, even when there are serious errors made (Gregory, 1998).

The fundamental argument of this chapter, therefore, is that reform begets reform, and when political and administrative leaders decide to intervene in the public sector they may solve one set of problems but in the process may create another set. The new problems may be no more or less pressing than the initial problems, but they will be different. In some cases the second reforms being implemented to ''solve'' the problems created by the first round of changes may return government to something closer to the status quo than existed prior to the reforming activities. This pendulum of change (see below) is indicative of the weakness of the administrative theory that may guide the change processes in the public sector.

Coordination

One consequence of the initial round of administrative reforms has been to weaken many of the mechanisms previously utilized for coordinating public programs and organizations. It was at the structural level that the initial collection of reforms tended to decentralize and to disaggregate the public sector and to increase the number of organization having the power to make autonomous decisions. This proliferation of organizations within the public sector then produced the possibility, if not the probability, of reduced coherence among the decisions being taken. This loss of coherence may be especially evident, given that the ethos of managerial freedom and entrepreneurship dictated that the leaders of these organizations should pursue the interests of the organization rather than being excessively concerned about broader goals.[3]

In addition to the structural changes that created enhanced needs for coordination, procedural changes also tended to reduce the coherence of policy. Many of the routines of governing in the traditional centralized system were abolished or de-emphasized as a part of the managerialist reforms. Perhaps more than anything else the general denigration of the civil service system as a means of recruiting, rewarding, and allocating personnel has tended to make coordination that much more difficult. The civil service made up a natural network that linked individuals in government and provided them with common experiences and numerous interpersonal contacts to facilitate their organizations' working together. When public employees become conceptualized more as individual contractors with limited commitments to the system of governing coordination suffers.

The increased use of performance management and quantitative indicators of the performance of public organizations also has had a somewhat detrimental effect on the coordination and coherence of public programs. The measures used to assess performance tend to be associated with a single organization, so that if that organization invests heavily in coordination it may not perform as well on the indicators that are central to the assessment of its performance and also perhaps tied directly to its budget. In such a trade-off there is little question of how managers will behave—they must attempt to maximize the values on which they are being assessed.

Subsequent reforms have begun to address the need for enhanced policy coordination directly. One of the responses to the need for coordination has been to strengthen the central agencies of government (ministries of finance, the offices of presidents and prime ministers, etc.) that had been weakened when managerial ideas had been at their peak (Peters et al. 2000). In addition, there has been some investment in developing performance indicators that cut across ministries and other organizations.[4] Those indicators then can be used to assess the contribution of individual organizations and their policies to the comprehensive goals of gov-

ernment. Finally, many of the subsequent reforms have reinstituted some of the procedural controls over the bureaucracy that had been downgraded earlier.

Accountability

As implied by the previous discussion, one of the most important issues in the most recent (and ongoing) attempts at reforming the public sector has been to restore a strong sense of accountability. Ideas common in the New Public Management, such as deregulating the public sector and emphasizing managerial freedom over the role of political controls (Peters, 2001a), have brought the familiar issue of accountability back to a central position in the analysis of public administration. The commitment to the managerialist program is sufficiently strong in many governments among the industrial democracies to prevent a direct return to old-fashioned conceptions of how to make civil servants (and politicians) answerable for their actions. There is therefore a need to determine what reform has done to date and what remedies must be applied to rectify those problems.

The principal consequence for accountability of the initial reforms has been to remove any number of levers that political leaders may have used to influence the behavior of administrative organizations. In addition to the structural separation of implementation and policy making, the de-emphasis of rules and internal regulations in government also has made the task of enforcing accountability more difficult. For example, the budgetary process has always been a means of controlling the bureaucracy as well as allocating resources to those organizations. With the use of such techniques as ''bulk budgeting'' and ''frame budgeting'' the detailed control over executive organization that had been possible is no longer available to legislatures or to central agencies.[5] To some extent the same is true of controls over the civil service, although as we will point out below, opening the public service to outsiders has provided an alternative means of political control over the bureaucracy.

Performance

As noted already much of the continuing drive in contemporary administrative reform can be captured by focusing on the concepts of performance and quality management in the public sector. After initial attempts to make government perform more like organizations in the market, or to make it more democratic, the focus has become stronger than ever on the outputs of the public sector. The central question has become what government is doing for the public as much as how much it costs. Citizens are assumed to be entitled not only to less expensive public services but also to higher-quality ones. In the performance conception public organizations should be evaluated not only on their ability to reduce costs and increase efficiency but also on what they actually do for the public.

Emphasizing these concepts of performance and quality performs several positive services for the process of governing. First, those concepts can combine and strengthen several of the virtues created by the initial rounds of reform. On the one hand, there are definite market ideas involved in improving the quality of services; indeed, the assumption of market reformers would be that competition would be essential for improving the quality of services. (See Niskanen, 1971, for the roots of that assumption.) Further, the performance concept can be allied closely with the idea of ''serving the customer'' that is also central to making government perform more like a market. On the other hand, as they have been developed, performance and quality ideas also involve some of the open and democratic elements contained in the more participatory approaches to administrative reform.

In addition to combining the concepts guiding much of earlier administrative reforms the performance concept also contains within it a strong sense of accountability. This idea of accountability is not the conventional one in which political actors and institutions are the central players; rather, the emerging concept of accountability is one in which the public and perhaps auditing and inspection organizations are the principal actors. This means in turn that the emphasis is likely to be on the average performance of the organizations rather than on the embarrassing mistakes that can be used against a minister at question time in parliament or, if sufficiently serious, as a campaign issue. In accountability terms performance stresses the more mundane yet crucial questions of the amount and quality of public services being produced and the way in which they are being delivered to the public.

Finally, the emphasis on performance and quality can be used to link the accountability process more directly with other aspects of the policy process. For example, the Governance Performance and Results Act of 1993 (GPRA) in the United States links performance by organizations with the budgetary process. There had always been an implicit link between performance and the budget, but that linkage was generally done on the terms of Congress so that it could choose the criteria by which organizations would be assessed. Under the GPRA process, however, the criteria are agreed in advance and there is a more explicit linkage of performance on those criteria and the budget (Peters, 2001b), thus in this more contractual version of using performance, the quality of what government organizations do drives the allocation of resources and removes some aspects of arbitrariness in the system.[6]

CONCLUSION

Administrative reform in the industrialized democracies has continued at an almost undiminished pace since the late 1970s. The relatively crude reforms of the

first round of change are being replaced by more sophisticated attempts to make government programs not only more efficient and economical but also of higher quality. Further, the political problems of diminished accountability and coordination generated by the initial reforms are being addressed so that the public sector will be able to become more coherent and better connected to the political forces that ultimately motivate them. These changes in the strategy of reform reflect the capacity of governments to learn from their own actions and to improve their performance.

Reform is unlikely to stop with contemporary efforts at accountability, coordination, and performance management; rather, the process of change is likely to continue, albeit in yet again different directions. In particular, we might expect movement toward a greater emphasis on broader processes of governance rather than government administration per se; that is, we should expect the public sector to become increasingly open to interactions with the private sector and increasingly interdependent with nongovernmental actors for its success. This change in part reflects general changes in society in which all types of socioeconomic action are more closely coupled. It also reflects conscious decisions on the part of actors in the public sector to shift toward less direct forms of intervention into society. They may be able to achieve the same objectives by using these ''softer'' instruments, and do so at less direct economic and political cost.

The ultimate consequences of this emerging style of governing have yet to be seen, but we can make some tentative predictions about the tasks and environment for the next generation of individuals involved in governing. In the first place, governing is likely to become a much less hierarchical, more cooperative exercise in producing public services and managing public organizations. The politicians and administrators who will have to make government perform will thus require different skills and perhaps even a different state of mind than those held by individuals more accustomed to the hierarchies and more state-centric conceptions of governing in the past.

Politicians and administrators in the next generation also should be expected to be faced with a style of governing that would involve greater interactions between public organizations and their clients, with greater openness to the demands and needs of clients as well as the general public. In addition, there will be greater interaction between public- and private-sector organizations. The economic criteria that have dominated the administrative process for the past several decades are likely to become less significant, although they will certainly remain a part of the evaluation of any proposed changes in policy or implementation. The question will become, perhaps, how far down this road of ''governance'' the public sector can move before reaching the logical limits of both accountability and equitable treatment of citizens. This is one of many challenges facing that ''next generation.''

NOTES

1. Theodore Lowi rather famously (1969) has made rather similar arguments concerning the private use of public power in the United States.
2. The words government, governance, and governing all have a common root word, implying steering and control. Governing as a process thus occurs whether or not one assumes that the principal actor remains the nation–state.
3. The economic logic of the inviable hand appears to be assumed; that is, it is assumed that if each individual organization pursues the maximization of its own performance then government will perform better as a whole.
4. For example, as a part of implementing the Government Performance and Results Act of 1993 the Office of Management and Budget in the United States has been developing some composite indicators of government performance and attempting to assess the contributions of individual organizations to changes in those indicators. (Office of Management and Budget, 2000).
5. Both of these techniques allocate funds with only limited constraints on their use. The contrast with traditional means of line-item budgeting is that managers now have the latitude to move funds and to make more autonomous decisions about how to spend them. They are held accountable ex post facto for those decisions but yet can manage funds with greater freedom and, it is hoped, efficiency.
6. What is not clear, however, is what the linkage actually should be. If the organization is not performing well should it receive more or less money? A reasonable argument could be made for either approach.

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6

The Quest for Collaboration
Toward a Comprehensive Strategy for Public Administration

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INTRODUCTION

Bureaucracies of the twenty-first century will undoubtedly have to move from the old orthodox type of administration to rethink their outputs, outcomes, image, and position in a rapidly changing environment. In fact, many scholars suggest that such a transition is already on track. They point to recent years' enterprises of new public-sector management, reengineering, and the ethos of reinventing government as reliable indicators and signals of such trends. A consensus exists on the need to alter the old type of bureaucracy and to adjust it more vigorously to the nature of modern society. This is the only way by which sustainable progress in public administration can be diffused, and moreover, in which democracy can continue to flourish.

The present chapter concerns a strategic method for the study of organized collaboration in public domains. It argues that reformation endeavors in public administration that are taking place before our eyes simultaneously create new avenues of participatory governance and collaborative administration. These avenues portray a revived coexistence of bureaucracy and democracy by illumination

of practical alternatives to the ''old types'' of running the state (Peters, 1996). They do so by devising new models of conflict management, higher involvement, empowerment, knowledge-sharing mechanisms, and various other partnership projects with ''others''; for instance, citizens as individuals and groups, private-sector firms, and third-sector organizations (Sanderson, 1999; Vigoda and Golembiewski, 2001).

Experience across the globe has already proven that a wise design and implementation of joint ventures between these players may formulate a different type of governance, which will highlight a collective ''we'' rather than a segregated ''they'' spirit of administration. Doing so may contribute to the emergence of better collaboration in modern societies. Collaboration with citizens and closer partnership with citizens' groups and associations thus have the potential of forming fresh values of democratic culture in the years to come. Stated otherwise, it may build a ''culture of joint problem solving'' between stakeholders in public domains (Bardach, 1999). The questions today are not whether such collaboration is needed or is possible, but how can it be achieved and what transformations it will impose on the public sector. As with other organizational and managerial changes, however, this process is not problem-free, and it faces complex obstacles of practical implementation. Mainly, it needs to break though the minds of people to convince them of the potential advantages of a win–win alternative for various public concerns.

In the following sections we try to elaborate on the meaning of a strategic collaboration process as stemming from the latest theoretical thinking and practical experiencs. We employ a theoretical guided analysis of the growing number of challenging collaboration ventures, and provide a general map of effective collaboration processes as demonstrated in the local government arena. Our expectation is that this dual anchored synthesis, both practical and theoretical, will be of value for the disciplines of governance studies and participatory democracy, and in particular will reframe innovative thinking in contemporary public administration.

COLLABORATION AND HUMAN NATURE: THE WIN–WIN ALTERNATIVE

Rational choice theory suggests that humans are motivated by self-interest. On the grounds of utilitarian philosophy and game-theory arguments (Boschken, 1998; O'Tool, 1995) it has been posited that individuals, as well as groups and institutions, mostly operate according to desired goals and objectives. These may be formal or informal, but they always aim at maximizing personal benefits and minimizing costs (Ostrom, 1986). On the asssumption that social players constantly seek more revenues and at the same time attempt to reduce expenses and negative retaliations, collaboration between state agencies and other social play-

ers basically contradicts human nature. This contradiction evolves with the rapid increase of public interests, divided ambitions, and the potential of conflict among all players.

As opposed to this rationality, healty, and prosperous civic societies practically seek higher levels of cooperation among their members to increase general ''public goods'' and to improve the welfare and well-being of large communities. Collaboration is thus frequently referred to as another mechanism for conflict management. For example, Fredericksen (1996) elaborated on the usefulness, but also the fragmentation, of analyzing conflict management methods in public domains as a continuum running from competitive to cooperative techniques. While the former represent a win–lose game, the latter and better described as win–win alternatives. Between the two extremes several other alternatives exist, such as litigation, arbitration, mediation, facilitated problem solving, and collaboration. Analyzing the nature of partnership, Cigler (1999) suggests a slightly different continuum of networking, cooperation, coordination, and collaboration. According to this definition collaboration has six main characteristics: (1) being a strategy rather than a limited tactic, (2) involving strong ties among participants, (3) involving groups from different sectors (public, private, third sectors), (4) involving a group of members who are committed to a long-term activity, (5) having a formal pattern of running the process and a clear method of documentation, and (6) inclining to transparency and encouraging involvement and contribution of other citizens and public groups.

In light of the above we suggest that cooperation usually denotes a limited, low-level, and mainly tactical assembly of forces to achieve a defined goal, while collaboration reflects a wider and more extensive stage of cooperation with strategic, far-reaching, and integrative significance. As suggested by Cigler (1999), ''collaborative actions involve strong linkages among stable membership in specific and often complex purposes, and usually are long term'' (p. 86). Beyond cooperation of organizational units, firms, or other interest groups in society, collaboration represents a longer-range ideology which, to be successful, must gain the support of senior decision makers, leading public officials, and experienced managers in governmental agencies. According to the social ecology theory and the strategic management approach, organizations (and other parties in public alliances) benefit from collaboration by reducing uncertainty in their environment (Berman, 1996).

Moreover, evidence does exist today that such collaboration is possible and effective and thus may be described as a win–win alternative for all partners involved (Fredericksen, 1996; Fisher and Ury, 1983). In fact, the plausible contradiction between utilitarian human nature and the desirable altruistic nature of civic societies is not necessarily contradictory. For the emergence of reliable and honest collaboration, mutual self-derived interests and shared goals must be allocated to all parties. These goals and interests are primarily egocentric and

self-directed, but when they cohere with supplementary or similar aspirations of others they acquire meaningful collective power. Indeed, many issues are still unlikely to become win–win situations in public policy or public administration ventures (e.g., budgetary conflicts, staffing and promotion of public personnel, competitive business ventures); nevertheless, the space for effective collaboration is wide enough to include many public initiatives that frequently and mistakenly seem a win–lose game. The principle of rational choice is well inured in all players. According to this rationality, the greater this collaboration, the bigger and better the benefit to each participant and to the entire community. Furthermore, when public agencies and bureaucracies are involved their stability, sustainability, effectiveness, and general success are better served. Consequently, healthy collaboration in public domains counts on rational choice, on social/economic exchange theory (Blau, 1964), and on the collective vision of communal solidarism. True collaboration therefore exists only in liberal environments and prosperous societies, those that are abundant in mutual understanding and acceptance of others' needs and aspirations but also that highlight the idea of free markets and free exchange mechanisms among people. Wherever such acceptance and approval are sparse there is a greater likelihood of diversification, intolerance, conflict, and self-derived activity rather than social-oriented concern or public solidarity.

Accordingly, pessimists will note that collaboration is against human nature. They will turn to basic assumptions on self-derived activity, utilitarian rationality, and egocentrist logic to support this claim. By this rule, the effect of collaboration on public administration and on citizens in general is marginal. Collaboration is of no use in a free-market society, in which individual interests collide and most of them do not conform with the collective public interest. The more optimistic will argue, however, that collaboration among various players in public domains is possible, even if not easily accomplished. According to Gardner (1991) and Berman (1996), broad-based strategies work because people do not resist their own ideas and because they find suport, reinforcement, and identity from like-minded people. Collaboration thereby breeds commitment of participants and yields improved policy advocacy, grantsmanship, increased coordination of resources and know-how, and effective countermeasures against opponents (Coleman, 1989; Roberts and Bradley, 1991; Berman, 1996). For the attainment of collaboration and for the certainty of its positive long-term impact, serious difficulties need to be overcome. Among these, crossing mind bridges is perhaps the most challenging. A psychological willingess to cooperate and become honest partners in the collaborative process can be secured by convincing the involved parties why it is in their best interest to join forces. The cognitive barrier is thus crucial, and proves even more complicated in the public arena because of the large number of players and the diversity of issues and interests

involved, as well as the long-range and extensive impact of the issues on citizens, organizations, markets, and societies.

COLLABORATION AND THE POWER OF BUREAUCRACY

In recent years collaboration has been successfully utilized in many fields associated with local governance activities. Studies have found that a wider involvement of public agencies, private organizations, and third-sector bodies in community-based strategies was positively associated with the use, effectiveness, and targeting of various social programs, such as homelessness care (Berman, 1996), pollution control, ecology, and environmental protection ventures (Weber and Khademian, 1997), along with the general responsiveness of local governments to citizens' needs (Crook, 1996).

These studies and others suggest that many local authorities in America, Europe, and other Western states have adopted new concepts and strategies of power sharing, community-based policy making, and participatory management processes in community affairs aimed at extending decision-making circles in the local arena (Berman, 1996; Bryson and Crosby, 1992; Wheeland, 1993; Ostrom, 1993). What is the reason for such trends? Advocates of collaboration argue that the complexity of many contemporary social problems requires increased cooperation among social players. These include public and private organizations (Berman, 1996), public agencies, nonprofit organizations of the third sector, nongovernmental organizations (NGOs), and quasi-NGOs (QUANGOs) (Grubbs, 2000; Arsenault, 1998; Bardach, 1999; Sarason and Lorentz, 1998; Gidron, et al., 1992), as well as citizens, either as individuals or as members of smaller informal groups (Vigoda and Golembiewski, 2001). By this approach, cooperation becomes a necessity of modern times even if it basically contradicts many of our fundamentally skeptical assumptions on human nature. In fact, individuals, organizations, and bureaucracies remain highly self-focused and self-centered, but to secure their needs and interests they are obliged to collaborate. To keep abreast of modernity and secure legitimization in the eyes of their customers/citizens, they need to join forces. No public bureaucracy or public agency today is powerful enough to foster its strategies and policies independently. It frequently lacks sufficient knowledge, experience, motivation, technology, legitimization, or other resources that foster the successful initiation and implementation of serious cutting-edge public programs, yet decentralization in bureaucracies ultimately means conveying power to other stakeholders and limiting the power of public agencies. Organizational management theory usually denotes such processes as participation in decision making—or better, empowerment (Sanderson, 1999). In fact, this is one critical obstacle to more collaboration in government. As bu-

reaucratic theory suggests, governors and public administrators do not graciously yield power and authority to others. Thompson (1983) stated that ''democracy does not suffer bureaucracy gladly. Many of the values we associate with democracy—equality, participation, and individuality—stand sharply opposed to hierarchy, specialization, and impersonality we ascribe to modern bureaucracy'' (p. 235). In keeping with this, Golembiewski and Vigoda (2000) suggested that bureaucracies, like many other big organizations, constitute a worksite that is anything but democratic. The greatest fear of bureaucrats therefore turns out to be their strongest argument against collaboration. According to their position, devolution of power prevents bureaucracies from doing their jobs well, obscures them from fulfilling their responsibility to the public, and simply inhibits them from governing. Nevertheless, practical experience and empirical evidence of recent years show quite the opposite. In most cases, implementation of a ''wise collaborative process'' by governmental agencies has a positive effect on these agencies and their staffs. It fortifies the legitimacy of elected officials and public officers, improves the performance of bureaucracies by making their policies more effective, increases transparency and accountability, and in fact positively contributes to citizens' trust in and image of government and the latter's outcomes. A paradoxical linkage results, in which empowerment and a higher level of participation in public decision making increases the impact and governing power of bureaucracies.

What is the meaning of a ''wise collaborative process,'' however? Are there any rules and guidelines that distinguish right from wrong actions in turning a collaborative initiative into an effective process? Theory in this field is quite vague, or at least equivocal. On the one hand studies focus on the importance of collaboration as another tool in conflict resolution management and on its contribution to the management of public organizations (e.g., Weber and Khademin, 1997; Bardach, 1999; Cigler, 1999; Fredericksen, 1996). On the other hand this literature is frequently supported by case studies that contribute to our experience and understanding of actual collaborative ventures (e.g., Toregas, 2000; Snavely and Desai, 2000) but that fail to draw the entire picture or move toward reliable generalization. As far as we could find, no satisfactory attention has so far been given the configuration of a strategic process for collaboration in the public sector. Some effort has been dedicated to developing integrative collaboration methods in urban planning or local housing programs (e.g., Nicol, 1998; Kermit, 1994; Cole and Goodchild, 1993), but these attemps were limited in scope. An inclusive strategic approach should establish a common denominator of various collaboration ventures to promote a more comprehensive theory. Accordingly, the following sections will attempt to fill the gap in this field, and portray a general map for strategic collaboration in public administration agencies.

COLLABORATION AS A STRATEGIC PROCESS

Despite the growing number of colaborative ventures in government and the knowledge that has subsequently accumulated, only slight regard has been given so far to the need to develop a comprehensive strategy for collaboration in and around public administration. As suggested by Cigler (1999), collaborative actions frequently emerge from disastrous events that trigger fiscal stress or perceived stress. In light of this inconsistent, ad hoc approach to collaboration it is easier to understand why the literature lacks a more strategic orientation to the field. The potential advantages of collaboration as a strategic apparatus for public agencies are many. It can contribute to the mutual power of public programs, increase commitment of players to a specific idea or initiative, stimulate productivity and the performance of people and institutions, enhance the image and legitimacy of players in the eyes of citizens, augment trust in government, and secure democratic values (Nye et al., 1997).

Like any other administrative or managerial strategy, our suggestion also rests on several assumptions. The first is that public administration, its agencies, and its personnel, should seek higher levels of collaboration with other social players whenever possible and whenever the public interest may benefit. As will be explained below, another assumption is that the local government arena is a good habitat for such experiences, at least in their first steps. Beyond the first two assumptions, which are normative, however, the third is much more realistic. It argues that rationalism as rooted in human nature permits collaboration only in a limited, albeit increasing number of public ventures, and that collaboration is best described as a complex process with advantages but also drawbacks.

There are also several preconditions for a strategic approach to collaboration. Generally we adopt Cigler's (1999) suggestion of nine such preconditions: (1) a disastrous event, (2) fiscal stress or perceived stress, (3) a political constituency for cooperation, (4) supportive capacity building, (5) early and continued support by elected local officials, (6) visible advantages of cooperation for participating government, (7) the existence of a policy entrepreneur, (8) early focus on visible effective strategies, and (9) emphasis on collaborative skill building. These conditions set the stage for a collaborative venture and make it a relevant mechanisms to deal with a public issue.

A better understanding of the collaborative process is based on systematic analyses platforms. One such platform is presented in Figure 1. Here a general map for collaboration between public administration and others in the local government arena is suggested. This map is based on six main stages and checkpoints of the process: (1) deciding on a fitting *issue* for collaboration, (2) characterizing the issue by *''what and where''* inquiries, (3) finding out *who* is involved,
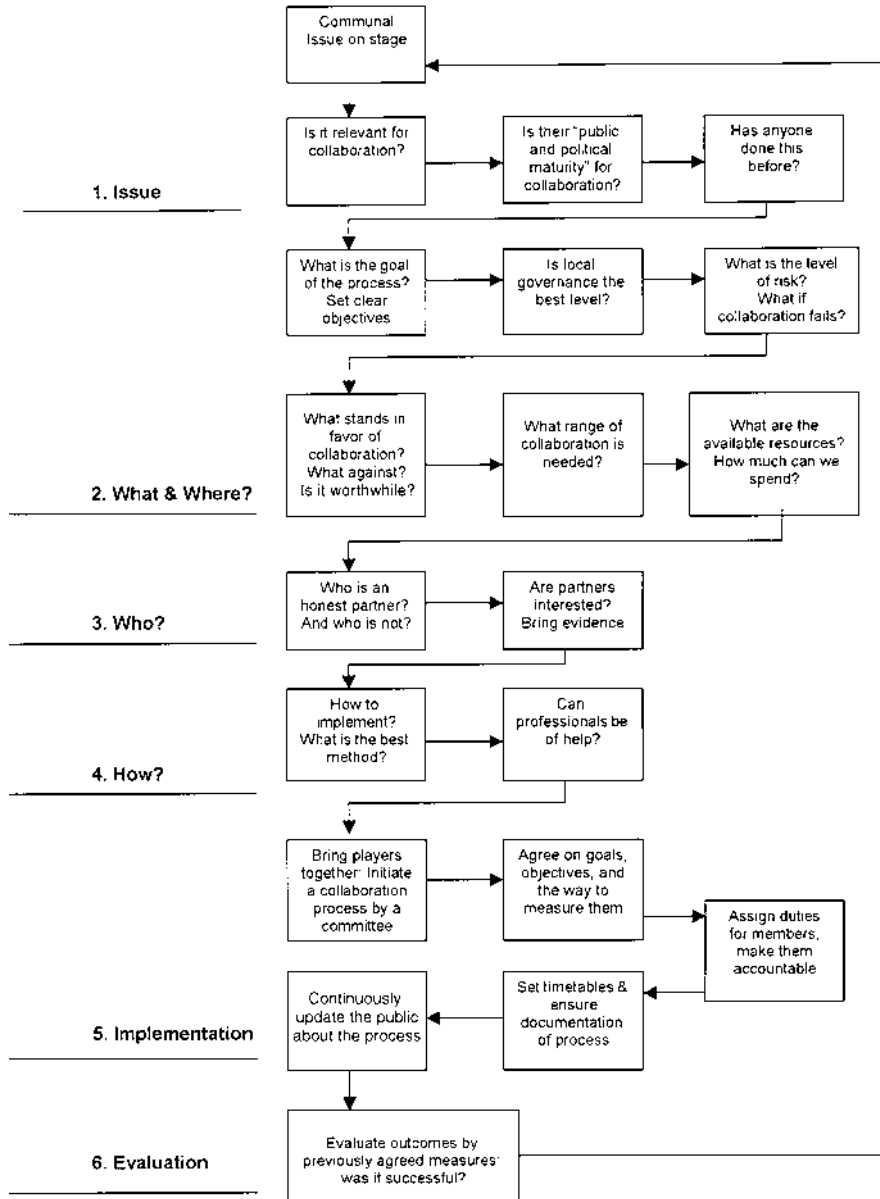
FIGURE 1   A strategic map of an effective collaboration process as demonstrated in the local government arena.

(4) finding out *how* to implement, (5) launching *implementation*, and (6) *evaluating* the process. These stages will be broadly developed below.

Note also that while collaboration can be analyzed from various perspectives we have decided to focus on the local government level. Beyond the global, regional, and even the national levels, a local governance view is the most applicable and realistic for practical and theoretical reasons. To date most collaborative projects reported in the scientific literature have been conducted in this environment, so our present knowledge relies heavily on such experiences. Moreover, as suggested by Sobel (1993) and Etzioni (1994; 1995), the local/communal level is ideal for increasing citizenry involvement in government. It has the potential of bringing together individuals, groups of citizens, private and third-sector organizations, and public agencies, and helping them cooperate in a microcosm. The outcomes of collaborative programs in local government are manifested directly to the people. The results are more clearly observed by public stakeholders, who also develop a sense of attachment, concern, and criticism toward these programs. In the longer run these endeavors may evince relevancy and compatability in national or federal domains.

Issues for Collaboration

A good collaboration process starts with an appropriate and worthy issue. From a professional angle the most complex and critical task in a collaboration venture is to classify which public issue really *deserves* collaboration and which does not. Collaboration can prove successful under two main conditions: (1) when an issue merits investment of effort and making alliances work, and (2) when there is a good reason to believe (but still not confirm) that the power and influence of those who join an alliance are significantly greater than the power and influence of their opponents. This said, we certainly do not assume collaboration to work under sterile conditions. A collaborative process can work even if there are opponents but only when their power and influence remain considerably low. Moreover, collaboration will not reach fulfillment when another solution that is cheaper and more elegant and involves a minimum of players presents itself. In other words, when another good and economical solution for a social problem is available, collaboration is not needed.

Another criterion is legitimization. A desirable issue for collaboration is one that wins wide-ranging approval among citizens in addition to support expressed by other public stakeholders. In representative democracies public opinions very frequently diverge from the opinions of electorates or public personnel. Issues that receive much attention of the public but do not seek public legitimization in response are less likely to be suitable for collaboration, thus prior to any decision taken regarding issues for collaboration a thorough examination of alternatives and stakeholders' interests is recommended. Moreover, as can be seen

in Figure 1, these initiatives must rely on adequate public and political maturity. This is expressed as (1) cultural acceptance of collaboration as an effective mechanism to deal with public concerns, (2) trust in the ''good will'' and sincerity of potential participants, and (3) willingness to take active or at least passive part in this process.

Finally, issues for collaboration my naturally be raised by different players in the social system, be they public or political institutions, other nonprofit or third-sector organizations, or groups (private or business firms) or ordinary citizens, either as interest groups or as individuals. As the literature review shows, however, most current initiatives of collaboration are initiated in local government by the authorities and by their public administration cadre (e.g., Cigler, 1999; Berman, 1996; Boschken, 1998).

Analyzing the Problem: What Is Involved and Where Should One Begin?

A comprehensive analysis of the issues set forth involves several questions. What is the goal of the process? Is local governance the best level? What is the level of risk (namely, what happens if the entire process fails to achieve its goals)? What range of collaboration is needed? What are the available resources for collaboration? What are the available financial resources for collaboration?

First, goals and objectives must be clearly defined. Collaborative ventures that are too vague may miss their target. Such goals and objectives need to be measurable, otherwise it will be impossible to effectively evaluate results when the process approaches its final stages. As will be explained later the goals and objectives and the way to measure them must be agreed upon by all partners involved.

When an issue is defined as ''potential for collaboration'' the next task is to find out whether or not local government is the best level for such a process. In recent years more responsibilities and decision-making power have been devolved to local municipalities and to communal public-sector agencies, with central government playing mainly a coordinating–supervisory role. Environmental issues, cultural ventures, welfare responsibilities, education, transporation, planning and development, and sometimes even health care services are provided by or with the assistance of local governments and their administrative cadres. In Britain, for example, such trends were associated with the renewal of local democracy and more direct forms of participation (Sanderson, 1999). Even issues that deserve collaboration, however, should not necessarily be treated at the local government level. For example, when powerful interests of other players are involved that reach beyond the local government arena a different level of collaboration may be preferable. In addition, when an issue captures a higher level of public attention or when it is subject to wide public criticism (e.g., at the national

or federal level, through the media, by state comptrollers, or in the courts), limited collaboration in the local government arena will probably be useless or at least ineffective. Local governance will then be ideal for collaboration in such communal topics as urban planning, rural development, limited ecological problems (e.g., water use and purification, waste treatment), welfare intiatives, education projects and initiatives, or transportation plans that concern residents of a defined area. The local government level is frequently inappropriate for collaboration where wider projects with greater impact beyond the local geographical area are concerned. In such ventures the decision-making power of local authorities is low or does not exist at all. Still, theory and experience frequently suggest that smaller-scale initiatives at the local government level have the advantage of becoming indicators or facilitators of wider initiatives in national or federal circles (John et al., 1994).

Like any other strategic decision in public domains, collaboration also involves a certain level of risk for potential parties. The most visible source of risk is the need to share information among players. As suggested by Weber and Khademian (1997), ''sharing information creates opportunities for participants to discover more numerous and innovative solutions . . . that otherwise would be beyond their reach. But when that information is revealed, participants become vulnerable in a number of ways'' (p. 397). Commitment to the process may decline, participants may withdraw, information may be used to advance self-interests at the expense of the interests of others, and defectors may use the information they gathered during the process to advance contradictory initiatives. Moreover, a collaborative process gathers more information from various participants and thus extends the realm of possible policy outcomes. This may finally cause an agreement that is less predictable and harder to digest by partners. Beyond the risk of shared information, however, poor management or unprofessional handling of a collaborative process may produce meager outputs. Failure to meet the desired goals can cause discouragement in future collaborative attempts, increase mutual antagonism among parties, reduce willingness for future cooperation, and most important, portray an image of public leadership unable or unqualified to direct such projects. These outcomes may inflict long-range harm on citizens' trust in government and raise the levels of pessimism and delegitimization of democratic institutions in general.

Other ''what-and-where'' questions concern the required range of collaboration and the available resources that permit its implementation. The range of collaboration is usually linked to the number of participants; this issue is elaborated more in the following section. Prior to any decisions on partners, however, the leading group and initiators of the process (usually elected officials and public administration servants) need to decide on relevant circles of potential contributors. These circles may be geography-anchored, profession-anchored, or task-anchored. For example, collaboration in local governance may be conducted in

neighborhoods, in larger local areas, or throughout the entire local municipality district. Collaboration may also be assigned by professional groups interested in the process, such as teachers, parents, and children councils for education intiatives (Fredericksen, 1996). It may involve traders' associations, customer groups, and business experts for commerce ventures. A decision on the range of collaboration is meaningful since it determines the level of required resources and helps in focusing on relevant social groups that may have an effective say. It is useless to enlarge a collaborative process to involve uninterested, irrelevant, or hostile partners, just as it is problematic to overlimit circles and exclude participants who may raise productive ideas, share exerience and information, or introduce challenging viewpoints that enrich the process.

While the financial issue may seem merely technical it is of great importance and needs to be clarified at a very early stage to ensure that efforts are not wasted and resources are available (Harrison et al., 1995). As with other organizational and public ventures, expenses for a collaborative process are not marginal. Prompt financing is required for all stages from initiation to completion, including public relations, information gathering, and organizational expenses, as well as for the evaluation method and lesson-learning mechanism. The leaders of the process are responsible for furnishing answers to these questions prior to implementation. Assuming that public administration takes the lead in initiating collaborative processes, it has the duty to allocate resources for—but not necessarily to finance—the process. In most cases the financing body will be a business concern interested in making the process work or a joint effort by several bodies capable of and interested in moving a certain venture forward. Public money will be involved only in projects that disengage private firms. For example, collaboration between the public sector and third-sector/voluntary bodies necessitates spending more public money to launch and sustain the collaborative process since the third sector naturally lacks self-resources. In addition, public money will be used in cases in which public administration and individual citizens are the only partners involved.

Analyzing the Players: Who Is Involved?

Honest partners in collaboration projects are those who favor and are interested in a long-range activity that promotes their interests together with the interests of others. These players must also show a high level of commitment, trust, and belief in the general goals as set by leaders of the process. Not infrequently, players contribute to the redefinition of goals and targets, again on the condition that changes are accepted by all parties.

First, partners need to have an interest in the goals and objectives of the process. They are expected to grasp correctly the mutual benefit of self-interests and social interests. Second, potential players must be singled out and assigned

to the collaboration process on the basis of their interests or according to their representation of different public sectors. An effective process engages a limited number of significant players concerned to make collaboration work. Players may often hold conflicting interests, yet at the same time they should believe that the social interest can coexist side by side with their personal interests. Moreover, only as long as the benefit is perceived by each player as greater with than without collaboration is the collaboration process worthwhile and possible. It is thus necessary to identify players well and to define their actual interests properly. Note also that actual interests should be distinguished from overt formal interests and reflect the net benefit to the player in personal or organizational terms.

Relevant players must likewise exhibit commitment to the collaboration process and a strong belief in its usefulness. This is not an easy requirement, especially when the general culture in local government is authoritarian and individuals are unfamiliar with the advantages of the collaboration process. To increase players' commitment it is recommended that seminars conducted by professionals to be held, that successful examples of collaboration processes used in other places be presented, and that a greater sense of openness and transparency be fostered by local agencies of public administration. The term *honest partner* denotes a party that has self-interests but is willing to share whatever is needed on the way to successful collaboration. A typology of players may run from individual citizens through smaller (formal or informal) citizens' interest and ad hoc groups (e.g., neighborhood committees, parents' and students' councils) and professional councils to organizations of the private and third sectors (Vigoda and Golembiewski, 2001). A central player in all collaboration ventures is public administration, which bears responsibility for coordinating players and directing them toward the appointed goals.

Moving Towards Implementation: How Is This Activated?

Successful implementation of a collaboration process relies on good programs and appropriate methods. A literature review reveals a wide range of alternatives, each one differently formulated in accordance with desired goals and objectives of the players. Similarities exist that permit a higher level of generalization among these methods, however. For example, Nicol (1998) suggests a version of liaison groups. These are forums of public officers and representatives of business firms that discuss a variety of issues concerning urban-planning programs. They allow a clear presentation of policy issues and an exchange of useful information in a convenient atmosphere that is problem-solving-oriented rather than conflict-focused. Mandell (1999) notes a different structure, termed network structures (NS), which involve private-, public-, and third-sector organizations as well as individual citizens in discussions on topics that are relevant to community welfare. Network structures cannot operate by traditional managerial methods, how-

ever, but have to rely on conflict management methods, empowerment, and trust building among parties (Sanderson, 1999). The NS method can thus take the form of a limited task force, a coalition activity, or a coordination group. All these forms rely upon mutual commitment of the parties to each other and to their common goal. An essay by Vigoda and Golembiewski (2001) reviews other platforms of collaboration with citizens and elaborates on the idea of citizenry conferences as applied in several countries, such as Denmark and Israel. Citizens' conferences and committees deal with actual public interests and try to influence decisions on issues that are not fully addressed by governments but that the government is willing to promote (e.g., see http://www.zippori.org.il/English/index.html). Here too governments and public administration are encouraged to maintain their advisory position, providing the citizens with sufficient conditions and experience to elaborate on their spontaneous ideas and sound counsel.

The move to implementation of a collaboration process also calls for the potential contribution of professionals. Experts of process management, project control and assessments, public financing, taxation law and policy, engineering and architecture, marketing and market research, statistical analysis and surveys, communication media, and arbitration and law are not always available inside the local authority or even in central government bodies. They therefore need to come from the free market or from external institutions that possess specific knowledge. Over the years evidence has accumulated that professionals' support, as provided by individuals, private consulting firms, or academic institutions, is beneficial for collaborative negotiations and community training interventions (Fredericksen, 1996). The contribution of the professional is threefold. First it has an important role of developing skills such as cooperation and collaboration talent (Palvolgyi and Herbai, 1997; Bianchi, 1997). Since many of the collaborative ventures initiated in public administration have no specific background to rely on, participants must be trained prior to launching the program. As the theory of conflict resolution shows, the lack of such training may cause damage or even the collapse of the entire process because of ineffective group dynamics or hazardous conflicts among participants. Professionals thus take the responsibility of leading the process on its methodological side and assisting the leading administrative cadre in running the program more effectively and smoothly. Second, professionals provide frontline information and intiate ideas and knowledge that enrich the collaboration process. They can furnish comparative examples of close or similar ventures tested elsewhere, and learn their lessons. Last, professionals serve as a reliable and mostly disinterested party, to whom other participants can turn in times of crisis or when the potential for conflict looms larger. Professionals in conflict resolution and in the field of collaboration enjoy the general image of an objective player. They are concerned for the success of collaboration as a democratic process that stands for itself. They usually take no side in debates as they are not experts of education, housing, environmental affairs, or other specific

fields. Their contribution consists of escorting others through the difficulties of compromising and working out a mutual plan that best responds to the needs of everyone, particularly the needs of the public.

Collaboration in Practice: Implementing a Program

In general, approaches to collaboration are inherently biased by having the implementation stage placed at the heart of the entire process. While it is indeed a core stage, it would be quite misleading to concentrate on implementation alone unless it is well rooted in the planning and predevelopmental stages. The implementation process deals with several targets: bringing players together under any method chosen; rethinking and redefining goals as well as determining performance indicators (PIs) for the entire process; assigning duties to members, setting timetables for various tasks; keeping documentation to create accountability; and ensuring that the public knows and is continuously updated by all possible means.

The first step of this stage may be defined as the initiation of action. A committee of players' representatives is convened and chaired by a leading public administrator who has been assigned to and trained for the duty in advance. Decisions of the committee need to be taken democratically but with strong emphasis on a consensus, otherwise collaboration is meaningless. This process is time-consuming and thus can use professional ad hoc advice from time to time. Second, participants rethink and redefine goals to make them measurable by various means. An extensive literature on PI provides the logic and tools for the creation of measurable goals (e.g., Pollitt, 1988). Unless PIs are strictly agreed on by all members there will be no effective way to evaluate the process in its final phases. Only when the entire implementation stage is clear to all participants is it possible to assign duties to members, set timetables, and approve reliable documentation to make accountability possible. An effective and honest collaboration process applies transparency and provides open gates to the public. When the work of a committee is accomplished but the public is unaware of the process, a central effect of public encouragement is missed. A strategic process of collaboration substantially differs from limited partnership or short range alliances by referring to enduring ventures that inspire other initiatives in the future. It is therefore important to explore the benefits as well as the difficulties of the process and to create a culture of a learning environment.

Evaluation: Was It Successful?

The evaluation process is required mainly for future learning and lessons of similar or identical projects. As with many other organizational ventures and policy programs, evaluation represents a feedback mechanism that provides an option for improvement and advancement. Adjustments in a collaboration project are an indispensable part of the entire strategy. They need to be made since reality

transforms the conditions under which the collaborative process operates. In fact, a rigid strategy is no strategy. Unless a collaboration strategy is sufficiently flexible to cohere with transforming reality, its contribution is in doubt.

An extensive arsenal of evaluation methods and techniques can be found in various disciplines. For example, organizational development and organizational behavior tools may assess the inner dynamics and attitudes of parties directly involved, while policy programs analysis and public opinion methods may be applied to evaluate more general outcomes. It is important, however, to create a knowledge bank for relevant collaboration experiences. Prior to launching new collaboration ventures, it is recommended that lessons be learned from past experience and that the necessary amendments be made according to specific requirements as determined by the project leaders and other parties. Here also professionals and academics can be of help. Many existing collaborative projects use such knowledge at the evaluation stage but also at other stages to monitor and revitalize the process.

Evaluation primarily has the instrumental role of controlling results. It has another significant aspect, however, namely of assessing the symbolic–cultural impacts and change for affected organizations, for organization members, or for the citizens they serve (Grubbs, 2000). While the literature usually assesses an evaluation process in terms of ''getting a job done,'' it is crucial that more attention be given to the cultural and symbolic waves initiated by a collaboration process. Beyond making a project more effective and responsive to citizens' need and demands, one should keep in mind that collaboration breeds citizenship involvement and changes individual mindsets regarding their part in building flourishing communities. A successful collaboration process may persuade pessimistic citizens that public administration can operate better, replace its old orthodox image with a modern responsive one, and draw up new frontiers for effectively managed democracies. The symbolic impacts of collaboration programs and their evaluation are perhaps the hardest objective to get on our strategic map. Still, they are the most challenging ones because of their wide-range influence and long-term sustainability for generations to come.

SUMMARY AND CONCLUSION

Recent works on collaboration have encouraged public administration agencies and leaders to adopt new models of alliances among diverse groups and individuals in society. Similarly, collaboration has become a necessity in local governance owing to its growing responsibilities and the continuous devolution of central governance, which transfers more tasks to local authorities. A process of reinvention in local government has thus been inspired by the increasing need to enhance collaboration. Alliances have become strategies for institutions of governance to do more with less, to create leadership systems based on steering not rowing,

and to treat citizens as customers (Grubbs, 2000) or even partners equal to state and local authorities (Vigoda, 2002). It has been pointed out that the future of modern public administration depends heavily on joint forces and improved patterns of collaboration among various social players. Citizens' needs and demands, the increasing complexity of public programs, and the magnification of different social problems serve as main accelerators that bring citizens, public- and private-sector bodies, and third-sector/nonprofit organizations together. This process reflects self-derived interests but also a collective viewpoint of win–win alternatives.

For this purpose, a strategic agenda of collaboration needs to be rebuilt. Its power may draw substance from theory-anchored models and from practical and empirical experience as presented here. A core assumption of the strategic approach is that public administration can no longer settle for a limited level of cooperation between sporadic players and thus tends to collaboration. Public agencies, both governmental–political and organizational–administrative, will need to adopt a culture of mutual effort and to put more energy into joint ventures that are inclusive and long-term. The strategic platform as presented in this chapter may contribute to the development of such interdisciplinary orientation and increase the impact of public–private–nonprofit alliances, both instrumentally and symbolically (Grubbs, 2000).

This chapter also identified a theoretical gap in contemporary administrative and political science literature, which frequently classifies collaboration as another technique of conflict management or conflict resolution programs (Fredericksen, 1996). The first goal of our chapter was therefore to treat collaboration as an individual phenomenon, one that deserves its own theoretical attention separate from other writings on straightforward conflict management theory. We have argued that the option of collaboration is becoming highly relevant to public administration of our times, and that it proves useful in a number of local government issues. In line with this, our second goal was to more clearly set a strategy for collaboration, one that may serve as a road map for the future, both theoretically and practically.

The imporance and relevance of collaboration for public administration and for citizens of our era are not disputed. While there are equivocal attitudes on the best way to implement collaboration there is consensus on its necessity. As it progresses, public administration will have to collaborate with a variety of participants and integrate various attitudes and interests to accomplish its future challenging tasks. Traditional, albeit effective techniques of participation in decision making or negotiation management are expected to grow and mature into a more extensive strategy of collaboration. Ambitious projects and programs for larger groups of citizens will have to rely on collaboration and support the communal ''we'' rather than an alientated ''they'' spirit in society. This is a main track that can lead public administration on its way forward.

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7

The Meaning of Work for Public-Sector Versus Private-Sector Employees

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INTRODUCTION

Garson and Overman (1983:278) defined New Public Management (NPM) as ''an interdisciplinary study of the generic aspects of administration . . . a blend of the planning, organizing, and controlling functions of management with the management of human, financial, physical, information and political resources.'' In view of the above, Lynn (1998) suggested that NPM of the late 1990s had three constructive legacies for the field of public administration and for democratic theory and practice: (1) a stronger emphasis on performance-motivated administration and inclusion in the administrative canon of performance-oriented institutional arrangements, structural forms, and managerial doctrines fitted to a particular context; in other words, advances in the state of the public management art; (2) an international dialogue on—and a stronger comparative dimension to—the study of state design and administrative reform; and (3) the integrated use of economic, sociological, social-psychological, and other advanced conceptual

models and heuristics in the study of public institutions and management, with the potential to strengthen the field's scholarship and the possibilities for theory-grounded practice. As Vigoda claims in the first part of this book, however, while the first two legacies are widely discussed in contemporary literature, the third is much understudied and needs further theoretical development, empirically guided researches, and practical implementation. For example, despite the widespread interest in the work-related attitudes of public- and private-sector employees, there is but sparse literature comparing the attitudes of employees in each of these domains (Weaver and Franz, 1992). The study reported here compared public-sector with private-sector employees regarding the different aspects of work and its meaning. Data were collected through the meaning of work (MOW) project initially conducted in 1981 and then again in 1993. The 1981 sample population consisted of 973 respondents, and the 1993 sample population consisted of 942 respondents. In these two representative samples of the Israeli labor force, 723 individuals were classified as public-sector employees and 851 individuals were classified as private-sector employees.

CONCEPTUALIZATION OF THE MEANING OF WORK

Despite the relatively recent interest in this topic, a well-articulated theory of MOW has not yet been developed. The pioneering classic project of the Meaning of Work International Research Team resulted only in a heuristic model based on the conception that MOW is determined by the choices and experiences of individuals and by the organizational and environmental context in which they work and live (MOW–International Research Team, 1987). The conceptualization presented here is based on the MOW research project, carried out comparatively in eight countries (including Israel). It portrays MOW in terms of six major notions or dimensions: work centrality, entitlement norm, obligation norm, economic orientation, expressive orientation, and interpersonal relations. Descriptions of the core concepts addressed by each are specified below.

Work Centrality

Work is one of the most basic and important activities for people in modern society. The assertion that work plays a central and fundamental role in the life of individuals has been supported empirically in most industrialized countries (Brief and Nord, 1990; England and Misumi, 1986; Mannheim, 1993). Studies by Dubin and others (Dubin et al., 1975; Dubin et al., 1976) were helpful in developing this concept, which refers to the degree of general importance that working has in one's life at any given time (MOW–International Research Team, 1987). In general, work has been found to be of relatively high importance as

compared with other areas of life (England, 1991; Ruiz-Quintanilla and Wilpert, 1991). It is usually considered to be of more importance than leisure, community, and religion, and in several studies was found to be ranked second only to family (Harding and Hikspoors, 1995; Harpaz, 1999; MOW–International Research Team, 1987). High work centrality has been found to be positively related to important organizational variables, such as job satisfaction, participation in decision making (Kanungo, 1982), and longer job tenure (Dubin et al., 1975). Individuals with high work centrality seem to be more committed to their organizations and derive purpose and contentment from their jobs, hence it is conceivable that the sudden acquisition of a large sum of money or wealth would not prompt individuals to relinguish their jobs.

Entitlement and Obligation: Societal Norms Regarding Work

Based on Triandis's (1972) work on subjective culture, a set of normative assumptions were developed about what one should expect from work and working (opportunities or entitlements) and what one should expect to contribute through working (obligations). The *entitlement norm* represents the underlying rights of individuals and the work-related responsibilities of society and organizations to all individuals (i.e., all members of society are entitled to have work if they so desire). These notions of entitlements or rights derive from standards or reasoning about property rights and the psychological contract as applied to the work setting. The *obligation norm* represents the work duties of all individuals to organizations and to society (i.e., everyone has a duty to contribute to society by working). The notion of obligations or duties derives from standards of reasoning about internalized personal responsibility and social or institutional commitment in accordance with the Protestant work ethic (Randall and Cote, 1991). In the MOW study, an evaluative rather than descriptive meaning of norms was utilized; that is, norms indicate what should be rather than what is—they involve general expectations about appropriate behavior concerning working (MOW–International Research Team, 1987). Moreover, it appears that if a society generally holds positive norms and attitudes toward work, then work is central and highly cherished. In such a society it would be considered a deviation from the norm to stay away from the workforce or to not actively seek employment.

Economic Orientation

This sphere stems from one's disposition toward instrumental or extrinsic work outcomes. It assumes that people work mainly for, are motivated by, and enjoy obtaining the instrumental aspects of their work context. The importance of instrumental rewards tends to vary according to their attractiveness to individuals

and their ability to satisfy various needs (Lawler, 1994). In the six countries in which this question was posed in the MOW project, income was the most dominant valued work outcome, preceding various expressive and other aspects (MOW–International Research Team, 1987). In Israel, income was selected as the most important work outcome by more than 30% of the sample representing the labor force in the 1980s and 43% in the 1990s (Harpaz, 1999).

There are a number of contentions and findings claiming that contrary to general belief, intrinsic or expressive needs are not the only important aspect of work for people, and that instrumental variables are important as well (Dubin et al., 1975; Kanungo and Mendonca, 1992). It was disclosed that the most important role of work with which people identify is that of providing income for sustaining life and fulfilling other important needs (England and Harpaz, 1990; MOW–International Research Team, 1987). Accordingly, it seems that people with a high inclination toward instrumental or economic values perceive work as a main vehicle for providing income.

Expressive Orientation

This concept emphasizes individuals' needs, including their evaluation of their competence for the job and whether or not the work task allows them an appropriate level of self-determination (Deci and Ryan, 1985). It is generally agreed that expressive or intrinsic variables include such work aspects as having an interesting job, variety, autonomy, and challenging work. Such expressive work aspects were found to be important for the development of strong job involvement among employees (Kanungo, 1982; Vroom, 1962). Several scholars define or equate job involvement or components of it with work centrality or with the view of work as a central life interest (Lodahl and Keiner, 1965; Pinder, 1998).

Interesting work was the most dominant work goal for a representative sample of the labor force in seven countries. This finding was consistent internationally, across different managerial and organizational hierarchies as well as demographic variables (MOW–International Research Team, 1987). Expressive orientation emerged as the strongest predictor of work centrality in Germany, Israel, Japan, and the United States, prompting the researchers to argue that expressive orientation seems to be a universal phenomenon (Harpaz and Fu, 1997).

Interpersonal Relations

Humans are social beings, and interaction among them is essential for their mental health (McAdams, 1988). The importance of interpersonal relations among people for their well-being and sustenance has been extensively discussed by various scholars (Battle, 1990). The need for affiliation, and specifically the desire for friendly and close interpersonal relationships, is part of most need theories (e.g., McClelland, 1985). In their classic typology of the meanings and functions

of work that seem to incorporate the findings of most of the research, Kaplan and Tausky (1974) emphasize the prominence of ''satisfying interpersonal experiences,'' and point out that satisfaction stems from affiliations established at work (Kaplan and Tausky, 1974). The influence of social relations at work was also demonstrated by the results attained by the MOW project's outcomes (England, 1991; MOW–International Research Team, 1987).

PUBLIC-SECTOR VERSUS PRIVATE-SECTOR EMPLOYEES

Based on the scant available literature comparing the different aspects of work and its meaning for public-sector versus private-sector employees, two sets of propositions were tested in the present study. The first set of propositions dealt with the possible differences in the work-related attitudes and behavior of employees in these sectors, while the second set concerned the supposed similarities in their attitudes.

Work-Related Attitudes and Behavior Differences

Indications exist in the literature of the importance of economic reasons for working. Money plays an important role in the life of most people (Lawler, 1971). Economic reasons for working are as important as ever (Haywood et al., 1989). Evidence suggests, however, that public-sector employees place less value on economic rewards than private-sector employees (Cacioppe and Mock, 1984; Karl and Sutton, 1998; Khojasteh, 1993; Rawls et al., 1876; Schuster et al., 1973). Given this consistent finding we predicted that *Public-sector employees as compared with private-sector employees will have a weaker economic work orientation.*

Stable and convenient work hours are some of the major advantages of being employed in the public sector for those with a high need to control time spent at work, such as working mothers (Izraeli, 1990). Moreover, if public-sector employees indeed place less value on economic rewards than private-sector employees, they will have a lesser tendency to work long hours for economic reasons. We thus expected to find that *Public-sector employees as compared with private-sector employees will work fewer hours per week.*

Public-sector employees are more job-security-oriented than private-sector employees (Cacioppe and Mock, 1984; Rawls et al., 1976). Recent studies revealed a different picture, however. Khojasteh (1993) found that job security was a significantly less important reward for public-sector managers than for those in the private sector. No significant differences were found between public and private employees in the importance placed on job security (Karl and Sutton, 1998). The inconsistency between the findings of 1970s studies and of recent studies may be due to the increasing downsizing that occurred in the 1990s private

sector (Karl and Sutton, 1998). Israeli workers have also experienced greater job insecurity in the last two decades, since the Histadrut (General Federation of Labor) has lost much of its power. According to Zusman (1995), as the trend toward a market economy has grown stronger, the trade union has come to be perceived as a negative force, harming the flexibility of the labor market. The Histadrut's influence on the determination of salaries has thus been significantly reduced and largely replaced by personal contracts as a means of setting salaries and working conditions (Shirom, 1995). The employment conditions of about 50% of Israeli wage earners are now settled through personal contracts (Zusman, 1995). The desire for job security, however, is a common reason for entering the civil service (Kirkpatrick et al., 1964), presumably since public-sector employees are protected from abuse or arbitrary punitive actions by extensive grievance procedures. Whereas business executives may demote or dismiss employees almost at will, public executives might be required to bring formal charges and evidence before an administrative tribunal (Baldwin, 1987). Given that job security is considered to be one of the most important entitlements, we expected that *Public-sector employees as compared with private-sector employees will attribute greater importance to the entitlement norm.*

Work as an activity providing a prescribed role in society is the view of Kaplan and Tausky (1974) and of Jahoda (1979). While private-sector goals can be evaluated in terms of profit and loss (Capauiolo and Dowling, 1983), however, serving the public interest is supposed to be the major goal of the public sector. We thus hypothesized that *Public-sector employees as compared with private-sector employees will attribute greater importance to the notion that working is a useful way for them to serve society.*

Work-Related Attitudes Similarities

According to the old Calvinistic philosophy, work redeems the believer and indulging in pleasure brings eternal damnation (Killinger, 1991). Attributing high value to work is also a characteristic of Judaism. At different periods of time, work seems to have been a central focus of attention for Jews and Israelis (Harpaz, 1990). We assume that work is highly valued by most Israeli workers, regardless of their being public-sector or private-sector employees, hence we expected that *there will be no differences between private-sector and public-sector employees concerning work centrality* and that *there will be no differences between private-sector and public-sector employees concerning the obligation norm.*

No significant differences were found between public- and private-sector managers regarding the importance of the intrinsic reward categories of work itself and work responsibility (Khojasteh, 1993). This finding supports the notion that expressive orientation seems to be a universal phenomenon (Harpaz and Fu,

1997), hence we suggested that *there will be no differences between private-sector and public-sector employees concerning expressive orientation.*

Work fulfills social functions by providing opportunities for meeting new people and developing friendships (Donald and Havighurst, 1959; Steers and Porter, 1975; Warr, 1981). Establishing and maintaining interpersonal contacts acquires particular importance when the type of work requires group efforts. No significant differences were found between public- and private-sector managers regarding the importance of interpersonal relations at work (Khojasteh, 1993). Similarly, we predicted that *there will be no differences between private-sector and public-sector employees concerning interpersonal relations.*

THE COMPARATIVE RESEARCH

Our comparative research consisted of data collected through the MOW project initially conducted in 1981 and then again in 1993.

The 1981 Sample

In 1981, a questionnaire probing MOW was completed by a representative sample of the Israeli labor force, consisting of 973 respondents. The sample was drawn from ten socioeconomic strata by an ecological method. This resulted in stepwise random selection according to random household identification, random choice among those who fell within prescribed categories, and random quota sampling as per the Israeli Central Bureau of Statistics specifications. Respondents were interviewed in their homes by professional interviewers from a national survey agency, with an average interview lasting about 25 minutes.

The sample population comprised 57.4% men and 42.6% women, with a mean age of 39.4 years. Regarding educational level, 19.1% had only a primary school education, 46.1% had a secondary school education, 18.5% had some college or vocational/technical education, and 16.3% had a university degree. Comparisons with census data showed a high degree of representation (MOW–International Research Team, 1987).

The 1993 Sample

Data on a new representative sample of the labor force were collected in 1993. Similar procedures to those of the 1981 study for sampling and interviewing were followed with the 1993 study as well. Specifically, respondents were selected by various random methods and were interviewed individually in their homes by professional interviewers from a national survey agency. The questionnaire contained the same items used in the 1981 sample, and an average interview again lasted about 25 minutes. Likewise, comparisons with the *Statistical Abstracts of*

Israel census data showed a high degree of representation (*Statistical Abstracts of Israel*, 1995).

THE RESEARCH MEASURES

Employment Sector

Individuals were classified either as public- or private-sector employees according to their self-reports. In these two representative samples of the Israeli labor force, 723 individuals were classified as public-sector employees, and 851 individuals were classified as private-sector employees. For methodological reasons, the Histadrut-sector employees were not included in the analysis. Table 1 presents the distributions of sex, educational level, age, marital status, and type of work among public-sector versus private-sector employees.

Meaning of Work

Below is a description of the five MOW domains and their measurement scales, followed by a description of the procedure for the extraction and development of the dimensions used in the present study. These five domains are the same as those used in the MOW study (MOW–International Research Team, 1987), as well as in the 1981 Israeli data collection. For maintenance of uniformity for replication and comparability, they were also used in the 1993 data collection.

The MOW is an original and pioneering cross-national project initiated in the late 1970s by a group of researchers from eight countries. A model consisting of five domains were jointly formulated and empirically tested in each country. These domains include work centrality, societal norms regarding work, work goals, valued work outcomes, and work-role identification (MOW–International Research Team, 1987). Each of these domains was designed uniquely in order to capture the multidimensionality and richness embodied in attitudes toward work and work values. These domains were utilized for the extraction of the present study's six measurement dimensions. A short description of the domains follows.

Work Centrality as a Life Role

Two measures of work centrality were used. The first was an absolute measure (Likert-type scale) that indicates the overall importance of work in the individual's life (from 1—low—to 7—high). The second was a relative measure that had respondents assign up to a total of 100 points to the following areas of their lives: leisure, community, work, religion, and family.

TABLE 1 Distribution of Demographic Variables Among Public-Sector vs. Private-Sector Employees

	Public-sector employees			Private-sector employees		
		Sample			Sample	
Variables	1981 (*n 403*)	1993 (*n 320*)	Both (*n 723*)	1981 (*n 357*)	1993 (*n 494*)	Both (*n 851*)
Sex (%)						
Male	50.9	58.6	54.3	59.6	61.3	60.7
Female	49.1	41.4	45.7	40.4	38.4	39.3
Education (%)						
Elementary school	12.4	7.8	10.4	23.6	6.7	13.7
High school	39.3	43.3	41.1	53.0	54.5	53.8
Some college and college degree	48.2	48.9	48.5	23.4	38.9	32.4
Age (years)						
Mean	39.3	39.1	39.2	39.1	37.0	37.9
s.d.	12.4	12.1	12.3	13.4	12.1	12.7
Marital status (%)						
Married and/or living with a partner in a joint household	83.1	75.9	79.9	79.6	72.7	75.6
Type of work (%)						
Professional and management	44.8	45.4	45.0	19.6	39.7	31.8
Clerical and services	46.9	42.5	44.9	48.5	43.6	45.5
Production and agriculture	8.3	12.1	10.1	31.9	16.7	22.7

Societal Norms Regarding Work

Respondents evaluated a set of ten normative statements about work in terms of what one should expect from working, or entitlements (e.g., ''If a worker's skills become outdated, his or her employer should be responsible for retraining''), and what one should expect to contribute through working, or obligations (e.g., ''It

is the duty of every able-bodied citizen to contribute to society by working''). Respondents rated these ten normative statements—five statements of entitlements and five of obligations—from 1 (disagree) to 4 (agree).

Valued Work Outcomes

Respondents were asked to assign up to a total of 100 points to the following six outcomes that work provides: status and prestige, income, time absorption, interesting contacts, service to society, and satisfaction.

Importance of Work Goals

Respondents ranked 11 goals or aspects of their work life according to their importance: opportunity to learn, interpersonal relations, possibilities for promotion, working hours, variety, interesting work, job security, match between job and abilities, pay, working conditions, and autonomy.

Work-Role Identification

Respondents ranked six work roles in order of their importance: task, company, product/service, co-workers, occupation, and money.

The five MOW domains described above were measured by twenty-three items explicitly related to the six MOW dimensions studied in the current research, as described in our literature review. An account of their psychometric treatment follows.

As indicated above, responses to the 1981 and 1993 MOW surveys were collected by a variety of methods. These included (1) scoring items on a one-to-seven Likert scale, (2) scoring items on one-to-four Likert scale, (3) allocating 100 points among several items according to their importance, and (4) ranking terms according to a given priority. As noted, the utilization of different measurement approaches is a unique characteristic of the MOW study; however, comparing relationships among all items became problematic. This was mainly apparent in our ability to create indices, and moreover, to examine their reliability in the standard psychometric procedures. Consequently, in order to surmount this complication, an alternative procedure, that of multidimensional scaling (MDS), was employed. For the reader unfamiliar with this process, MDS is a scaling method that attempts to estimate the number of variables underlying an attribute or issue, and may be used when it is not known which dimensions individuals use in responding to a group of stimuli. It thus enables the researcher to determine the composition of those dimensions (Nunnally, 1978). In multidimensional scaling, the complex phenomenon under study is usually represented by geometrical

space, and the number of dimensions distinguishing the stimuli is usually unknown. Points in that space characterize individual stimuli, and it requires responses in terms of similarities or variations among stimuli. The more similar the stimuli, the closer are the points (Nunnally, 1978). The objective of multidimensional scaling is to first determine the number of dimensions and then to obtain scale values for the stimuli on a selected set of dimensions (Ghiselli et al., 1981).

To measure the relationships among the miscellaneously scaled items, an ordinal distance matrix was formed by the absolute difference between normalized items scores, corrected for central tendencies and interdependencies. An alternative transformation of the ordinal relationship among the 39 MOW items to an interval scale was carried out through a multidimensional scaling method (Klahr, 1969). The ordinal multidimensional scaling was prepared by SAS (Statistical Analysis System) MDS procedure (1992). The procedure used Kruskal and Wish's (1978) stress formula with weighted Euclidean distances in which each matrix is allowed differential weights for the dimensions [in accordance with the Indscal model formulated by Carroll and Chang (1970)]. The two samples were analyzed discretely. The input for the analysis consisted of the ordinal relationship matrix calculated for each respondent and an output matrix from the combined samples' MDS as initial values.

Analysis of the MDS output configurations resulted in a model consisting of 19 items (with 19.6% stress) comprising the six-factor pattern or dimensions of work centrality, entitlement norm, obligation norm, economic orientation, expressive orientation, and interpersonal relations. Only one item, that of convenient work hours, unexpectedly fell within the economic orientation dimension, and was therefore excluded from further analysis. Intraitem correlation (intraclass correlation for between-sample similarity) for the items ranged from 0.968 to 0.991, indicating that patterns of an item's configuration were similar in the 1981 and 1993 samples. A stepwise discriminant analysis, using the item's configuration from the two samples, revealed a significant contribution to the discrimination among the six factors (ranging from $p < 0.0001$ to $p < 0.0013$). Table 2 portrays the five MOW domains and their components, as well as the variables constituting the resulting six dimensions.

The above procedure clearly illustrates that items forming each MOW dimension remained in a similar configuration across time. The results thus indicate a distinguished stability in the structure of these dimensions between the two measurement periods (1981 and 1993). The analysis disclosed that the measurement model was solid and that these variables or dimensions consistently represented the meaning of work construct. Consequently, these dimensions served as the main independent variables in the present study. The terms composing each dimension are as follows:

TABLE 2 Description of Central MOW Domains, Their Components, and Final MOW Dimensions (Obtained via Multidimensional Scaling)

Central MOW domains	Theoretical items/components (utilized in MDS)	Composition of final (empirical) MOW decisions
(a) Centrality of work as a life role	(a1) Absolute importance of work (a2) Relative importance of work	Work centrality (a1, a2)
(b) Societal norms about working	(b1) Retraining responsibility, (b2) duty to work, (b3) educational preparation, (b4) saving responsibility, (b5) employee participation, (b6) worker contribution, (b7) meaningful work entitlement, (b8) monotony-pay acceptance, (b9) job providing responsibility, (b10) value any work	Entitlement norm (b1, b5, b7, b9) Obligation norm (b4, b6, b10)
(c) Importance of work goals	(c1) Learning opportunity, (c2) interpersonal relations, (c3) promotion opportunity, (c4) convenient hours, (c5) variety, (c6) interesting work, (c7) job security, (c8) ability-job match, (c9) pay, (c10) working conditions, (c11) autonomy	Economic orientation (c9, d2, e6)
(d) Valued work outcomes	(d1) Status-prestige, (d2) income, (d3) time absorbing, (d4) interesting contacts, (d5) serve society, (d6) job satisfaction	Interpersonal relations (c2, d4, e4)
(e) Work role identification	(e1) Task, (e2) organization, (e3) product, (e4) type of people, (e5) occupation, (e6) money	Expressive orientation (c5, c6, c8, c11, d6)

1. Work centrality.
   a. Absolute significance of work in an individual's life.
   b. Relative importance of work in relation to other life areas.
2. Entitlement norm.
   a. Opportunity to make suggestions at work.
   b. Entitlement to a job.
   c. A right to meaningful work.

3. Obligation norm.
   a. Contributing to society through work.
   b. Being responsible for saving the future.
   c. Thinking up better ways to do a job.
   d. Being rewarded for monotonous/simplistic work.
   e. Valuing any work even if boring or unskilled.
4. Economic orientation.
   a. Importance of income as a valued work outcome.
   b. The significant role of money.
5. Interpersonal relations.
   a. Working permits interesting contacts.
   b. Type of people one works with.
   c. Good interpersonal relations.
6. Expressive orientation.
   a. Work basically interesting and satisfying.
   b. Interesting work that you really like.
   c. A lot of autonomy.

Service to Society

One measure was selected from the valued-work-outcomes domain. ''Working is a useful way for you to serve society.''

Weekly Work Hours

Weekly work hours were measured by the question ''On the average, how many hours a week do you work (including overtime)?''

STATISTICAL ANALYSIS

The propositions were examined via multivariate analysis of variance. The MANOVA (multivariate analysis of variance) involved two independent variables (employment sector and the year of labor force sampling) and one covariate (age).

It was assumed that the similarities or differences between public-sector and private-sector employees, as suggested above, were relatively stable across time. The interaction of employment sector by labor force sampling year was examined via the multivariate analysis of variance.

FINDINGS: SIMILARITIES AND DIFFERENCES BETWEEN PUBLIC-SECTOR AND PRIVATE-SECTOR EMPLOYEES

Data pertaining to sample characteristics, such as means, standard deviations, and range of scores among research variables, are presented in Table 3.

TABLE 3   Research Variables and Relevant Statistics for the Two
Representative Samples of the Israeli Labor Force (1981 and 1993)

	1981 Sample		1993 Sample		Range of scores
Variables	Mean	s.d.	Mean	s.d.	
1. Work centrality	4.10	0.95	4.16	0.92	1–7
2. Economic orientation	3.81	1.41	4.62	1.41	1–7
3. Interpersonal contacts	3.32	0.95	3.10	0.98	1–7
4. Expressive orientation	3.68	0.87	3.68	0.86	1–7
5. Entitlement norm	5.68	0.90	5.50	0.91	1–7
6. Obligation norm	5.23	1.07	5.00	1.08	1–7
7. Service to society	1.80	0.92	1.38	0.60	1–7
8. Weekly work hours	40.68	13.29	43.75	13.19	

Note: Variables 1–6 were constructed from questions based on different scale values. Their
items were transformed into a 1–7 scale. Variable 7 was also transformed into a 1–7 scale.

The research propositions were examined via MANOVA. The analysis involved two independent variables (employment sector and year of labor force sampling) and one covariate (age). A significant multivariate effect for employment sector was revealed [Wilks's lambda 0.90, $F(8, 1414)$ 20.35, $p < 0.001$]. No significant multivariate effect for the interaction of employment sector with labor-force sampling year was found. The results of the univariate F tests for the main effect of workaholism are presented in Table 4.

All the propositions were supported, as shown respectively in the following findings.

Public-sector employees had a weaker economic work orientation than private-sector employees, and were found to work fewer hours per week. They also attributed greater importance to the entitlement norm and to the notion that working was a useful way for them to serve society. No differences were found between private-sector and public-sector employees concerning work centrality, obligation norm, expressive orientation, and interpersonal relations. The similarities or differences between public-sector and private-sector employees remained stable across labor-force sampling time (1981 and 1993).

DISCUSSION AND IMPLICATIONS FOR THE IMPLEMENTATION OF THE NPM BASIC PRINCIPLES

The present study is one of the few empirical studies concerning work-related attitudes of public- and private-sector employees (e.g., Karl and Sutton, 1998; Khojasteh, 1993). Moreover, the study's findings have high external validity with

TABLE 4 Results of Univariate F Tests for the Main Effect of Employment Sector in a Multivariate Analysis of Variance, with Age as a Covariate

Dependent variables	F			Sample public-sector employees			Sample private-sector employees	
				1981 (n 364)	1993 (n 290)		1981 (n 313)	1993 (n 459)
Work centrality	$F(1,1421)$	0.03	M^b	4.12	4.13	M^b	4.05	4.18
			s.d.	0.90	0.94	s.d.	0.96	0.93
Economic orientation	$F(1,1421)$	44.95[a]	M^b	3.41	4.45	M^b	4.11	4.74
			s.d.	1.30	1.44	s.d.	1.38	1.34
Interpersonal contacts	$F(1,1421)$	0.68	M^b	3.32	3.13	M^b	3.33	3.04
			s.d.	0.94	1.00	s.d.	1.02	0.96
Expressive orientation	$F(1,1421)$	3.67	M^b	3.81	3.75	M^b	3.64	3.74
			s.d.	0.90	0.85	s.d.	0.82	0.84
Entitlement norm	$F(1,1421)$	26.53[a]	M^b	5.75	5.69	M^b	5.55	5.38
			s.d.	0.84	0.88	s.d.	0.96	0.93
Obligation norm	$F(1,1421)$	2.55	M^b	5.12	4.95	M^b	5.21	5.05
			s.d.	0.97	1.11	s.d.	1.18	1.07
Service to society	$F(1,1421)$	93.85[a]	M^b	1.99	1.58	M^b	1.55	1.26
			s.d.	0.97	0.71	s.d.	0.72	0.48
Weekly work hours	$F(1,421)$	12.48[a]	M^b	39.60	43.65	M^b	42.22	46.4
			s.d.	13.42	13.69	s.d.	14.93	14.37

[a] $p < .001$.
[b] Adjusted mean.

regard to people in the labor force. In view of these facts, the findings of the present study are timely.

Awareness of the orientations, values, attitudes, and preferences of workers and potential workers is needed for the effective functioning of organizations. The differentiation between public-sector and private-sector employees concerning work-related attitudes and behavior is in itself simplistic, however. The level of similarities or differences between the two groups depends on the various aspects of work and its meaning. They are not shown to differ in respect to work centrality, obligation norm, expressive orientation, and interpersonal relations. Conversely, public-sector employees had a weaker economic work orientation than private-sector employees and were found to work fewer hours per week. They also attributed greater importance to the entitlement norm. (The difference between them and private-sector employees were statistically significant, but small in size.) Employees from both sectors attributed little importance to the notion that working was a useful way for them to serve society, but the public-sector employees attributed more importance to it. The similarities of differences between public-sector and private-sector employees remained stable across labor-force sampling time (1981 and 1993). That the labor-force composition did not change significantly from 1981 to 1993 (Harpaz, 1995) gives further support to the study's findings.

During the 1970s and the early 1980s, scholars and practitioners of public administration invested effort in rationalizing the differences between the public and private sectors. Almost all general texts on public administration devoted a section in an early chapter to public–private differences and favored the investigation of public administration as a unique field of study (Baldwin, 1987). As regards employees' attitudes and behavior, however, the present findings provide only a limited support for this notion. Besides a considerable difference in weekly work hours and economic orientation, public–private similarities were found, as well as statistically significant, albeit moderate, differences. If indeed the attitudes of public-sector and private-sector employees are not so different, this could mitigate the implementation of private-sector management principles in the public sector.

The major differences between public- and private-sector employees that emerged from the analyses was that while public-sector employees were more concerned with occupational security and convenient work hours, private-sector employees were more materialistic. According to Schneider's (1987) attraction-selection-attrition (ASA) theory, different kinds of organizations attract, select, and retain different kinds of people. It can be argued that different kinds of people are attracted to, are selected by, and stay with public-sector organizations as compared with private-sector organizations. Indeed, Hill (1975) mentions that there is a type of personality that is particularly suited to the public sector. Bellante and Link (1981) found that the public sector attracted more ''risk-averse'' em-

ployees than the private sector. They suggested that this was because of the public sector offered greater job security than the private sector. Similarly, a possible explanation of the findings of the present study is that public-sector employees are willing to trade the opportunity for higher wages offered by the private sector for the greater job security and more convenient work hours offered by the public sector.

Over time, the ASA cycle is proposed to yield increasing homogeneity with regard to the kinds of people in an organization (Schneider, 1987). The literature provides both indirect and direct evidence supporting this proposition (Schneider et al., 1995). If indeed over time there is an increasing homogeneity of employees in the public sector with respect to their being risk-averse, this might constitute an obstacle to the implementation of a stronger emphasis on performance-motivated administration, which Lynn (1998) considers one of the three constructive legacies of NPM for the field of public administration. Since performance-motivated administration tends to reward peak performers and to discourage and even discharge poor performers, risk-averse employees are likely to resist its implementation, thus the problem of how to implement this specific basic principle of NPM in the public sector still has to be resolved by its hard-core adherents. Finally, the interesting pattern of public–private similarities and differences concerning work-related attitudes and behavior found in the present study justifies further research.

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8

New Ethical Challenges Under the New Reform Movements in the Public Administration Sector

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INTRODUCTION

The move to ''reinvent government,'' or as it is known, ''the New Public Management,'' has generated a cultural and behavioral shift in how government agencies are managed. The traditional bureaucratic organization has pledged to become an entrepreneurial, responsive, and consumer-oriented institution (Osborne and Gaebler, 1992; Osborne and Plastrik, 1997; Kettl, 1993; Kettl and Milward, 1996; Moe, 1994; Stillman, 1995; Goodsell, 1993; Frederickson, 1980). The movement for a new public management began in the late 1960s and was energized and expanded with the drive to reinvent government in the early 1990s. This move culminated in an effort to redefine government clients as customers and to involve them in choices as if in a competitive market (Frederickson, 1996). This development champions a new vision of public administration, one that promotes a moral commitment both to client involvement and to ''participatory management.'' The new perspective differs sharply from the ''old public administration,'' which sought to insulate professionals. The new public administration aims at pushing control of the bureaucracy out into the community and empow-

ering citizen–clients. It replaces professional expertise, bureaucratic rigidity, and impersonal control-oriented management with responsiveness, flexibility, and citizens' participation in policy making (Barzelay, 1992; Kearns, 1996).

As important as this new movement is, surprisingly to date no one has addressed obvious ethical issues emerging from the shift to a more participatory style of administration. In their pure forms neither bureaucracy nor professionalism has much room either for participatory decision making or for responsiveness to consumers. Under the new reform movement, professional judgment is to be superseded by client preferences, thus the new public servant is caught between institutional pressures and interests to keep costs down on the one hand and consumers' demands for more and better services on the other. Specifically, participatory management generates a new reality whereby the public administrator has to engage in joint decision making with citizen–consumers, who now play a vital role in formulating policy that affects the quality of services they are seeking. Citizen–consumers, however, do not have the skills, knowledge, or perspectives that public servants have, and they are likely to demonstrate poor understanding of the full range of choices and technologies to solve social problems. Since the public has not yet developed well-thought-out ideas and beliefs about key policy issues, the resulting outcome might be that consumers may unintentionally push for services that are not beneficial for them and might exploit organizational resources. Participatory management can thus produce negative side effects for both partners; it can elevate frustration among public servants for not managing consumers' needs effectively and it might turn consumers into cynical and distrustful citizens. As a result, an ethical imbalance can emerge between citizen–consumers and public servants, reflecting the tension between consumer autonomy and the concept of distributive justice (i.e., a fair and equitable distribution of organizational resources). The ethical challenge for the new public administration is how to bring about an attitudinal shift among consumers that involves moving from self-regarding intentions and objectives to the promotion of the general common good or public interest.

I address this ethical challenge below: the first part discusses the central features of the old public administration and then contrasts them with the new, the second part examines the ethical issue left unanswered by the new reform movement, and the third part examines ways to overcome these problems.

OLD PUBLIC ADMINISTRATION AND THE NEW TURN IN PUBLIC ADMINISTRATION

The old public administration is anchored in a bureaucratic structure that assumes a set of clear and universal principles: delegation of authority on the basis of expertise and accountability through hierarchical supervision and control. Under this regime administrators issue top-down directives, oversee uniform policies,

and ensure the smooth flow of work. They apply their professional judgment and adhere to bureaucratic rules and procedures in a uniform manner (Barzelay, 1992). Decisions are made according to a mix of professional judgment and bureaucratic rules and procedures (even-handed, rule-bound decision making), and this process is reinforced by a strong civil service system insulating officials from personalistic appeals (Denhardth and Denhardth, 2000). Public administrators are expected to implement programs through legal and other authoritative means, and citizens do not negotiate or contest the service delivery system. The ideal bureaucrat does not respond to the personal appeals of a client, only to those concerns that have official standing (Hummel, 1994). In addition, bureaucrats are not expected to respond to new or novel requests by clients; new policies could only be established through the proper chain of command.

This model of bureaucracy has been criticized for being inflexible and unresponsive to the needs of clients and for creating a barrier between them and their officials. Two sets of critics maintains that it creates a ''crisis of confidence'' in the public that stems in part from the government's growing complexity and its increasing lack of responsiveness to public needs (Kettl and Milward, 1996; Nye et al., 1997). This criticism is reinforced by findings in a recent study conducted by the Kettering Foundation, which revealed that citizens feel isolated and remote from the public administrative process and that they believe that public administrators operate in a ''context of self-interest'' and are detached from their citizens. The results in the study show growing cynicism and apathy by the public (Kettering Foundation, 1991; King et al., 1998). Growing discontent with government performance combined with recent technological advances in communication has led to the introduction of public administration reform initiatives aimed at radical improvement of government effectiveness and performance. For example, in the old public administration the public servant was confronted with the problem of how the organization could offer more services at lower costs in a given set of organizational resources. Under the new reform movement the public servant is saddled with an additional responsibility: how the organization can protect the public interest and provide public services more equitably. At the same time the organization has to be in tune with the public choice perspective, which views government from the standpoint of markets and customers, dominated by self-interest (Kamensky, 1996; Denhardth and Denhardth, 2000). In the following I present the movement for reinventing government, focused on empowering the individual customers who are supposed to make their own choices as if in a competitive market, thereby indirectly contributing to the breakdown of the bureaucratic service monopoly (Frederickson, 1996).

In what has become the Bible of the move to reinvent government, David Osborne and Ted Gaebler identify ten principles for improving governmental effectiveness and productivity: (1) government should act as a catalyst, steering others rather than rowing, (2) government should empower customers rather than

serving them, (3) government should be more competitive, (4) government should focus on mission rather than on rules, (5) government should be results-oriented rather than input-oriented, (6) government should be customer-driven, (7) entrepreneurial earning should be encouraged rather than bureaucratic spending, (8) the focus should be on prevention rather than cure, (9) organizations should aim at decentralization and fostering teamwork, and (10) change should be levered through market-based incentives (Osborne and Gaebler, 1992: 321). Those ideas are all part of the stock of well-known notions in the private sector. Indeed, they are found in Peters and Waterman's *In Search of Excellence* (1982) and in the doctrine of the movement for total quality management. This list of principles aims to adapt a businesslike model to government, to embrace participatory management and accountability to the organizations' employees as well as its consumers. For employees, the principles demand greater involvement in the improvement of work processes, and for the citizen–consumers they require close identification and articulation of what they need (Bardach, 1998). Although this movement has many admirable qualities, none of its proponents has adequately addressed many of the issues that arise from participatory management or the notion of ''citizens' empowerment.'' Even though these concepts have strong merit in themselves they pose some serious drawbacks that subsequently lead to ethical predicaments, which I discuss below.

THE QUANDARIES OF CITIZEN EMPOWERMENT

The concept of empowerment largely entails promotion of direct democratic forms for governing and the opening of organizations to the influences of their clients (Peters and Pierre, 2000) to encourage greater public discourse and deliberation in policy making. More specifically, empowerment means maximizing the autonomy and choice of the client–citizen, treating him or her as a customer rather than a petitioner for favors, ensuring individuals an equal share of influence in the processes of collective decision making, and transforming individuals into citizens who hold a broader perspective of societal needs and interests (Sorenson, 1997). Granting autonomy to individual citizens is justified on the ground that competent adults are the best judges of their true needs, able to assume responsibility for their lives. Empowering citizens acknowledges individuals' unique sets of values and character and their capacities for deliberating self-reflective decisions. Citizens can fully realize their autonomy when they are aware of their own values and needs and they possess skills in civic competence, consisting of the attitudes and abilities that are required for effective governance.

Empowerment doesn't imply absolute power to make decisions or to promote self-interested needs, however. Empowerment implies a relational power, which stems from one's freedom to control one's life but in ways that do not exclude the needs of other community members. An empowered citizen is one

who establishes a *balance* between his or her own values, needs, and expectations in light of the others' needs and desires. Empowered citizens should cultivate a comprehensive view of their interdependent ties with their fellow citizens who share life in the same political community. Empowerment is not just a simple consciousness-raising process (Handler, 1997), but a self-reflective process that allows one to trace and articulate one's personal values and information about oneself and one's connectedness to the environment.

Engaging citizens with this broader view of empowerment allows citizens to take a reasonable and active stand in the formulation of public policies (Linder and Peters, 1987). Overall, viewing empowerment as a relational concept whereby a balance between consumer autonomy and societal perspective is sought can benefit not only citizen–consumers but public servants as well. For the public servant it can strengthen his or her fiduciary ties with citizens, helping to regain their support and legitimization. It urges public administrators to be more responsive to public needs and to familiarize themselves with issues and methods concerning public participation and the enhancement of public discourse. Likewise, empowerment allows citizen–consumers to be more conversant with and influential in central issues relevant to their quality of life. Still, important as empowerment is, it is easy to get carried away by it. It has the potential to generate negative outcomes; it can create unreasonable expectations in citizen–clients and may complicate the lives of public servants. Already charged with balancing professional judgment and fidelity to organizational rules, the new public administrator must add individualized ''responsiveness'' to this mix (Vigoda, 2000). Being overly responsive can expand citizens' demands beyond reason and place a strain on governmental capacity to deliver services. This problem looms large in sectors of the public service in which organizational resources are especially limited, demands for services are already high (and easily expandable; e.g., for health care, police services, education, and welfare administration), and professional judgments lead elsewhere. An example comes from the area of health care services. For years doctors have been under intense pressure from health care administrators to trim services in light of skyrocketing costs and expanding new technologies. With a more consumer-friendly organizational structure, however, physicians now face still more pressures on top of the already rising expectations and the newfound voices of their patients. Physicians are thus in conflict on both levels of their jobs; they must consider the organizational structure on the one hand and their patients' demands on the other. For instance, an individual citizen can discover she has breast cancer. As a citizen–consumer she may demand that the medical team provide her with the most progressive treatment available regardless of cost. She buttresses her argument with the assertion that since she has paid medical insurance fees all her life she is entitled to the best and most expensive treatment. She might learn from her medical team, however, that the treatment she wants is not only expensive but also not necessary

and may even produce adverse reactions. The public servant (i.e., the health care team) is the most knowledgeable about and familiar with both the costs and the risk/benefit analysis of each alternative treatment. He might argue that the treatment requested by the patient is not realistic since it is highly expensive and less beneficial to her; consequently he might recommend an alternative treatment.

Under the old public administration the patient had to follow the medical team's advice passively, and thus was ''supposedly protected'' from arbitrary action (Gormely, 1989). Under the new public administration such constraints are less convincing since patients are asked to choose among various options rather then simply following a single medical directive. The patient is confronted with three options: to follow the directives dictated by the medical team, to negotiate a suitable alternative treatment, or to sue the health care agency for not accommodating her needs. Under the new public administration doctrine she (the patient) is entitled to voice her demand and to contest the existing organizational policy regarding various courses of treatment. Moreover, she is entitled to participate in an ongoing decision-making process and have a direct impact on setting future health care priorities. The possibility that citizen–consumers insist on counterproductive treatments still exists, however, and without a market mechanism in place, no way is readily available to constrain patient choices. A responsible health care provider must forge a collaborative partnership with consumers, one that respects patients' concerns but also is sensitive to existing economic realities. At worst, there is a danger of triggering deep-seated conflicts between public servants and consumers that will intensify an already distrustful relationship. One consequence is that the new public administration may foster manipulation rather than any real collaboration and empowerment. The central point I want to emphasize is that under some circumstances empowerment can be contrary to the real needs of the patient or can be unreasonable under the circumstances. The assumption that so-called autonomous citizens are the best judges of their own interests is questionable; at times consumers are not adequately informed about the issues at stake or about the full range of contingencies and existing options. Moreover, individuals are not aware of their true ''best interest.'' The issue is not so much whether or not the individual citizen knows what is best, but if under a given decision-making process he or she is in the best position to make the choice (e.g., high risk but if successful great results vs. lower risk). This depends in part on the individual's capacity to articulate and formulate his or her conception of the good life. People lack these capacities and do not have a clear and sustained value framework, so it is easier to mislead them or alternatively to lead them to make irrational demands not necessarily in their best interests. Persons lacking a well-defined values framework needs assistance in clarifying and formulating their sets of preferences and moral points of view that are conducive to their own good. The individual citizen seeks guidance that can be provided by a leader or a public servant, who can restrain any imprudent and unreasonable

demand. The leader must urge citizen–consumers to reassess their demands and to find out what is truly beneficial for them.

Given these deficiencies, both public officials and citizen–consumers are in a complicated, challenging position. They jointly need to confront a new relational context wherein the two partners are equal and share the decision-making process. The ethical concern is how to effect an attitudinal shift among consumers that involves moving from self-regarding intentions and objectives to the promotion of the general common good or public interest. More specifically, if citizens are to become ''consumers'' they must also appreciate social values, such as equity, justice, and fairness, and increase their consciousness so that at times they agree to forgo their egoistic desires in order to foster the greater good. The metaphor of consumers does not promote this idea, however, nor do the theories of the new public administration. Unless we develop some means that assist both public officials and citizen–consumers to effectively confront daily problems there is always a danger that the concept of participatory management and empowerment will be reduced to little more than a catchy slogan. In the following section I elaborate a method that can meet this challenge.

MEETING THE CHALLENGE

Public administrators and citizen–consumers need to acknowledge the challenges posed by the new public administration. Both sides must recognize the sheer complexity of public affairs, meaning that experts are no more competent over a range of policies than ordinary citizens. Their expertise has its limits, and their possession of more information does not necessarily signify the experts' greater competence or heightened understanding of the issues involved (Dahl, 1997). Perhaps the way to confront this new reality is to admit that experts and citizen–consumers are subject to the same cognitive and emotional flaws and are the victims of their own ignorance. They therefore have to face their mutual limitations and jointly build a community that engages its members in a public-spirited dialogue and debate and demands of its members to be morally committed to the search for the best possible common solution. Solutions must accord with organizational goals and with the legitimate demands and needs of consumers; that is, there must be collaboration between two partners and both must be civically and ethically competent. Membership in a community implies that all members appreciate the full range of problems and that the structural barriers that have inhibited the formulation of a true social bond between citizens and public servants must be removed. Public servants and consumers must expand their civic competence in order to engage effectively in public deliberation. These skills are not ''natural,'' but must be learned.

One person who has thought about this problem is the philosopher David Hart. In his important 1984 article he argues that treating public administration

is an important ''moral endeavor,'' one of whose purposes is to develop the ''virtuous citizen.'' His argument rests on the following four claims:

1. The citizen should engage himself or herself in a judgment that involves policies that promote both the specific and general citizen interests.
2. The citizen should adopt the social values that are important to the society in which he or she lives, and most important, the necessary sacrifices they entail.
3. The citizen should be morally responsible by opposing values that do not promote the common good, such as racism, invasion of privacy, or violation of due process.
4. The citizen should embrace civility in daily life and demonstrate broadmindedness and tolerance (Hart, 1984).

Hart develops these claims to argue that not just citizens but also public administrators have a professional obligation to be virtuous citizens. An honorable bureaucrat, he argues, must be moral entrepreneur; that is, he or she must be prepared to take moral risks—to trust others, which must precede any financial risk (Hart, 1984).

In order for citizens and public servants to pursue their civic virtues they need to develop their value perspectives and articulate their own deep convictions. Once they discover their value orientation, they are consciously able to consider, evaluate, and validate other important social values. The more public servants and citizens appreciate others' perspectives, the more committed they will be to a joint undertaking.

I have argued elsewhere that by means of bilateral transformational leadership, ethical conduct can be fostered in public service organizations (Grundstein-Amado, 1999). This approach directs public servants and citizen–consumers to jointly construct a values framework that serves as the basis for deliberating meaningful responsible action. This approach can serve as a tool for correcting the emerging ethical imbalance caused by the concept of empowerment.

Bilateral transformational leadership is a process that encourages public servants as leaders, and citizen–consumers as followers, to evaluate their values and assumptions and together reach a transformative judgment in a given social context. The task of the public servant is to present consumers with an organizational vision and then to encourage them to incorporate this vision into their value systems, but at the same time the citizen–consumer can voice his or her perspective or vision and attempt to convince the public servant to adopt it. By means of a bilateral transformational leadership approach the two partners affect each other's beliefs and values in the process of arriving at a desirable outcome. The public servant focuses on modifying and revising the consumer's beliefs in order to generate acceptance of organizational goals, while at the same time the con-

sumer helps to change the public servant's perspective regarding institution goals. The bilateral approach permits influences and definitions of organizational goals to be jointly shaped by both partners. A bilateral transformational leadership approach aims to induce change among followers through deliberative action, whereby the contribution of the followers is considered and exerts a great impact on the redefinition of organizational values and vision. The core values embedded in the vision are established through a process of mutual modification of the beliefs and attitudes of both partners (Grundstein-Amado, 1999: 257).

A bilateral transformational leadership approach permits imposing limits on consumer demands, but at the same time remains responsive to the clients' needs and interests. Citizens and public servants operate in a joint venture in which both sides are committed to advance the public interest. This method amplifies the positive elements of empowerment and enhances citizen participation in the policy debate. In addition, it also proves that in the absence of a bilateral transformational process the idea of citizen empowerment is problematic; the method emphasizes self-direction and responsibility of both partners rather than citizens' mere passive obedience or public servants' unconditional submission to consumers' unrealistic demands. This method enables empowerment to be a social standing by which an active individual (i.e., citizen–consumer and public servant) is aware of his or her personal values and can speak out for or against public measures that he or she regards as unjust, unwise, or simply too expensive. The bilateral transformational process does not refrain from pursuing consumers' own preferences; it reinforces their obligation to weigh other claims impartially, and if necessary to modify their demands and expectations in light of the other's experience and value knowledge.

CONCLUSION

The new public administration reform has challenged the traditional bureaucratic paradigm, advocating efficiency, high performance, and empowerment of citizen–clients. It offers an alternative service delivery mechanism that calls for a replacement of impersonal control-oriented management with a new type of management, one that requires public servants to be responsive to consumers' needs and citizen–consumers to participate in policy making. Still, this movement has not resolved the ethical tension generated by participatory management and consumer empowerment. This is the tension between the value of consumer autonomy and the value of social justice. Increased responsiveness is likely to expand citizens' demands for nonbeneficial public services and hence might drain organizational resources. The challenge before public servants is to alter citizen–consumers' attitudes and to cause their realization of important social values. They must ensure that citizen–consumers know what those values are, why they are important, and what their implications are for consumers' lives. The public

servants' challenge is to impart a sense of civic responsibility and reasonableness to consumers that consequently will restrain their demands.

This chapter suggests that public servants and citizen–consumers should be regarded as *ethical actors* who share joint membership in a community that engages its members in a public-spirited dialogue and debate, and obliges its members to be morally committed to the search for the best possible common solution. Public servants and citizen–consumers seek an effective balanced partnership that requires civic competence skills and permits an effective deliberation process and the maximization of public interest. Civic skills can be developed and promoted by means of a bilateral transformational leadership approach. This permits the establishment of an effective partnership, wherein citizen–consumers and public servants alike function as competent partners in the policy debate and are equally accountable for the final course of action and its consequences.

Finally, the new public administration may be considered a discipline in transition. It draws upon a wide variety of formal academic disciplines, namely politics, economics, sociology, organizational theory, and philosophy, for the purpose of improving government work (Kettl and Milward, 1996). It maintains that ethics as a philosophical discipline should be integrated into the practice of the new public administration, fostering the establishment of an effective, trusting collaborative relationship between citizen–consumers and public servants.

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9

Public Administration—The New Generation
Management in High-Information-Level Societies

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INTRODUCTION

In his introduction Professor Vigoda observes that public administration today is ''entirely different from public services in the past.'' Of course, many historic functions of public administration—information gathering (e.g., census), record keeping, and law enforcement—continue. The ''service state'' began to emerge in the late nineteenth century as a consequence of socioeconomic change and the advancement of science and technology. Although retaining many historic functions such as census, taxation, defense, civic order, and adjudication, the service state required new functions to cope with new circumstances relating particularly to demography, education, trade, transportation, natural resources, and lately the environment. A new public management was superimposed upon traditional public administration. Science was applied in both theory and practice to the broader concept of ''administrative management.''

The explosive growth of information and communication technology has now profoundly affected the role and operation of government. The function and forms of management have undergone sequential changes in theory and practice, leading toward an ever-new public administration and management. Public access to administrative decision making has increased; for example, in the United States under the Freedom of Information Act and the Government in the Sunshine Act. More complex than in the past, public administration in the more developed countries is more subject to public scrutiny. Innovations in structure, function, and public participation may be expected throughout the decades of the twenty-first century.

As Professor Vigoda's introduction and other chapters have referenced, the first New Public Management began with the emergence of the search for a science of administration early in the twentieth century. The goals of this first New Public Management may be conveniently—although not fully—summarized as rationality, efficiency, and economy. In the industrial economy the most explicit pursuit of these goals was procedural, as in the time and motion studies of American engineer Fredrick Winslow Taylor (1856–1915), whose scientific methods (Taylorism) were widely emulated for a time, notably in Japan.

Early in the twentieth century the growth of large-scale ''private'' corporate enterprise appeared to outperform government in effective public administration and management; then the First World War and the progressive expansion of government agencies and bureaucracies and the corresponding growth in the private business sector compelled further attention to the role and functions of organizational management.

In the field of public management, the initial purpose was to make the existing procedures more effective and to discover scientific principles of administrative management. Opinions differed, however, over whether the functions of administration in business and government were essentially the same or fundamentally different. Political scientists tended to emphasize the difference between the administration of government and the management of business corporations.

To understand what is ''new'' about the New Public Management, inquiry into old theories and practices of management is useful. In response to the circumstances of the times, different managerial theories and practices have emerged. Theory and practice progressing from relatively simple historical assumptions about organizational behavior to the more sophisticated theories of group dynamics and motivation have been influenced by research in the social sciences and psychology. At least five different concepts of organization and management theory have thus far been differentiated: (1) military (command and control), (2) technological (engineering approach), (3) scientific (search for principles), (4) behavioral (group dynamics), and (5) legal (public law).

The military, primarily the army, was the first major school of organizational theory. Hierarchical command and control was—and is in most cases—

the prevailing structure for decision making and management. It was also the model for civil administration in historic monarchies and for the management structure of business corporations. The concept of scientific management arose with the growth of literacy and democracy and it was advanced by the dissemination of information. It was initially seen as a function of engineering, more broadly defined in the movement for ''technocracy'' originating in the United States in the 1930s. Technocracy was based upon the proposition that the economics of modern society were too complicated to be managed by politicians, and control should therefore be placed in the hands of engineers and scientists. Among its apostles were Americans Thorstein Veblen and Howard Scott (Elsner, 1967).

The expansion of the size and functions of government in the ''developed countries,'' notably in the 1930s and 1940s, led to recourse to science and a broadened search of rational principles of organization and management. This search went through several phases: from advocacy of decision making and management as logical technical processes (e.g., technocracy), to a search for principles broadly applicable to private and public administration. The critical point in the administration of organizations was identified in the functions of the executive, emphasized in the title of the widely read book by Chester Barnard (1935). Administration was seen as much more than a technical process. Two years later, the Institute of Public Administration in New York published the highly influential *Papers on the Science of Administration*, edited by Luther Gulick and L. Urwick, which contained essays by an international group of scholars. The principles of administration were ''principally'' defined through process, and for ease of recall were simplified in the mnemonic acronym ''POSDCORB'' (planning, organizing, staffing, directing, coordinating, reporting, budgeting). This functional definition was defended by the argument that the terms administration and management had ''lost all specific content.'' Reacting to this explication of the administrative process was an argument for increased application of behavioral science and group dynamics to administrative theory. Herbert Simon's essay ''Proverbs of Public Administration'' opened the way for the latest ''new public administration'' (Simon, 1946).

As earlier noted, major functions of government administration have been record keeping; for example, of population, taxation, land tenure, and geographical information for purposes of war, territorial boundaries, agricultural productivity, and foreign trade. These functions of information have provided historical archival records extending back centuries to the clay tablets of Mesopotamian antiquity, but the need in all sectors of society for large quantities of information has evolved significantly during the twentieth century with an explosive growth of population, the global economy, technologies of communication, and the content, scope, and accessibility of information. Large amounts of diverse knowledge are indispensable not only at national levels, but now also with international

agencies, notably with those associated with the United Nations and the World Bank (World Bank, 2001). This unprecedented availability and range of information and its transmittal have created opportunities and problems that require adaptation and innovation in public administration. We cannot foresee how public administration will be structured in A.D. 2050, but we can believe that it may be significantly different from the scholarly descriptions written today.

Ambiguities in the terminologies of government and administration have handicapped clarity and consistency in exposition. Do the terms administration and management mean exactly the same thing? If there are differences, what are they? As Luther Gulick (1937) alleged earlier, have they lost all specific content? To explore the semantics of these terms would divert from the purpose of this chapter. To clarify their usage in the subsequent pages however, the following distinctions are observed. Management is treated as an operative function of administration. The terms are not synonymous because administration includes other aspects of governance as exercise of authority, not in themselves managerial, although sometimes invoked to redirect or reinforce management. Nonmanagerial functions of public administration include legalizing its organization and procedures, formulating its policies and goals (e.g., planning), and performing its ceremonial functions. Management may be engaged in these essentially nonmanagerial activities and may therefore be described as an operational aspect of administration.

To avoid conflicts in usage the term administrative management has been invoked, as in the reorganization of the American presidential office, recommended in 1937 by the President's Committee on Administrative Management and largely adopted by President Franklin D. Roosevelt. Administrative organization conforming to substantive rational principles have periodically been proposed, but as often have been rejected by the U.S. Congress on behalf of special economic interests (e.g., agriculture, commerce, and labor).

INFORMATION–KNOWLEDGE–COMMUNICATION

Information as a phenomenon in human society is not a simple concept. From earliest times the gathering, recording, storage, manipulation, dissemination, and withholding of information have been conventional functions of government. In modern society and notably in the processes of governing and governance, its many aspects reveal the ''character'' of particular societies and their values and expectations. Information as knowledge has always been a critical resource for political power. In modern democracies it is a resource for public welfare, justice, accountability, and self-government. For example, in the government of the United States, nearly every department or agency has a public information office.

A distinction should be made, however, between public information that is objectively factual and information that serves a particular political agenda.

The latter may be biased or controversial, as for example, information relating to law enforcement, foreign relations, and military affairs, or on more sensitive issues relating, for example, to population, land use, immigration, and moral values. Information gathering—an ancient and contemporary function of government—was undertaken by states to uncover possible disaffection, disloyalty, treason, religious heresy, and concealment of taxable assets. This information was commonly obtained in secrecy and still is by many governments, but the development of electronic technology—able to penetrate government documents, records, and reports—is rendering concealment by government and private interests ever more difficult.

In simple distinction, communication is *process*, knowledge is *substance*, and information is *whatever is communicated*. Information, however, includes alleged knowledge acquired but manipulated or withheld. For a public administrator today to convey a message, four things need to be considered: (1) the desired outcome—what is to be done or understood, (2) the information necessary to achieve the desired outcome, (3) the process most likely to communicate the message unequivocally, and (4) any legal or political constraints on the communication.

Information is not always a purveyor of ''truth,'' which itself may be factually incomplete, contradictory, ambiguous, or complex to the point of incoherence. Information is conveyed by ''telling,'' but whatever is told or transmitted is not necessarily received or understood as intended. Communication implies a recipient. Information is intended for a recipient but may not be received, or if received may be rejected or misinterpreted. Nonverbal information may be obtained by direct observation, experience, or experiment, and may go no farther (at least initially) than the immediate recipient(s). Moreover, the message of the information may be ''true,'' ''false,'' contradictory, or ambiguous. Information implies a means to whatever end the communication is intended to serve. The content of a communication may be unclear or manipulated to obtain a desired result. A notorious example in the public administration of international relations is the ''Ems dispatch,'' a telegram from the Prussian government to France ''edited'' by the soon to be Chancellor Bismarck to appear as an insult to the emperor of France and provoking a declaration of war by France, the Franco–Prussian War of 1870 (Figure 1).

Uneven distribution of information throughout society may assist government by the few when both power and information are closely held or esoteric and when comprehension by the mass public is exceptionally limited. Political dissatisfaction among the many may be expected when power and decision making, however acquired, are concentrated among the few, but knowledge is broadly diffused. Today the electronic media, the Internet, and radio are making exclusivity in public administration more difficult to maintain. The inquisitive news media, investigative reporters, and the economic incentive to expose malfeasance
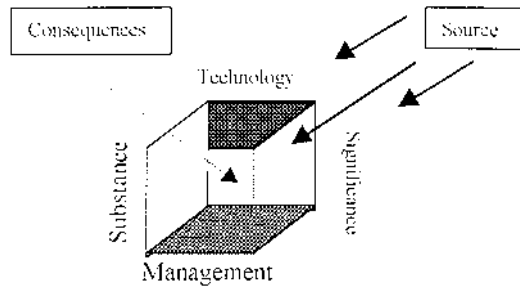
Figure 1 The nature of information. The nature of information might be simulated as a cube (six dimensions), the four facets of the sides representing technology, substance, significance, and management. These aspects are joined at the top by a fifth facet, the "source" of information, and at the bottom by "consequences" (e.g., the dissemination, verification, withholding, distortion, or activation of its content).

or misfeasance in government create hard-to-resist incentives for unofficial "leaks" of misconduct or corruption in office, increasingly so with rising levels of information in developing countries (Inter-American Development Bank, 2000).

When validated knowledge through information penetrates the consciousness of people, its effects may be unsettling if at variance with conventional expectations or alleged official policies. Following objective inquiry, new policies may sometimes be proposed that large numbers of people do not accept. Leadership in public office is handicapped when public opinion is sharply divided and the bureaucracy resists. Particularly in democracies, political decision makers and administrators are unwilling or reluctant to risk popular displeasure or rejection. For example, predictable consequences of global climate change, exponential population growth, new sources of energy, and effects of biotechnology have been widely discounted in political discourse, even when verified or clarified by scientific investigation.

PUBLIC ADMINISTRATION IN LOW-INFORMATION SOCIETIES

Throughout history and in many traditional societies today, critical information has been closely held by a relatively small number of individuals. In premodern times (e.g., before A.D. 1500) the possession and control of information belonged largely to government officials, scribes, and some scholars, priests, or magi. The authority of information was identified with the authority of the governing classes, secular and religious. The mass of people had practical folk knowledge

about matters directly affecting their work in trades or agriculture, but little information of affairs beyond their direct experience or communal consensus.

In the more simple societies and tribal groups, in which the great majority of people had substantially equal access to practical information, the differences between what the elders, shamans, or governors knew and what those they governed knew could be relatively marginal. When knowledge increased and administrative institutions developed in royal and imperial states, the distribution of knowledge and information affecting the state became more concentrated. Unlike the smaller tribal communities, in which authority tended to depend on popular assent, in larger and more complex societies authority moved to the top of the political and ecclesiastical hierarchies and the information gap between governed public and government administration widened.

When the authority of knowledge merged with the authority of princely and priestly status, information itself became an instrument of power and governance. Karl A. Wittfogel provides examples of closely held information and royal and priestly political power in his book *Oriental Despotism*: *A Comparative Study of Political Power* (1957). Foreknowledge of hydrological cycles enabled a ruling elite to control peasant agriculture dependent upon irrigation or cycles of rainfall and the flow of rivers. Insofar as knowledge was regarded as ''official,'' it acquired an authoritative status. Challenge to the veracity of that knowledge could be regarded as foolishness, insubordination, or heresy. When Copernicus (1473–1543) proposed a new model of the solar system, he contradicted the attitudes prevailing at the Vatican (as did Galileo), in effect challenging the authority of the Roman Catholic Church, regardless of the demonstrable veracity of its claims. This historical background is introduced here only to illustrate the progressive vulnerability of official ''knowledge'' (i.e., opinion) to advances in science and the dissemination of information, from the discovery of printing to the new electronic technology.

PUBLIC ADMINISTRATION IN HIGH-INFORMATION SOCIETIES

In societies characterized by high information levels, information as a social resource becomes largely independent of the traditional institutions of governance. Official authorities can no longer indefinitely contain the extent of information spreading throughout society. The Internet, for example, has created a medium of communication wherein large quantities of information can be rapidly transmitted around the world and used for a variety of political and social purposes.

Beyond its service to political power, knowledge in the form of information is ever more essential to multitudinous public activities today. Governments need information, particularly scientific information, and since the seventeenth century they have become major patrons of science and technology, particularly in relation to military and economic affairs. Government was the sponsor of the infor-

mative science of statistics (Stigler, 1999), yet in promoting the expansion of knowledge, government weakens the effectiveness of its control over information, and so to some extent loses *control* of information as an instrument of political power. For example, the American Freedom of Information Act in 1966 and the Government in the Sunshine Act in 1976 opened public access to official documents and administrative proceedings.

Rapid growth and dissemination of information, especially from science-derived knowledge, has resulted in more information available in society than its present institutions, popular attitudes, and political agendas seem able to use effectively. Rising levels of information result in heightened awareness of risks and problems that scientific knowledge and methods might more effectively address if the means and will to do so were available. Governments and their administrative agencies have been made responsible for dealing with many of these problems, but much of the information and skill needed for their administration lie outside the structure and information of official government, hence the unprecedented recourse to official ''expert'' consultants and involvement of other nongovernmental organizations. Moreover, whereas scholarly knowledge is organized discretely into disciplines, the complex issues of our times require interdisciplinary approaches for effective response. Multidisciplinary public research institutes and private issue-focused institutions as ''clearinghouses'' for information are responses to these needs. New sciences, such as informatics, have also been responses to the need to integrate information into the decision-making structures of modern governance—public and nongovernmental.

The so-called social lag—the gap between advancing knowledge and conventional belief and behavior—is common among modern societies. When knowledge and its interpretation outrun social conventions, levels of tension arise among knowers, actors, and believers. Believer's wrath has often fallen on dedicated knowers whose zeal for mass enlightenment and social reform outrun tolerance for change. Institutional and behavioral changes regarded by the best-informed persons as desirable (even necessary) are often tacitly rejected or ignored by an uninformed and indifferent multitude and its leaders. Their minds remain unchanged because they have not yet been reached or have become hostile because the new information threatens their personal status, beliefs, and behaviors. Moreover, large numbers of people in the ''developed'' countries are addicted to commercialized entertainment and have no interest in learning about the impacts of population growth and modern society's destructive impact upon the natural environment of the Earth. Public administrators must somehow take account of these conflicts, but regretfully, among these are many of the worst offenders.

Distrust of novelty may not always be wholly irrational; new beliefs and behaviors may be incompatible with the consensus necessary for social stability, and premature release of insufficiently untested information may lead to unwanted consequences. Undisseminated knowledge, however, may be no more

than latent information—not influential—moving neither people nor governments. Knowledge flowing through a mass information system, however, resembles a current of electricity, with power to shock, destroy, fuse, energize, empower, illuminate, and sometimes assuage. Some closely held knowledge may enhance personal power, but to change people, knowledge through information is now carried throughout society by broadly diffusing processes such as the Internet. The effects of this flow of information on beliefs and behaviors raise questions of social and individual responsibility, ethics, and the role of institutions and practices of governance and hence public administration.

As all information, notably scientific knowledge, expands, and as the media of its dissemination expand also, suppression becomes more difficult. Knowledge more than ever becomes a pervasive, impersonal force, sometimes designated as the noösphere—a term given currency by the Russian mineralogist V. I. Vernadsky (1945) and the French Jesuit scientist Pierre Teilhard de Chardin (1961)—describing the realm of knowledge existing independently of the personal knowledge possessed by specific individuals. This also affects the responsibilities of public administration in numerous areas of policy.

In high-information-level societies today, especially in the more developed democracies, functional boundaries between public and nongovernmental public interest organizations are increasingly interlapping. In the advancement and custody of knowledge, private or nongovernmental public institutions, including museums, libraries, universities, technical schools, medical schools, advocacy research institutions, and for-profit industrial organizations, interact with government through contracts, grants, and collaborative efforts and the news media. The outsourcing of services previously public to private sectors—from trash collection and disposal to legal analysis and public/private social initiatives—is indicative of a much larger question. How much larger, more inclusive, more complex, and more dynamic can modern society and its governance become before human capacity to comprehend and manage is exceeded? To believe that human mental capacity is unlimited is an assumption not confirmed (or refuted) by human experience or objective evidence. If mental growth occurs, can its development parallel the growth of the managerial necessities?

IMPACT OF ELECTRONIC TECHNOLOGY

In the last half of the twentieth century there was an unprecedented expansion of factual information and its transmission. It has been a transition from an era of mechanics characterized by the printing press, the telegraph, the telephone, the silent cinema, and transoceanic cables to an era of electricity and electronics, computers, lasers, surveillance satellites, advanced cryptography, and many forms of visual and auditory technology. Technological developments have been significant direct and indirect factors in the new New Public Management.

Human capabilities and interactions have been greatly extended by these technologies, but little is yet known regarding their ultimate effects upon the human mind, personal relationships, and social, economic, and civic affairs. Consider the cumulative public and personal impacts of the following: electric illumination, electronic applications in mechanical equipment (e.g., automation), the electron microscope, diagnostic devices in medicine (e.g., X rays, magnetic resonance imaging, and laser technology), and telecommunication generally (including radio, television, E-mail, cellular phones, telefax, the computer, accelerated transportation, the Internet, the World Wide Web, and satellites for surveillance and communication, including powerful astronomical instruments positioned in space). Electronics in science and medicine continue to have new applications. Consideration is now being given to the placement and control of mirrors in space to deflect the solar radiation leading to global climate change. Nearly all of these developments at some stage and in some way impact upon and invoke some action in public administration and management. The often insufficiently appreciated implication of these technologies is the radical condensation of time and space coupled with an acceleration of movement—of people, ideas, information, and materials (including pollutants and pathogens).

These developments have changed the circumstances under which government is administered and limited the time available for management response where required by circumstances. Too rapid a response for political expediency may lead to paradoxical consequences. Electronic technologies—personal computers or television, for example—may diminish individual or communal involvement by inducing a passive, person-centered perspective on public affairs that tends to diminish a sense of civic responsibility; New communication technologies may also mobilize and enlarge a better-informed public and facilitate communication between government and its constituents as, for example, electronic voting in elections to public office and in referenda. Information and communication technology may facilitate the activities of political movements in opposition to or support of governmental policies and action in relation to world trade, environmental protection, and the extent of unrestricted freedom of content over television and the Internet. International controversy has followed from surveillance by satellites across national boundaries, notably for military, economic, and environmental information and cross-boundary radio broadcasts of material objectionable to the governments of receptor countries.

ELECTRONIC CITIZENSHIP

Governments with the technological capability are responding to these trends by establishing Internet ''portals'' or one-stop facilities wherein citizens can readily obtain basic services hitherto delivered by diverse public officials. Great Britain, Austria, and Singapore, for example, are now developing electronic applications

that will allow residents and their government to communicate more effectively. A survey on information and government in *The Economist* (''Survey: Government and the Internet,'' (2000)) predicts that these portals could evolve beyond the simple delivery of services to ''the beginnings of digital democracy.'' Voting in elections could supplement activities such as filing tax returns and renewing automobile license plates.

There presently exist online communities among groups of people—so-called netizens. Such communities could in theory serve many practical functions of governance as traditionally conceived. If the use of electronic portals among governments becomes widespread, it is possible that so-called electronic citizenship will become a practical reality. Steps toward the establishment of a legal and institutional framework have already been taken. For example, in June 2000, a ''digital signature'' bill passed in the U.S. Congress that would allow digital signatures—or the individual's unique electronic ''fingerprint'' of a personal computer—full legal recognition. Using this powerful new tool, ''E-government'' and ''E-business'' will likely be able to collect, keep, and search information about people and organizations with greater ease. With such a possibility looming in the near future and the ease of government agencies to retain ''proprietary'' information about everybody—including genetic profiles and medical histories, the status of personal rights, and privacy—becomes uncertain.

Protection against computer ''viruses'' and ''hackers,'' and from personal intrusion by the computerized brokering of personal data and computer-assisted crime are now emerging as important issues in public policy and administration. When confronted with the knowledge that private companies and public agencies not only record personal information but may also sell or trade it, questions regarding the proper role of both government and business in uses and abuses of computer capabilities are now and will become increasingly important public issues in the near future. In an era in which the ''free'' flow of information is considered an important priority, it is likely that additional privacy and security measures will be administered to prevent abuses of personal freedom—perceived or real—of electronically stored and transmitted personal, governmental, or proprietary information.

New techniques of electronic technology are capable of penetrating governmental secrecy. The U.S. National Security Agency has lost control over its encoded messages. The technology of cryptogamitry has developed new ways of decoding messages. There are individuals and organizations engaged in exploiting or publicizing messages intended for private eyes only. Organizations such as the Electronic Freedom Foundation (EFF) and Institute of Electrical and Electronic Engineers (IEEE) based in the United States promote developments that are narrowing the possibilities of concealment in public and government affairs (EFF 2001; IEEE, 2001).

It therefore appears we are confronted by a paradox and a contradiction.

Communication of ideas, requests, and instructions has never been as rapid and widespread, and appears to be accelerating, yet the accessibility to a common body of science-based information and knowledge seems to have had uncertain influence on matters of ethics, values, social relationships, or the policies of governments. Information for profit or politics very often purveys a ''virtual reality,'' an illusion of reality intended to influence the receiver to believe or act in accord with the purposes of the communicator. So, beyond its advantages, the complexities and contradictions of the ''information age'' present a range of difficulties and problems for society at large and for public administration.

The so-called E-revolution could initially result in better management of public information by government, creating short-run gains in efficiency, cost savings, and effectiveness. Technology use alone, however, does little to *change* the way governments are structured to address new problems or opportunities associated with the increased flow of information. Unforeseen long-term consequences may arise regarding equity, privacy, property rights, and responsibilities. The widening ''digital divide,'' for example, is becoming a potential policy issue in some countries. New electronic services will be available only to those who have access to computers and understand their related technologies. Inevitable inequalities in the ability to utilize electronic information technology indicate that some priorities are disproportionately represented in relation to their intrinsic importance in the range of public interests or in relation to the future needs that will confront society.

Many people have become so accustomed to scientific breakthroughs and high-tech innovations that the subliminal effect of these changes on human beliefs, assumptions, and behavior is often unnoticed. What do these innovations do for us or to us? How do they affect our psychology and behavior? Do they also put us at risk? We have not yet been able to assess the long-term effects of these electronic technologies on society or government.

Unless widely experienced, an unanticipated effect of electronic citizenship may be to fractionalize or atomize the so-called body politic. Face-to-face communal debate and decision making, as in the traditional civil parish in England, its counterpart in the New England town meeting, or the assemblies of some tribal societies, are lost when respondents vote on issues electronically without benefit of direct interchange of opinion with other citizens. This exchange of views might be facilitated by debate via the Internet, but there are practical limits to this possibility. A possible but unlikely consequence might be to enlarge the opportunity for a concentration of political power, but conversely, the enlargement of the opportunities for exchange of information might facilitate openness in the New Public Management and widespread public comprehension of the societal and environmental issues confronting society.

There is a risk, however, in the expansion of information technology. An

overload of information can be confusing to people unable to differentiate between information that is valid and that which is dubious, irrelevant, deceptive, or false. The preoccupation of people with day-to-day and personal affairs risks shortsightedness in assessing the ultimate significance of innovations and information trends and implications. The *immediate* and exciting often tends to displace the *important* and to pre-empt the attention of public administrators and the citizens they serve.

Because relatively few scientific studies exist regarding the full impact of electronic technology upon constituents within a highly informed society, drawing conclusions is speculative. Harvard professor Robert Putnam's *Bowling Alone* (2000), for example, argues that citizens are, in effect, fractionalized by communication technology. As previously conjectured, applications of electronic technology may significantly reduce communal involvement in public affairs, but individual participation may be increased.

The flow of information through electronic media today is overwhelmingly for advertising and entertainment. Insofar as public attitudes, beliefs, or opinions are influenced, this information—true, false, or biased—may affect popular attitudes toward the conduct of government and public administration. The effects appear to be contradictory. A consequence of the dissemination of allegedly science-based knowledge through mass information media has been a rising level of problem consciousness throughout modern society.

INSTITUTIONAL RESPONSE TO PERCEIVED NEED

In the political divisiveness of the modern world, information is ammunition, but its selective propulsion is commonly energized by commercialized publicity, a pervasive and distinctive attribute of modern consumer society. In a high-information-level society, publicity and the prospect of publicity are integral to political strategy and ''celebrity'' status. How information is disseminated depends upon the purposes and priorities of the socioeconomic political system and its information technology. In present society, ''developed'' and ''developing'' celebrity status in movies, television, sports, or popular adulation is more persuasive than are sober scientific assessments or most pronouncements of governments or international agencies.

In closed and totalitarian societies control of information is attempted by the state and monitored by police authorities. In open and democratic societies, however, most information is relatively unconstrained politically; in theory, available to whomever is capable and desirous of obtaining, disseminating, receiving, and applying it. In fact, there are aspects of information and technology that are closely held by most governments, particularly by those threatened by interests, foreign and domestic, perceived to be inimical to national security. In the United

States, for example, the control of strategic information is a priority concern of the National Security Agency, the Central Intelligence Agency, and the Departments of State and Defense (Arquilla and Ronfeldt, 1999).

The ''social lag'' between convention and innovation identified at the beginning of these remarks still separates the behavior of electorates, lawmakers, administrators, judges, and journalists from a science-confirmed view of reality. In the realm of politics what people *believe* is often more significant than what may be verifiably *true*. As early as 1957, Vance Packard in *The Hidden Persuaders* recognized the growing influence of psychologists in the manipulation of public opinion, notably through advertising. People are now bombarded with information designed to influence their perceptions and opinions as citizens, voters, and especially as consumers.

To obtain needed information, advance science, and strengthen their comparative advantages, modern governments have created public institutions for the gathering and dissemination of knowledge. With the growth and diversification of governmental functions, the need for informed and trained personnel has grown, often beyond the ability of official agencies to provide. There are thus two major adjuncts to the central bureaucracies of the modern state: institutes or comparable research facilities for public policies and administration (e.g., in the United States the Brookings Institution in 1961, the Smithsonian Institution in 1846, and the Rand Corporation in 1948) and the academies, schools, or institutes for education, indoctrination, and training in the practice of administration and management.

The institutions for the advancement of science and technology were initially not primarily concerned with public administration. Their research activities were directed toward the growth of scientific knowledge, but not necessarily toward improving public service. Regardless of their intended functions, they contributed as a public function to the advancement of knowledge.

This development occurred relatively recently in historic times. Early in the rise of national states in Europe after A.D. 1400, ruling authorities sought to strengthen their command of information, reinforcing their authority and the competitive position of their domains. The line between the growth of learning and early science was sharply drawn. Those developments were perceived as advantageous to the rising states in both civil government and military technology. They were not intended for the advancement of public management, but subsequently were resources for the advancement of governmental functions. A notable example was the development of the science of *statistics* (i.e., information about *states* and their economic resources, population, and military capabilities) (Stigler, 1999).

Early efforts to strengthen the performance of government and its personnel and to raise the information level of public information were part of a general trend in emerging nation–states which began in the eighteenth century and

continued thereafter (*World of Learning*, 1998). Institutes, schools, and other state-sponsored mechanisms were designed to enhance the relative position of the nation in public services and economic affairs, not to prepare public administrators.

In France, the Ecole Polytechnique and the Ecole Normale Supérieure were established in 1794 by the Convention during the Revolution, and the Grandes Ecoles (engineering schools) were established during the regime of Napoleon to provide the knowledge and operational skills needed by government not then available through the universities. Academies and institutes for the advancement of science spread throughout Europe, including Russia in 1724. These institutions both reflected and advanced information levels in the respective countries and were factors in the subsequent development of education for the practice of public administration.

After 1950, the number and variety of institutions sponsored by governments for the advancement of science and technology grew steadily. Many led to the establishment of administrative agencies in government, notably in relation to natural resources, agriculture, and health. Of greater significance for public administration in the long run were the establishment of schools of public education and the rise of both public and privately funded institutions for public service, science, research, and public information.

Initially parallel to institutions for the advancement of knowledge were schools or academies in many countries for training in the administration of government and administrative management. In these institutions prospective officials received indoctrination in the practical art of administration. The earliest premodern schools (e.g., the palace school in the Ottoman Empire) were designed to prepare administration for the operational tasks of the autocratic regime. With time, democratization of government, and the emergence of a ''science'' of management, their missions broadened to accommodate both the changing expectations of society and a new understanding of human behavior.

There is no reason to believe that this process of change will diminish as the rising level of public expectation accompanies the unprecedented expansion of information in the electronic era. Following World War II, institutions for the special education and training of administrators for the expanding role of government were established in many high-information-level developing countries. Notable among them were the Administrative Staff College at Henley on Thames in Great Britain (in 1945, now the Henley Management College), the Ecole Nationale d'Administration in Paris (1945), and the Federal Executive Institute at Charlottesville, Virginia in 1967. In many countries, schools and institutes of public affairs and administration have proliferated to meet the needs of transforming public services.

Professionalization, research, and education relating to public administration have responded to multinational common problems and cross-boundary ex-

changes and experience through international organizations, notably through the International Institute of Administrative Sciences (IIAS), established in 1930 in Brussels, and the Associated International Schools and Institutes of Administration (ISAIA). These institutions and others at the national and regional levels are valuable agencies for the dissemination, harmonization, and assessment of new concepts and practices in public administration.

All of these developments are concomitants of the transition from industrialism to the new ''technetronic era'' (Brzezinski, 1970) and the increasing need for information by people and organizations inside and outside the official structure of government. From small beginnings, industrial research and development have risen to giant proportions and have become dominant factors in the postindustrial era. Governments have established public corporations to provide information often of an interdisciplinary character, particularly—but not necessarily exclusively—to defense initiatives (e.g., in the United States the Rand Corporation and Brookhaven, Oakridge, and Sandia National Laboratories). Many technologically advanced governments have attempted to match the increasing tempo of the times with E-services, and it appears that implications for reliability and responsibility are almost certain to arise as these electronic applications are extended.

As information proliferates, expands, and ramifies, and as more people know more about more things, the question of who informs and influences public policy and public administration becomes correspondingly more important. This is even true in ideologically closed command and control polities, in which large amounts of information are nevertheless essential to governance, but in which the sources of information and influence are fewer, have been closely held, and are less visible than in open democracies.

Even so, in democratic societies some interests do not favor the free flow of particular information. In April 1983, a bill ''To establish in the Federal government a global foresight capability with respect to natural resources, the environment and population'' was introduced in the U.S. Senate by Senator Hatfield of Oregon. No action was taken on this proposed legislation. In 1995, the Congress of the United States inactivated the Office of Technology Assessment, which had been established to assist Congress in informed decision making on the range of effects of technological innovations (Bimber, 1996).

It is anomalous that the legislature of a nation that has been in the forefront of developing information technology should be unwilling to apply it to the identification of vital trends. This action (or inaction) doubtless reflects the widespread aversion of many Americans to government planning, which they perceive as inimical to their liberties. Conservative opponents have seen in this enlargement of information a move toward centralized (socialist) planning, which they believe is prejudicial to entrepreneurial freedom, ''rational'' decision making by the market, and ''consumer confidence,'' and in any case predictably wrong. This

negative ideology, expounded by self-designated American ''conservatives,'' biases when it does not block innovation in the new public administration in the United States. To what extent can the new public administration replicate the marketplace, with government being the purveyors of services (e.g., even prisons) and the public the consumers? I find the extent not very great; nevertheless, notably in the United States, there is a greater tendency to regard the nation as an ''economy'' rather than a republic and to regard (except for legal purposes) people formerly described as citizens as consumers, investors, and taxpayers. There is little persuasive evidence that the so-called reinvention of government in the United States is more than the ''old'' public administration with retrenchment of personnel in the name of economy and efficiency.

MANAGING INFORMATION IN A HIGHLY INFORMED SOCIETY

Knowledge may be potentially available for application to the problems of society and yet be unusable when uninterpreted, misinterpreted, unfocused, or offensive to well-organized political interests. Whatever their limitations, environmental impact analysis and technology assessment provide information that can reveal the single purpose and narrowly selective factual bases upon which too many large and costly public and private enterprises have been undertaken. Use of these information-gathering techniques are now required on many occasions for administrative planning and decision making.

Environmental impact analysis, technology assessment, and when necessary, fact finding for arbitration of disputes, are intended to mobilize and evaluate all relevant information and to discover probable consequences of proposed actions, both positive and negative. The objective of these assessments is essentially preventive, corrective, or conciliatory. In advanced societies today, certain critical information is managed through monitoring of changes in the environment inimical to public health and safety. In some countries, and notably in the United States, environmental and health protection provisions in statutory law invoke regulations when, for example, certain levels of toxic pollution or atmospheric ozone levels are detected. Information thus automatically triggers the administrable application of government regulations (Kennedy School of Government, 2000).

Governmental policy making characteristically has involved conflict among interests, and perhaps it always will, but advances in information and understanding have influenced assumptions and behavior. While no one should be confident that the politics of the future will differ fundamentally from the past, the expansion of information and information technology suggests the probability of more rational policies and procedures in public administration, although desirable progress toward more effective governance is likely to be incremental. Old expectations and habits in bureaucracies are often resistant to change.

Nevertheless, it is not unreasonable to conjecture that in scientifically advanced countries there may be informational and behavioral changes as great in the next 100 years as in the ten centuries between 1000 and 2100 A.D. The evolution of information technology and substantive information (e.g., derived from the human genome project) might lead to yet unforeseen consequences for governance. This could happen if science-based information, particularly in the biobehavioral sciences, led to increased popular comprehension and consensus on policy priorities and even to alterations in human behavior that, for example, might induce changes in the administration of criminal justice and provide alternatives to incarceration in prison. The processes of policy making and public administration seem certain to be affected by new popular attitudes (and conflicts) engendered by applicable advances in the biobehavioral sciences that might uncover findings many people would rather not know but with which the medical sciences, government, and public administration will have to cope.

People have generally become aware of the rising level, scope, and transmission of information, and to the techniques of analysis and forecasting. Not everyone welcomes this development or has confidence in its reliability. The present dominant expectation is for indefinite expansive growth in the global economy, driven by population growth and continuing developments in information technology, notably in computerized artificial intelligence and the expanding use of the Internet. Recent reports, however, on the deteriorating quality of global environmental and social conditions have also shown that the impacts of many technologies are yielding negative consequences that need to be addressed if these developments are to advance unimpeded.

TOWARD THE NEXT GENERATION
OF PUBLIC ADMINISTRATION

It appears that governments everywhere need all the help they can get in performing their essential functions and dealing effectively with interdisciplinary issues that confront all modern societies and their governments. Advances in information and communication technologies hold the promise of serving the growing demands on public administration, increasing the adequacy and efficiency with which governments may assess and address the risks and opportunities of high-level information societies, but most governments are not yet organized to utilize fully the variety of information and talent available. Under present circumstances, the sources and possessors of information in modern society are far too numerous to be equitably and effectively brought into the existing structure of official government decision making. The implication seems apparent; the traditional official structure of many governments is no longer adequate, unaided, to the task of receiving, evaluating, and utilizing the growing scope and complexity of information important to their nations' future.

Three questions for public administrators seem pertinent: *first*, what the effect is of a ''spontaneous'' flow of unverified cross-disciplinary information upon responsible government; *second*, how and to what extent (if at all, and under what conditions), a new quasi-official sector of informed citizen action should be recognized as a legitimate and regularized aspect of democratic governance; and *third*, whether or not the global flow of electronic information across national borders should now be brought under some form of international monitoring. Today the answer to the third question must be ''not possible.'' This possibility, of uncertain desirability, might be realizable in the future, yet in the years since the UNESCO New World Information and Communication Order (first proposed in 1975, and defeated principally by opposition of the United States and the United Kingdom), technology has rendered control of electronic messages across national borders virtually impracticable.

These are difficult questions. They once more bring into focus questions concerning representative government, direct democracy, national sovereignty, the functions of public administration, the responsibilities of citizenship, the relationship between knowledge and opinion—popular or official—the threats to consensual myths, and the risk of ideological censorship. In most high-information-level countries these are not salient issues, and yet these questions may intrude upon the public administration of the future, originating in the more scientifically advanced democracies or international scientific organizations.

Reconciling new technologies and concepts with traditional ethos and ethics may require new institutional relationships to determine when and how public decisions should be made, who makes them, and what needs to be done when opinions differ. If mobilizing, evaluating, and applying a variety of disciplinary information require new forms of societal and institutional action, how should the need be answered? In a society in which the ''digital divide'' is widening, whose priorities will be represented—those with educated capabilities allowing access to advanced information, or a larger number, less capable of computerized inquiry and retrieval and often adhering to traditional beliefs? Traditional judicial systems appear inadequate to answer these questions in an increasingly changing, globalizing, and information-burgeoning world.

Whether or not people perceive a need for redesigning public institutions to assist national agenda setting and policy formation to avoid environmental and technological dangers depends very largely on what they sense in present trends in the economy, the life sciences, and the environment. Information from the sciences indicates both opportunities and dangers, but the dangers, if not dealt with effectively in a timely manner, could destroy the opportunities. Such were the widely misinterpreted findings of reports to the Club of Rome in the early 1970s (Meadows et al. 1974). Subsequent efforts to model possible futures tend to reinforce the conclusion that there are destructive forces at work in the world which, if left unattended, could lead to great harm. Critics who argue that humans

have always overcome adversity, that the alleged dangers have been exaggerated, and that common sense, technological innovation, and market forces can move the world into a brighter future than the gloom-sayers could imagine, have discounted these scenarios, yet the question persists and of late has become highly relevant, as the author asked in the title of a recent *Politics and Life Sciences* article, ''Is Humanity Destined to Self-Destruct?'' (Caldwell, 1999).

It appears there is a risk to technological innovation in the content, communication, and management of computerized information and communication systems. Moreover, there are predictable risks to societies living too often in a state of virtual reality exacerbated by television and the Internet. The course and direction of the cybernetics of information should be a continuing concern of responsible government so that future society may realize the benefits of growing interdisciplinary knowledge without inadvertently incurring unwanted consequences. If such a society is to be realized, public administrators will need to become much better able to effectively address the concerns of their constituents and the possible effects of alternative resolutions. To address these concerns is not to reflect uncritically upon all current popular enthusiasms. In public outreach as well as at higher levels of policy formation, public administrators will need to be objective and informed teachers. In order for public administrators to effectively communicate, however, they themselves need to fully understand what, how, and most important, why they are communicating.

We come then to the question of a possible need for innovations designed to increase the probability that information tested for validity will influence public comprehension, priorities, and action within government and in the nongovernmental sectors of society. There is reason to be cautious in institutional innovation, but conservative skeptics often tend to focus on the risks of change and to discount the need for action. Institutional change inevitably impacts unevenly upon diverse interests and expectations. Change seldom occurs without controversy, but the contemporary explosive growth of scientific findings, communication, and information content and technology have implications that government and public administration can hardly avoid confronting. Administration is no longer only ministerial in function; it must respond to a broader spectrum of institutional needs in the high-information level society.

Assessment of socioeconomic and environmental trends finds traditional structures of government inadequate to address emergent complex interdisciplinary needs. Some established government institutions may be adapted to meeting these new needs, but innovations may also be necessary. Modern governments have provided for review and consideration of public policies through councils of state. These councils have been instituted primarily in Europe where there now exists the Association of the Councils of State and Supreme Administrative Jurisdictions of the European Union (Association of the Councils of State and Supreme Administrative Jurisdictions of the European Union 2001). Thailand

and Canada also have established privy councils serving similar functions. Although these councils are today concerned primarily not only with juridical issues, but also with transnational community policies and the enforcement of community law, they provide a structure whereby emergent issues of policy and matters transcending national boundaries could be introduced and evaluated. The European Union is a confederation of independent ''sovereign'' states, and in member countries is a participant in national government. In the United States, there is no council of state, although a council differing somewhat in function from its European counterparts has been recommended by American statesman and scholar George Kennan in *Around the Cragged Hill* (Kennan, 1933).

A different concept of councils to supplement and inform the official institutions of governments has been advanced in the United States. In 1969, more than a quarter century ago, American scientists John R. Platt and Richard A. Cellarius argued the need for new governmental institutions to forestall a convergence of crises foreseen before the end of the twentieth century. They believed that these dangers could be overcome and the ultimate crisis avoided *if* science were mobilized and directed toward solutions. They proposed a nationwide system of councils of urgent studies associated with major research institutions for scientific inquiry to attack the threatening problems and to identify appropriate and effective responses (Platt, 1969; Platt and Cellarius, 1972). These councils would be responsible for assembling, testing, and disseminating reliable information on matters of critical concern. The author of this chapter has also proposed a similar set of councils of state (lkcaldwe@indiana.edu).

The proliferation of so-called think tanks, policy institutes, and consulting research and development establishments confirms their feasibility but also the risks inherent in extraofficial institutions in the information, agenda-setting, and policy development process. Most of these organizations are not the bodies that Platt or Caldwell proposed, however; some are frankly partisan, some are hostile to government and public administration, and nearly all are dependent upon gifts or contracts conditioned upon their addressing particular issues and reflecting particular interests and values. They may or may not (and seldom do) accurately reflect the values, preferences, or apprehensions of large and diverse numbers of people. Although some are designed to discover the issues that, in the interest of its future, the country ought to address, these essentially private advocacy institutes do not always enlist resources of talent and information beyond their carefully selected group of associates and consultants.

In the United States and Western Europe, efforts have been made to assist official governments in distilling policy-relevant information from a mass of mixed information of varied objectivity and reliability. Various types of citizen organizations, and as noted, official councils of state, have been established by governments to advise on a wide range of policy matters. Designated as advisory committees, advisory boards, councils, online forums, and presidential or national

commissions, these bodies have varied greatly in membership mix and function. Some have been constituted as panels of experts on a given subject. In other cases the committees are broadly representative of various interests in society with (or as often without) particular expertise in the subject on which their advice has been sought. Among them some are explicitly partisan in fact, although not so in their official descriptions. The more prominent of these in the United States are the Cato Institute, the Hudson Institute, the Pacific Legal Foundation, and the Rocky Mountain Institute. At least 100 independent policy research organizations of varied types are listed in the United States alone (Project Vote Smart, 2001).

In the United Kingdom, royal commissions have served the review of major national policy issues. In the United States, White House conferences have been used to assist the official government in reviewing issues of major importance, in setting agendas, and in setting the course of national policy. These conferences have often been criticized however, for ineffectuality, alleged bias, and cooption by the agencies or interests that they have been constituted to advise. There is a wide variation in the degree of serious attention (usually very little) given to their findings and recommendations, most of which are without political endorsement, and most are soon forgotten.

The councilor idea in principle appears to be a logical approach to a more effective mobilization of information and review of policy in the service of society, and need in no way interfere with the ongoing course of basic research or pre-empt executive and legislative governmental responsibilities. The effective establishment of such councils might narrow the gap between latent resources of information and technology, and political and institutional decision making. They might in some measure reorient the political role of the executive function of government and might affect the decisions of legislatures and judicial courts in ways that would be more responsive to the needs, capabilities, and risks of a high-level-information society. In the face of unprecedented problems, failure to anticipate and asses the significance of emergent issues may pose a higher risk than reluctance to deal with the possible consequences of innovation.

The Internet and World Wide Web enlarge the options for public information, but only for persons equipped to receive the messages. The ''science of informatics'' is now becoming an interdisciplinary study in some universities. Its primary concern is technical, but it cannot avoid consideration of the effects of the information conveyed. Technologies today, however, make no distinction between fact or fiction, truth or bias. The truest utopians of our times are those who believe that regardless of monumental changes in science, technology, populations, the economy, world affairs and the unprecedented availability of information, and politics and public administration, the world will go on mostly unchanged and unaffected.

The fact that government has invested heavily in the technology of information does not support the assumption that the arrangements that have been estab-

lished are sufficient for informing the processes of agenda setting and policy formation, or that major institutional restructuring for management of information will achieve desired results. There ought be no doubt regarding the importance of information technology in the shaping of public policies, yet in the long run, as in the past, it is not only the content of information, it is the knowledge that it carries (true, false, or ambiguous) and its use (or misuse) that will affect the purposes and actions of public administration. The values, assumptions, and perceptions prevalent in a society will undoubtedly influence the evolution of its fact-finding institutions.

In the past, specialization and compartmentalization have characterized the structure of government and higher education. In the university disciplinarity uncompromisingly prevailed and interdisciplinarity was opposed with skepticism. By the last quarter of the twentieth century, however, the need for interdisciplinary and multidisciplinary studies was becoming recognized. The structures of administration in governments have been resistant to the interdisciplinary trends, notably where the concerns of organized interests are represented in separate ministries or departments of labor, agriculture, commerce, education, culture, foreign affairs, and military defense. Obviously some degree of specialization is necessary for particular public services and the concerns of particular popular constituencies, yet intransigency, rivalry, and competition have often resulted in wasteful conflict within government.

The term interdisciplinarity derives from its origin in the linkage of diverse disciplines toward an integrative approach to knowledge and action reflective of the ''real world.'' Its objective is to see related matters holistically—to see the world as it really is in all of its dynamics and complexities—yet to deal with the whole it is necessary to break it down into manageable parts. The task of interdisciplinary administration is to deal with the manageable parts within the context of the whole. Given the size, complexity, and differences in political priorities, this is a formidable task to which many governments today may not be equal.

To the extent that the new public administration is modeled after corporate enterprise and conceives public administration in an entrepreneurial mode, I am skeptical of its future. To define public administration as a market-driven enterprise providing public goods and services with the public at large as customers seems to me to be a model only partially suitable for the ''consumer society'' in the so-called developed world today, and wholly unsuitable in the long run.

In high-level-information societies the interests, values, assumptions, and objectives of groups of individuals will continue to differ. These values, assumptions, and objectives will almost certainly come into conflict. While not all conflicts may be reconcilable, access to verifiable information may raise the substance of dialogue from subjective opinion to objective agreement upon the factual basis of a disputed issue. Should humankind and its institutions survive

the unprecedented challenges of the twenty-first century, it appears necessary that the gap between virtual and verifiable reality be consciously narrowed so that the former will not be mistaken for the latter. This will almost certainly require facing new situations with concepts and institutions of governance appropriate to evaluating and utilizing the unprecedented scope and flow of information in technologically advanced societies.

I repeat that I do not see an entrepreneurial model adequate to this task. Our task for linking information, social issues, politics, policy, and management is a challenge yet to be accomplished. The enthusiasm for public planning, notably in the 1930s, did not survive the Second World War. The so-called reinvention of government based on a market-driven model appears to be essentially contemporaneous and superficial in relation to the multiple challenges to be confronted in the twenty-first century. There have been numerous assessments of these challenges, but one especially deserving of political response is the ''World Scientists' Warning to Humanity'' (Union of Concerned Scientists, 1992), signed by more than 1600 leading scientists around the world and 104 Nobel laureates. An international commission to examine the need and direction for anticipatory governance would be a rational response to the world scientists' warning and to similar projections for the future. However rational, this action seems unlikely short of a global crisis or catastrophe. As yet unimplemented are the objectives in Agenda 21 by the United Nations Conference on Environment and Development in 1992.

Governments and their administrators characteristically focus on immediate situations and pressing problems. There are few political rewards for anticipating the long-range future. The advancement of science, however and an apparent growth of public acceptance of science-based forecasts, however slow, may enlarge the ''educating'' role of public administration. We are hardly at the end of the expansion of knowledge and information, and there is growing although limited recognition that we also face formidable challenges to a sustainable future, and so it is more realistic to see the new public administration as an evolving process continuing to become ''new'' as it is adapted to meeting the needs of the ever-receding future.

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10

The Digitized Health Service
A Theoretical Framework for Public Administration

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INTRODUCTION

The increasing interest in cost containment and quality improvement in health care has heightened the need for tools to obtain both cost reductions and increased effectiveness at the same time. *Information technology* (IT) has so far been the promising answer to political and public pressure for improved efficiency. In the form of *electronic medical records* (EMRs) and *medical databases* (MDBs), IT is perceived as the tool to improve communication at all levels of health service, leading to improved quality of treatment and increased effectiveness. Also, IT is seen as an effective tool for managing and budgeting health care resources.

Finally, in a welfare society such as Denmark, IT is also perceived as an important instrument for maintaining equity among citizens in getting access to health care. While consumers, politicians, and health service experts agree on the above-outlined goals, financing is still a matter of dispute.

Financing of health care differs from country to country. In such countries as Denmark and Sweden, most health care is financed through public tax payments, although for some services patients may have to pay a user fee. In contrast, Germany finances its health care system primarily with the help of an insurance scheme that is linked to the labor market. Accordingly, a certain percentage of the employee's salary is deducted. The employer matches this contribution, which is then paid into the insurance scheme. In the United States, health care is predominantly financed through an insurance system whereby the employer may pay the contribution in full or in part. Accordingly, only in a type of system such as that employed in Denmark is the person covered by health insurance regardless of employment status. In contrast, being unemployed in the United States requires that the individual ensure that the monthly insurance premiums are covered.

Differences can also be found comparing the ownership of health care assets, such as hospitals, clinics, and other treatment and rehabilitation facilities. In the United States, a large number of private hospitals and foundations coexist along with public institutions, while in Scandinavia health care assets or facilities are generally owned by the public. In most industrialized countries, a substantial amount of the *gross domestic product* (GDP) is currently being spent on health care. (See also Table 1.) This amount is expected to rise in the years to come. The primary reason for this trend is a demographic shift toward an aging population, with older people making up an increasing percentage of the total population. A second reason is the rising demand for the more expensive treatments that are now available thanks to research and technology, as well as better service.

While the above indicates differences in financing of health care and ownership of facilities, some things are similar across countries. As patients, citizens want the best service possible. As taxpayers in a public system or as insured parties, they are concerned about soaring costs. In Denmark, the latter will require that the state increase tax-based funding to the system, while in the United States, insurance companies will simply have to raise their premiums to absorb cost increases.

Who should pay—the public, the patient, or consumers through increased insurance contributions—is already a matter of dispute. Moreover, strict regulations of services and adjustment of costs are more easily accomplished in a public health care system than in a predominantly private and insurance-based system. Equally important, however, is that IT in and of itself is a determining factor in the development of the cost spiral. Making information about new and improved treatments and cures for disease globally available, IT may speed up the financial pressure on political and administrative systems, but unless economic and other

TABLE 1 Cost and Benefits of Health Care

Type of health care delivery	Examples	Percentage of gross domestic product (1998)[a]	Total expenditure on health per capita ($ PPP, 1998–X)[b]
Health care expen- ditures	Canada	9.5	2,312
	United States	13.6	4,178
	Germany	10.6	2,424
	Denmark	8.3	2,133
Costs	Chronically ill patients com- prise 20% of the U.S. pop- ulation; they consume 70% of health care spend- ing (Gattiker, 2001e)		
Prescription drugs	$358 per capita during 1999 in the United States (com- pared to $413 for alcohol, tobacco, and entertain- ment admission) (Gattiker, 2001f)		
Deductible	Full coverage Full cost to patient up to an amount (e.g., $200), 80% or 100% coverage ther- eafter First $20 of any prescription charged to patient (Gat- tiker, 2001g)		

Note: This table provides an overview of some general statistics and economic figures about health care, thereby illustrating how important the effective use of IT is in health care settings.
[a] Gross domestic product (GDP) information was taken from the OECD Health Data 2000 report (Table 16) (OECD health data 2000).
[b] Price-purchasing parity (PPP) information was taken from the OECD Health Data 2000 report (Table 15) (2000).

incentives are such that they encourage investors and health care professionals to participate in the process of implementation (e.g., revenue and legal issues are regulated), new technology may not provide patients with all the benefits that should come their way. The economic and political goals may not be achieved because IT cannot be used as effectively as possible for the reasons outlined above and throughout this chapter.

The above organizational, financial, and political health care issues repre- sent a challenge for public administration. (See Table 1.) From a regulatory per- spective, public administration (PA) will be held responsible for setting the legal and regulatory framework that facilitates, if not speeds up, the successful imple-

mentation of IT and the solving of the numerous problems arising in the process. Public administration as a discipline and field of education will gain in importance. This prominence as a discipline is likely to come with a price, however. For starters, it will increase scrutiny put on frameworks and proposals put forward by researchers and managers from PA, and just as important, suggestions and models implemented will be scrutinized for effectiveness. Hence, political issues as well as policy matters must be considered carefully in order to find a PA solution that is acceptable to important stakeholders (e.g., citizens, taxpayers, institutions, and political parties).

This chapter addresses this opportunity and challenge for PA by focusing on technology and IT issues, especially as they pertain to health care. While the Danish health care system provides a road map, it is compared to other systems (e.g., that of the United States), specifically addressing the potential conflicts that may arise between for-profit and nonprofit health care institutions. The chapter approaches these issues from a multidisciplinary approach by integrating management, health care, IT, medical sciences, organization theory, and psychology into a PA framework. Finally, the difficulties in how various stakeholder groups can be satisfied as far as patient files and the creation of an EMR system are concerned is also addressed. Finding an effective solution for EMR systems requires that these meet general security standards while patient privacy is protected. This dilemma is outlined in some detail in this chapter. A multifaceted approach is proposed that draws on organization and stakeholder theory, as well as medical and IT disciplines, thereby helping to find an effective method for developing EMRs that are based on collaboration of various stakeholder groups. Finally, conclusions and implications for decision makers and researchers are presented.

FROM PASSIVE TO ACTIVE INFORMATION MANAGEMENT

Information technology, *wireless technology* (WT), and the Internet all present health care with new opportunities to serve patients better. First and foremost, these technologies should enable the improved coordination of health services across sectors [e.g., general practitioners (GPs) and hospitals]. Moreover, such technology can provide health care professionals with accurate patient information twenty-four hours a day. Nevertheless, the use of IT in health service emphasizes the importance of patient privacy from both ethical and legal viewpoints. Security and safety of health information is thus a major challenge (Gattiker, 2001a). Other vital challenges concern coordination. Information exchange in IT needs to be integrated not only between hospital departments, but also between hospitals, whether public or private, and between hospitals and GPs and private specialists, should the benefits be reaped to their fullest (Giversen and Gattiker, 2001). Information technology systems applied by different health care sectors must be integrated to some extent with systems run by pharmacies supplying

drugs as well as firms providing other health care supplies. (See also subsection ''Data Integration'' below.) Government efforts have to be coordinated with private ones. The need for coordination, organization, and management has to be met by PA. This task is most likely attained whereby various health care professionals collaborate in finding the most effective and practical solutions. Familiar with the procedures, routines, and the daily flow of work in the departments, clinics, and hospitals, these professionals have the tacit knowledge needed for optimal, effective structuring of information systems (IS) (Gattiker, 1992).

The focus of this section is on what hurdles have to be overcome to move from a passive use of technology (e.g., having a Web page) to fully integrated information management linking various stakeholders to a health care information system. Developing such systems therefore requires certain technologies and coordination efforts, while data safety and the security of medical records is of utmost importance. Finally, political, policy, and administrative solutions must be found to get important stakeholders to collaborate. This will help in moving the policy/strategy formulation of IT activities to, most importantly, its implementation and effective use thereafter in various health care settings.

Nonetheless, as the sections below will illustrate, announcing in a press release the government's intention for using IT and the Internet for health care delivery is a small step. Many more small steps are needed until some kind of system can be implemented and used effectively to serve the public better as far as health care is concerned. Some of the challenges and roadblocks, including possible methods to circumvent some obstacles, will be outlined below.

E-Health Care

Much has been written about how E-health care (e-hc) might revolutionize the administration, organization, and delivery of care in the hope of providing better services at lower costs. At this point, some definitional remarks might be helpful. E-health care can be divided into four distinct phases. In general, the *first phase* (*unilateral information*) is simply having a Web page acting as a store window, whereby the e-hc parties (e.g., hospital or health clinic) present themselves for the benefit of citizens, business partners, and clients (Table 2). Many clinics and hospitals already provide such information. In this phase, general practitioners and hospital departments have electronic patient files for in-house use. Moreover, communication is usually unidirectional, namely from the hospital providing information on various matters to visitors of its Web page. A patient may be able to find a phone number to call or send E-mail to the appropriate party to get additional information. However, this is about the maximum of data exchange that can happen as initiated from the patient, with a time delay for getting an answer that might take several days.

During the *second phase, bilateral information exchange* takes place. The

TABLE 2 Developing a Full-Fledged E-Health Service

Phase	Description

1: Unilateral information
   1. Hospital or GP has an electronic patient file for in-house use.
   2. Hospital or GP has an online presence with basic information such as description of hospital/clinic, services offered, newsletter.

2: Bilateral information exchange through nonintegrated systems[a]
   1. Exchange of admission and discharge letters and laboratory results between GP and hospital.
   2. Prescriptions sent by GP or other authorized medical personnel on patient's behalf to an in-house or out-of house pharmacy.
   3. Diagnostic telemedicine.

3: Purchasing and billing
   1. Medical services are billed to patient's insurance or patient. Reimbursements are transferred to patient's bank account.
   2. Hospital pharmacy orders drugs online from supplier.

4: Multilateral information exchange through integrated information systems[b]
   1. Electronic medical records are exchangeable between sectors and health care professionals.
   2. EMRs feed medical databases automatically with selected information.
   3. Pertinent patient information is exchanged between GP, private specialists, and hospital according to specified procedures.
   4. Online scheduling available for patients and health care professionals for visits to GP, hospital treatment, and out-patient treatment.
   5. Telemedicine connects remote areas to specialists (e.g., digitized X-rays, echocardiography, ECG, pathology conferences, dermatology).
   6. Patient disease management by remotely monitoring patients (e.g., patient enters blood sugar level/blood pressure at prearranged intervals into an electronic database that is supervised by the patient's physician).
   7. E-consultation: Online consultation with health professionals (e.g., GP/nurse) providing information about interpretation of symptoms, which type of health care to ask for, and how to prepare for a physical consultation (e.g., bring urine sample in case of suspected bladder infection).

Note: The table provides an overview of some general statistics and economic figures about health care, thereby illustrating how important the effective use of IT is in health care settings. The model assumes that efforts concerning the different phases outlined here may be undertaken at the same time by various stakeholders in the health care field. The efforts may be sporadic and experimental.

[a] From phase 2 onward, legislation is required (e.g., billing in case of telemedicine) (Giversen and Gattiker, 2001).

[b] In phase 4 extensive administrative and legislative efforts are necessary to regulate integration of information systems and to protect patient privacy.

GP sends admission letters electronically to the hospital and in turn receives electronic discharge letters and laboratory results from the hospital and laboratory. In the same way, the GP also sends prescriptions to the pharmacy. Diagnostic telemedicine is performed on an experimental basis. Remote experts interpret digitized X-rays/echocardiography/dermatology pictures for local health care professionals. Although some degree of matching has been achieved, allowing bilateral communication to take place, the information systems are not fully integrated during this phase. For instance, the GP may still have to re-enter discharge information sent via E-mail into the clinic's patient file on the clinic's computerized database. Moreover, old concepts and procedures from the ''paper age'' are still followed, resulting in information overload and a lack of overview on the screen.

As Table 2 suggests, during the *third phase*, the Web site permits a formal, quantifiable exchange of value to take place for *purchasing and billing* purposes. An example could be paying a bill or making a claim for reimbursement of health care services to the health insurance carrier. Purchase of drugs or other pharmaceutical products is possible. Most important here is that while such an information exchange is possible (submit information for reimbursement online from pharmacy to patient's insurance carrier), it may still require human intervention between various steps. For instance, drug information as taken from a GP's prescription and the price of a drug as obtained from a pharmacy's information system must both be put into a data format that permits the use of the information by the insurance carrier receiving these data in digital form. Accordingly, human work may still be required to make the information process possible (e.g., GP to pharmacy, pharmacy to patient and/or insurance carrier for reimbursement).

The *fourth phase* is the phase of *multilateral information exchange* through integrated ISs. In this phase patient files in the health care sector are fully digitized. Electronic medical records are integrated between sectors and thus completely interchangeable. The EMRs automatically feed specific MDBs and health registers with selected information, thereby making it easier to use the information in research, quality assurance, and planning of health care. Telemedicine is further developed and encompasses several diagnostic and treatment units. Online scheduling allows both patients and health care professionals an optimized, customer-oriented planning and organization of work. Through the Internet, patients may forward blood sugar levels or blood pressure, measured at prearranged intervals, to the treatment facility. The latter uses this information to monitor and, if necessary, change treatment according to measurements, allowing for optimal disease management. In cases of chronically ill patients, using such a system can improve their quality of life (e.g., far fewer visits to health clinic) and reduce expenditures. (See also Table 1.) Through E-consultation with health care professionals, patients may receive an initial interpretation of symptoms and advice

about how to deal with possible health problems, including where to ask or go for help. The organization of these services may be through an e-hc portal at a national or regional level. Patients have online access to information about themselves. Legislation regulates the information exchange. Standards and concepts determine the type and form of information to be exchanged. These four phases of e-hc exist contemporaneously, since efforts are generally still sporadic and experimental rather than coordinated and encompassing whole sectors.

Data Integration and Organizational Processes

To achieve full benefits, data integration is necessary. For instance, if the GP's database is not coordinated (i.e., data integrity as discussed in the subsection below) with the hospital's database, files may be exchanged but their integration has to be accomplished manually. This is a laborious, tedious, and time-consuming task. Giversen and Gattiker (2001) describe a Danish case whereby the GP receives a patient's discharge file from the hospital as a Word document that has to be re-entered, copied, and/or pasted into the appropriate data fields in the GP's database containing the patient's information.

Data integration, however, is a more comprehensive concept than harmonization at the level of programming and transfer protocols. (See the latter part of this chapter for more details.) Change of technology and integration of data present health care professionals not only with the need for new standards, but also for new concepts for communication through electronic instead of paper media. As literature on organization change and technology implementation shows, however, new technology requires the careful analysis of current workflows and processes. In fact, new technology is often used to change workflows and improve processes, thereby attaining greater effectiveness in operations (Gattiker, 1990).

To illustrate this further, in their discharge letters to the GP, hospitals often convey information in more detail than necessary (Mainz, 1996). This overload of information results not only in using up space on the storage media, but—much worse—leaves the GP with a reduced overview of the patient's file, if not also taking much time to edit (Nordland, 2001:19). Data integration therefore calls for joint efforts of health care administrators, professionals, and IS experts. Solving the problems at the relatively simple level of phase 2 becomes increasingly more comprehensive as more and more health care units, professionals, stakeholders, and functions are linked electronically, as outlined in phase 4. Having to organize the development process culminating in a smoothly functioning system is a major challenge for public administration and management. An even greater challenge may be the financing. Increasingly, however, New Public Management (NPM) is using outcome-related performance measures (costs and benefits) (Lynn, 1996). Such an assessment usually demands that benefits justify the costs, thereby putting pressure on all stakeholders to help in achieving this objec-

tive (see also the subsection ''Stakeholders in Health Care'' below) (Smith, 1993). So far it is unclear if the benefits attained with the use of these systems will exceed the costs incurred.

Mechanization reduces the human labor required to complete a process, but automation making human involvement unnecessary for relatively simple tasks is the objective to be achieved for the improvement of health care services (e.g., making it faster) while also reducing costs (Gattiker, 1995). The above example illustrates a classic data integrity problem, hence a mechanism should be in place that provides some kind of integrity services to make sure that the error rate for entering data from doctors' notes into the nursing files or EMRs is minimized. Finally, if the EMRs are transferred via a communication system such as the Internet, cryptographic integrity services (hash algorithm) must be in place. This is also required for privacy reasons, integrity requirements, and nonrepudiation purposes. Nevertheless, requiring an assistant to transfer and edit data received before being able to use them in another database is not satisfactory. Unfortunately it is still widely used and the lack of data integrity checks increases the likelihood for wrong information in patient files that can be fatal (e.g., the secretary misinterprets the doctor's dictation and enters erroneous information into the EMR).

Automation of data transfer from EMRs to medical databases and health registers (e.g., cancer register) further secures the validity of data compared to manual transfer (Giversen, 2000). Accordingly, fewer mistakes and errors will occur if data do not have to be entered several times. Another illustration of the importance of automation might be a case in which medical suppliers want to put procurement of supplies online, thereby enabling hospitals and themselves to realize savings (phase 3). While this is possible, in practical terms it will only help a hospital to reduce costs if its stock system, purchasing, and payment administration, as well as billing (e.g., to insurance carrier) can be integrated with some enterprise resource planning software (e.g., Navision financials). In other words, online orders must be registered in other databases, such as the hospital's inventory system, cashflow management, and billing. Even E-procurement champions suggest that unless such a system is in place, hospitals will gain little if anything in cost savings besides possibly the lower prices secured online (Gattiker, 2001b). Accordingly, further integration of various databases is necessary in order to reap online purchasing rewards.

Phase 1's advantage for a hospital is that no integration with other health care stakeholders' systems is required. Without such integration, however, realizing substantial economic benefits besides saving on various types of communication expenses is hampered. In contrast, phase 4 requires synchronization and integration of systems to reap the full rewards. Such an effort is not only time- but also labor-intensive. Equally important, substantial investments must be made before potentially attractive economic and other benefits can be realized.

Governments are already moving toward servicing citizens online by permitting them to file their tax returns electronically. Additionally, tax information as held by the government about an individual can be reviewed online in some countries. This is still a big step away from integrating social welfare and tax files into a more comprehensive database about citizens. Similarly, an e-hc portal would allow the individual to log on with a password or other means to review his or her personal medical file or get in touch with any part of the health care supply chain (e.g., a GP or an insurance carrier). Offering such fully integrated databases, however, may raise political and legal issues that must be addressed, while information security and privacy concerns also cannot be ignored. The section below focuses on these matters in more detail.

Data Safety and Security in Health Care

As Table 2 and the above section both suggest, if governments decide to use information technology more extensively to deliver quality health care services at acceptable cost levels, the advanced use of technology is probably a must. Since health care information is very sensitive, however, it is necessary to address some of the fundamental security concerns before embarking on the road to phase 4 as outlined in Table 2. For instance, current developments about identity theft in the United States do not instill confidence into governments' and organizations' ability to protect private citizens' data from illegitimate access and/or misuse by unauthorized parties. Today, a person's Social Security number can be purchased online for about $25.00, making the illegal use of another person's identity for purchases, credit card applications, and loan applications possible. In fact, during 2001, it was estimated that 600,000 Americans had their identity stolen (Farrell, 2000).

It is of utmost concern to patients and health care professionals that confidentiality is protected. Unauthorized access to medical records must therefore be prevented, and ideally at all costs. Twenty years of experience with IT has taught us that it is impossible to prevent identity theft, computer spam, or fraud, hence the occurrence of unauthorized access should be kept as low as practically acceptable and economically feasible. Just as important, this number must be ethically and morally acceptable to society.

Confidentiality, integrity, and availability as the primary security objectives, plus the requirement for accountability (collectively known as CIAA) must be addressed in any design of systems processing and storing or transmitting medical data. Assuming that there are stakeholders having different need-to-know requirements to different sets of data in an MDB, access control mechanisms must be put in place. Table 3 lists the properties that must be met by a database and provides explanations (Gattiker et al., 2000). In theory, one could probably agree that it should not be as difficult to successfully manage the four properties

TABLE 3 Categorizing Properties for Data Safety and Security

Security issue	Description	Application to medical data
1. Confidentiality	Data are not made available or disclosed to unauthorized parties (e.g., individuals, organizations, and processes).	Medical data are not being disclosed to others such as employers making the identification of the patient impossible.
2. Integrity	Data have not been modified or altered in an unauthorized manner.	Unauthorized personnel is unable to alter medical records, while changes made by others are being tracked and kept record of.
3. Availability	Data as well as the necessary systems are all accessible and useable on a timely basis as required to perform various tasks.	Medical personnel must get access to patient files even during a massive power outage where generators may have to be used to guarantee availability of data.
4. Accountability for data use	Users of data are accountable.	Medical personnel must provide identification for using medical data files such as through their eye retina.

Note: To improve confidentiality, integrity, and availability of data, encryption may have to be used, thereby reducing the data's vulnerability toward attacks against their confidentiality and integrity. Naturally, encryption can also help in reducing risks of such attacks in succeeding in compromising medical data (e.g., misuse or alterations). Conceptual and practical suggestions about reducing data systems' vulnerabilities and risks can be found in Gattiker et al. (2000; see Tables 3 and 4, Figures 1 and 2).

(i.e., CIAA) as outlined in Table 3. Unfortunately, first impressions may not be correct, and accomplishing satisfactory CIAA for a complex system with medical health records may be a nearly insurmountable challenge. (See also Table 3.)

A simple example may illustrate this. Natural disasters can cause a power outage for large areas, as happened in Quebec in the winter of 1997–1998. Some areas were without power more than three weeks. While backup systems were available for generating the electricity needed by hospitals to run essential systems (e.g., heart monitors), the diesel generators only worked well for a few hours, and then some broke down. The generators were designed to keep running at 100% capacity for a few hours in a row. The power outage, however, required

the generators to perform at high output for a period of several days or even weeks, twenty-four hours a day. Having run at full capacity for several days, some backup generators simply stalled. Accordingly, surgery and other medical procedures had to be canceled at a few hospitals. Moreover, this lack of power also prevented computers from running properly, thereby making it impossible to access MDBs from some hospitals. Because they were not getting enough electricity to run various vital systems, some rural hospitals had to shut down for a period of time during the natural disaster. Computers may also be the cause of semantic attacks. This type of attack targets the ability of computers to collect corroborating information before making decisions, hence having been attacked, a computer could prevent backup generators from starting up when needed, as recently happened in a British hospital (Gattiker, 2001c). The above two examples simply uncover poor contingency planning. Unfortunately, neither one indicates the complexity involved in the planning and design of such systems. Availability (contingency planning) is included in most standards that address systems engineering management. This is but one of the involved engineering divisions that are needed, but systems may involve more than twenty divisions to make everything work according to the required specifications (e.g., security engineering and design engineering).

As Table 3 suggests, the relative priority and significance of confidentiality, integrity, and availability, as well as accountability of use, vary according to the information or communication systems and the ways in which those systems are used. The quality of security for storage, application, and transmission of data with ISs depends not only on hardware, software, and other technical measures used, but also on good managerial, organizational, and operational procedures (as in Gattiker, 1990). The difficulty increases if the size of the database becomes larger. For instance, Andersen (1996) suggests that databases containing records (e.g., medical and tax records) of more than 1,000,000 people cannot be considered safe or as meeting the CIAA requirements as outlined above, but large databases can be designed to hold nearly indefinite sets of databases, hence they receive and store data for access by a great variety of stakeholders. Regarding medical data the public may, however, be very concerned about CIAA of such information, while possibly being overly concerned about the probability of security breaches. Maintaining satisfactory CIAA levels in the eyes of the public and their elected representatives therefore may be hard to attain, and for all practical reasons, remain too low for patients and health care professionals alike.

Based on the above, it might be more feasible to maintain several databases (i.e., relational databases) containing parts of a person's records. Accordingly, the GP's database and the hospital's database about a patient will be different. While the hospital's database contains detailed clinical records about the last surgery the person had, the discharge letter from the hospital to the GP's database conveys only some information about the procedure. Accordingly, the hospital's

record is far more extensive about the clinical procedure than what the GP needs. (See also the earlier section in this chapter.) Likewise, the GP stores data in his or her database that are relevant to the treatment in the clinic, but unnecessary for hospital treatment. Both databases, however, contain common information about patients. (See also the subsection ''Data Integration'' below.) These may be his or her Social Security or CPR (Central Person Registration) number as well as basic medical information. To make the above work and meet CIAA requirements, however, it is necessary that such data be exchanged electronically and securely, and most important, without the medical professional having to re-enter the information into the clinic's or hospital's database.

A source of conflict and a major challenge for PA are the competing forms of fit in a professional bureaucracy (Yetton and Johnston, 2001). Accordingly, medical professionals would want to have access to as much information as possible in order to achieve better quality health care and effectiveness when helping patients. In contrast, administrators might be focusing on efficiency or keeping costs down. Security and efficiency concerns therefore may make administrators and IT experts favor a smaller database and more limited ISs. Privacy advocates and civil rights groups may be very much concerned about patient rights, and therefore also prefer that only part of a medical record about a person's health be exchanged digitally. (Compare Gattiker, 2001c,d,e.)

Role-Based Access Control (RBAC).   The above illustrates that various parties and stakeholders within the health care system (e.g., administrators and doctors) may have different requirements for medical ISs. Additionally, outsiders such as taxpayers, privacy advocates, and civil liberties groups may also have demands upon such an IT solution. Stakeholders thus need to collaborate and compromise to find an effective solution for creating e-hc and EMRs. Only then will patient rights be protected while facilitating work for health care professionals. Moreover, as this section shows, using RBAC should help in giving various stakeholders the opportunity to access data on a need-to-know basis to perform their roles and tasks as assigned to their jobs and needs.

Role-based access control allows the managing of security at a level that corresponds closely to the organization's structure. Accordingly, each user is assigned one or more roles. Each role is assigned one or more privileges that are permitted to users in that role (e.g., hospital nurse, emergency physician). Security administration with RBAC consists of determining the operations that must be executed by people in particular jobs (e.g., the patient's GP). Complexities introduced by mutually exclusive roles or role hierarchies are handled by the RBAC software, thereby making security administration easier (Ferraiolo et al., 2001).

Discretionary access control (DAC) is not applicable to the majority of health care information because the decision about access lies at the discretion of the creator of the information. Mandatory access control (MAC) requires all

those who create, access, and maintain information to follow rules set by administrators. Role-based access control is a MAC that associates roles with each individual who might have a need to access information. Each role defines a specific set of operations that the individual acting in that role may perform (Barkley et al., 2001). Once the GP has been properly identified and his or her identification has been authenticated, the GP chooses a role and subsequently accesses information according to the operations assigned to the role (e.g., entering diagnosis into EMR) (Poole et al., 1998). To illustrate, when a GP enters a diagnosis into a patient record, the symptoms and clinical signs (e.g., elevated temperature and lower abdominal pain) associated with the disease (in this case appendicitis) must also be entered.

Stakeholders in Health Care

Creating EMRs involves various stakeholders that might have divergent interests. For instance, a patient visiting a hospital's Web site may be looked at as a stakeholder, as may be the attending physician. Not only may their interests differ, however, but just as important, their roles may be vastly different. Accordingly, divergent roles may necessitate that each stakeholder group's need-to-know requirement be assessed and defined. In turn, the data access of various stakeholder groups can be restricted to the information they need to perform their tasks effectively (e.g., patient checking accuracy of information stored or GP wanting to add new information). Accordingly, using a relational database management system (RDBM) for maintaining EMRs requires finding a compromise that is acceptable and feasible to implement among stakeholders playing vastly different roles.

Stakeholder theory (Donaldson, 1995; Freeman, 1984; Ulhøi, 1997) and experiences from environmental stakeholder pressure (Ulhøi and Madsen, 1998) suggest that a thoroughly performed stakeholder analysis can improve the likelihood of optimizing strategic initiatives. For a long time, researchers (e.g., March and Simon, 1958) have pointed out that stakeholders' importance for managing will increase, and recent findings indicate that satisfying their needs continues to be a paramount issue. In this chapter we want to focus on expectant and definite stakeholders within the health care system. Mitchell et al. (1997) suggest that *expectant stakeholders* are made up of the following:

1. Dominant stakeholders (e.g., large institutional investors, employees, the medical profession, or associations)
2. Dangerous stakeholders (e.g., wildcat strikers, terrorists)
3. Dependent stakeholders (e.g., the general public)

Expectant stakeholders are groups that may have some expectations but rarely if ever become vocal about it. For instance, people insured by health care schemes (public and/or private) are expectant stakeholders, hence when they are healthy they expect that if need be they will receive health care of the highest

quality (e.g., after a car accident). They also expect to pay as little as possible and may become very vocal if insurance rates are substantially increased.

Definite stakeholders are patients or the chronically sick that depend on the system to provide them with the best health care possible, hence a healthy patient being an expectant stakeholder becomes a definite stakeholder when needing help from health care professionals. Another definite stakeholder is the government or health care administration; both already have the power and legitimacy to intervene. For example, Danish Public Health Insurance and Denmark's GPs have made an agreement about electronic settlement of health care fees. Since 1991, the Public Health Insurance has paid GPs DKr 10,000 (1 Euro = 7.46 DKr, = approximately Euro 1,340) for the purchase of IT applied for electronic settlement of Public Health Insurance accounts. For maintenance purposes, the GP receives DKr 2,000 (approximately Euro 268) annually to offset some of the costs of IT (Giversen and Gattiker, 2001).

Stakeholders represent a continuum ranging from latent through expectant to definite stakeholders. On this continuum, a stakeholder group's position is furthermore in flux, as outlined above (healthy citizens becoming patients and vice versa). Stakeholders may demand various types of services and actions from a county's health and Internet strategy. (See Table 4.) While a county is trying to move from a simple health Web page to a fully integrated E-health service presence on the Internet, various stakeholder groups may put demands upon the system. Note that Table 4 addresses this from only a county perspective and not a state or federal perspective. In the latter two, matters would be infinitely more complicated, and stakeholders' interests might be too difficult to balance fairly against each other for the benefit of better health care at acceptable cost levels. Table 4 also follows the steps outlined in Table 2.

The stakeholder approach can also be linked to the RBAC approach. A stakeholder plays a particular role that needs to be identified. Once the role of the stakeholder group within the EMR system has been identified according to the tasks that need to be performed (e.g., a nurse or a patient checking information), access to data can then be granted based on the tasks to be accomplished with the help of the EMR. In turn, users would have clearance for the access to all levels of data (e.g., clinical, GP files) but would not have the same need-to-know authorization, hence while a stakeholder (e.g., health insurance versus GP) may get access to all classifications (i.e., categories) of data, different need-to-know levels and different stakeholder roles will restrict access to certain types of information available through the EMR database.

Implementing a Medical IS or an EMR

In the above sections some of the security issues were outlined in some detail. A discussion is presented below about how the phases presented in Table 2 require different approaches and organizational change processes. Doing so will enable

TABLE 4 Stakeholders by Phases: The Development from a Hospital Web Page to a Full-Fledged E-Health Service for a County or a Similar Regional Administrative Unit

Phases	Expectant stakeholders	Definite stakeholders
1. *Unilateral information* Web page, similar to a store window; electronic patient file for in-house use	Potential patients that may check out hospital online (e.g., success rate for a certain procedure such as a lung transplant) County and federal health agencies (e.g., Denmark)	Doctors, nurses, and other medical staff; referring GP
2. *Bilateral information exchange through nonintegrated information systems* Admission and discharge letters; laboratory results; prescriptions; diagnostic telemedicine	Patients who benefit from improved communication between health institutions Investors Taxpayers Insurance carriers Federal and state legislators (e.g., privacy issues)	Doctors, nurses, and other medical staff; referring GP; pharmacies; county and federal health agencies (e.g., Denmark)
3. *Purchasing and billing* Electronic billing of medical services to consumer or health insurance carrier Electronic reimbursement Online purchase of drugs	Logistic firms (e.g., shipping drugs to patients' homes, hospitals, and pharmacies) Investors Taxpayers Suppliers of services (e.g., outsourced services such as cleaning, patient food, and cafeteria services)	Doctors, nurses, and other medical staff; consumers; pharmacies; drug suppliers; county and federal health agencies (e.g., Denmark); health insurance carriers (primary and supplemental coverage); federal and state legislators (e.g., privacy and contract issues)
4. *Multilateral information exchange through integrated information systems* Electronic medical records (EMRs) EMRs automatically feeds specific databases/health registers Fixed standards for communication On-line scheduling Telemedicine connects remote areas to specialists Electronic Disease Management (self-care) E-consultation	Potential patients Logistic firms (e.g., shipping drugs to patients' homes and pharmacies) Investors Taxpayers Disease management (e.g., diabetics and other chronically sick patients) Suppliers of other services, such as: Outsourced services (e.g., cleaning, patient food, and cafeteria services) Patient care (e.g., on-line surveys or regular submission of data such as blood pressure)	Doctors, nurses, and other medical staff; referring GP; pharmacies; drug suppliers; patients; county and federal health agencies (e.g., Denmark); health insurance carriers; federal and state legislators (e.g., privacy and contract issues); other government agencies such as welfare, tax, and justice; other insurance carriers (e.g., accident & life coverage)

Note: The greatest challenge will be stage 4, since the database must be integrated between several types of users and organizations (e.g., hospitals, GPs, health insurance providers). In turn, extensive integration is required, while security and safety of the data and information becomes a primary concern (e.g., more stakeholders having access to data).

a county to realize the possible benefits to be gained from adopting IT while working its way through the various phases as outlined below and also in Table 4. (Compare Gattiker, 1990.) While due to complexity and CIAA concerns our focus is on counties (compare Table 3), managing such a change process for a county such as Los Angeles may still be a huge undertaking (e.g., more than 3,000,000 people living in the county).

Phase 1. In this phase things still appear quite simple. Going beyond the surface, however, one can probably find that things are not as simple as they look. For instance, while health care professionals and suppliers are the primary stakeholders for a hospital's or health clinic's Web page, this does not mean that they agree as far as content, services, and other matters regarding this medium are concerned. For instance, drug suppliers may want to access data from hospitals or GPs working in a health clinic. Danish legislation forbids that hospitals or health clinics share patient data with other parties, however. Moreover, even if sharing these data were allowed, health facilities may not want to do so. To illustrate, a wireless operator may not be able to share customer data unless the customer gave permission (also called opting-in privacy policy). For instance, the EU's opting-out privacy regulation states that a firm is not allowed to mail related information from another firm to the client unless it has permission, but even if the organization had permission to do so, it would not want to share client data and customer information with another firm unless it got some revenue in return. Similarly, a private health care clinic or hospital may feel that information based on client records (e.g., age, gender, and profession) can be provided if

1. Having the patient's explicit consent (i.e., he or she chose opt-in privacy option).
2. Getting a fee, since such information represents an asset that should be treated accordingly. (See Gattiker, 2001d,f.)

As the above suggests, patient information can serve numerous stakeholders' interests. For instance, a patient who has recently had a heart attack may now have to be put on a strict diet and physical exercise program. In turn, the patient may lose weight as required in order to reduce the chances of another attack. Such a patient may be a prime candidate for a membership at a health club or getting dietary help online. A Web-based service may help the patient to put together a daily diet meeting requirements to reduce fat intake, while securing a balanced meal (e.g., ⟨http://www.kokkeleg.dk⟩), hence various stakeholder groups may already have different interests and concerns about data from a patient who recently had a heart attack. While business and health insurance carriers might want access to such data, health authorities and health care professionals will want to protect confidentiality. At this level, a lack of data integration (see above) may protect against any efforts for sharing such information.

Phase 2. As Table 4 suggests, this is the phase of bilateral information exchange through nonintegrated ISs. General practitioners, health clinics, and hospital departments have individual IT solutions, thereby making a data exchange without human interference a near impossibility. Organizational friction dominates, both inside and among organizations because of limited financial resources. Administrations representing machine bureaucracies focus on efficiency and cost outcomes in a centralized, hierarchical system. Effectiveness and quality of care, on the other hand, motivate autonomous, highly skilled health care professionals operating in professional bureaucracies characterized by decentralized, collegial management systems (Yetton and Johnston, 2001). Administrators seek IT solutions to facilitate budgeting, planning, and organization [e.g., diagnosis-related groups (DRGs) case mix system] (Giversen, 2000). Medical professionals strive to improve diagnosis, treatment, and cooperation between professionals and health institutions.

The above indicates that the two lines of management in health care—the machine bureaucratic, administrative line and the professional bureaucracy dominated by medical doctors—both develop their own ISs. The individual goals and strategies of the two lines lead to different solutions reflecting their unique concerns about the content and form of IT systems (Giversen and Gattiker, 2001). If cost-effective solutions are to be found, careful collaboration between these important stakeholders is necessary. Advantages and disadvantages of distinct strategies must be discussed between various participating stakeholder groups. A step in the right direction is definitely a government releasing an IT policy outlining the objectives and goals and the sectors and geographic regions that should be encompassed by a common IT system. This has been done in Denmark (Sundhedsministeriet, 1999a), but much more work is needed.

Unfortunately, having a policy is just one small step, and many more small ones are required to get anywhere near realizing a system that meets both the bureaucratic administrative line and the professional bureaucracy's requirements for effectiveness and efficiency. Accordingly, regional health authorities being responsible for local financing and implementation must be involved in the strategy development. Additionally, if subsequent preparation for implementation of the project should have a chance to succeed, it seems beneficial to assure regional health authorities' involvement. Nevertheless, central and regional government interests may be opposed regarding policy and financing during this phase. Accordingly, focusing on satisfying patients/consumers interests and needs as well as those of taxpayers may be a viable strategy offering public management the chance of overcoming the diverging interests (Eriksen and Ulrichsen, 1991; Yetton and Johnston, 2001). Policy and financing, however, as well as security and privacy concerns raised by various stakeholders must be very carefully addressed by all. These issues may still appear minor, but they must be addressed early on

during phase 2, otherwise they will become a major issue if not a nightmare when trying to work through the follow-up phases.

Phase 3. This phase addresses matters regarding electronic purchasing and billing. Type, amount, and sensitivity of information exchanged depend on the organization and financing systems of health care. In a primarily publicly financed health care system such as the Danish one, hospital services are financed through county taxes and the individual patient is not billed. Nevertheless, diagnosis and treatment is registered with the individual patient's CPR number in the National Patient Register (NPR), but NPR is used for health statistics and register research only. For billing purposes, services given in the primary health care sector are billed to Public Health Insurance, as are charges for prescription drugs, which are also registered with the patient's CPR number. A majority of this information is already exchanged electronically.

In health care systems financed by private and employer insurance, the registration of services tends to be more comprehensive, and the type and amount of information to be transferred via ISs more extensive. With the passing of the Danish finance bill of 1998 it was decided to use the DRG case mix system as a management and budgeting tool in health care, starting in January 1, 2000 (Sundhedsministeriet, 1999b). This initiative may be seen as a first step toward a more detailed registration of costs and services offered to the individual patient in public hospital service. If this trend continues, the road is open to linking stock control and online purchasing of hospital commodities to already existing databases such as the local ones used for the DRG registration. While from a management point of view, accountability, integrity, and availability of data are important, patient confidentiality becomes a matter of utmost significance from a security and legal perspective.

Phase 4. While phase 3 focuses on data exchange between specific parties in the health care system, phase 4 rings in the time of multilateral information exchange through integrated systems. The crucial point is the EMR, which contains all the medical information in standardized digitized form and allows selected data exchange between sectors. Here relational database management together with RBAC will permit the exchange of information while need-to-know rules will permit various stakeholders to gain access according to the tasks they must perform.

As pointed out earlier, the GP may not need all information that was collected as part of a patient's clinical record for removal of one's appendix. Instead, the GP would get the information needed to provide follow-up treatment. Again, this is why an agreement of what is being exchanged and stored between and among which parties during phase 3 is paramount.

From the EMR, patient information and data can be automatically trans-

ferred to administrative and health registers. There may even be a superior, centralized database containing key administrative and vital data, such as name, residence, CPR or social security number, blood type, and allergies. This will again require that various stakeholder groups agree on structure and standards for the EMR.

Of concern here is also who gets access through what means to what type of information available in digitized form. Confidentiality and accountability of data accessed is of special concern, but also integrity of data must be assured, while accessibility during all times (even natural or man-made disaster) is a necessity. (See also Table 3.) During Phase 4, dependence on digitized data may thus become so high that services can hardly be provided without access to the system (Perrow, 1994).

Striving to achieve this phase may, however, open a hornet's nest because patient rights issues (e.g., privacy) will become of paramount concern. Also the Big Brother syndrome may trigger vehement protests by patient and privacy advocacy groups against reaching this phase at all. If security issues as outlined in Table 3 can be satisfied, better quality of health care at reasonable prices may more likely be available. Nonetheless, this requires that IT solutions can be used to reach and realize this phase successfully. A possible downside to such a comprehensive effort may be the concern that databases containing more than 1,000,000 person records are simply not secure, nor can they be designed to assure privacy levels that are satisfactory to patients and citizens alike (Andersen, 1996; Gattiker et al., 2000).

Another outcome of phase 4 may also be that neither the GP nor the hospital may have information available in paper format (e.g., hospitals, GPs, and local health clinics do not maintain traditional patient files). In this instance, all parties become highly dependent upon the EMR and access to the files whenever needed, hence if electricity is no longer available, as the Quebec example illustrates, health care is no longer available through some health facilities (e.g., Gattiker, 2001c,d,e).

OBSTACLES FOR PUBLIC ADMINISTRATION

The last section outlined what possibilities are in store for health care services in order to improve effectiveness and hopefully benefits for patients while containing cost increases. (Compare Table 1.) Without involving expectant and definite stakeholders within the health care system, however, moving beyond phase 1 (unilateral information) is difficult. What the sections above also illustrate (compare Table 4) is that oversights during previous phases may harm progress and increase possible conflicts and problems in subsequent phases. Finally, CIAA issues must be carefully addressed before moving into phase 3 (Table 4), thereby

making sure that neither patient rights nor the competing forms of fit in a professional bureaucracy become an insurmountable source of conflict.

We may not reach phase 4 of EMR and information management in the health services as quickly or as completely as we may wish (see Tables 2 and 4) because of obstacles that may go beyond confidentiality, integrity, and availability of data as well as accountability for data use. One major hurdle may be disagreements between how various groups of stakeholders may envision these developments, hence collaboration may allow reaching a phase beyond 1 but not 4, because conflicts between interests may bring such efforts to a standstill. (See Table 4.) Another major underlying threat could be concerns about data security and patient privacy (Table 3). Accordingly, these concerns may result in health care services not taking advantage of IT to its fullest potential. Nevertheless, IT matters in health care will become an ever-more paramount issue in a public debate that will strive to find an acceptable solution for all stakeholders while helping to provide high-quality health care at a price that can be afforded by patients and the public purse.

As a scientific discipline, one of PA's major tasks is to spearhead and facilitate efforts to take better advantage of IT in the health care sector. Public administration will be expected to help find models and solutions that facilitate the balancing of various stakeholder interests. Protecting individual and societal rights to follow a moral and just course while digitizing medical data and facilitating information exchange as outlined in Table 4 are a major task. This section focuses on these issues of coordination, as well as technical and organizational changes that must be addressed to reap the IT rewards in health care.

Technical and Sector Coordination

Public administrators need to spearhead the efforts to coordinate various stakeholders' efforts to digitize medical records and information exchange. Some of the main obstacles to implementing a public strategy could simply be technical issues. These must be addressed before a public or private/public health care system jumps on the EMR train. For instance, a hospital may start by developing an IS that provides clinical records, while a GP may have a database that provides a history about a patient beginning when the person became a client. The crux in this system is that records are not compatible and do not share any identifiers or structure, hence they cannot be exchanged automatically. To accomplish a more automatic data exchange, however, the database must be designed and structured to allow sharing of fields that enable matching and adding data from different sources. In turn, this would enable the exchange of information across various health care service providers, such as the GP, hospital, private health clinics, and ambulance service providers. Data integration is thus needed as outlined below.

Data Integration. Data integration generally means the standardization of data definitions and structures by using common conceptual schemata across various data sources. The key to this data exchange is an individual patient identification number, which is used by every party with authorization to enter information onto records. If any party uses another one, data about patients cannot easily be exchanged. In Denmark, such a key is the citizen's ten-digit CPR number. The first six digits denote date, month, and year of birth, while the last four are randomly allocated, the last digit being an uneven number indicates the male sex, while females are attributed an even number. This CPR number is the citizen's personal identifier when dealing with authorities.

According to Goodhue et al. (1992), data integration can be increased in the following two ways:

1. The number of fields with common definitions and codes.
2. The number of systems or databases that adhere to the standards are continuously raised within the health care system.

It is obvious from this material that to achieve data integration at satisfactory levels requires that these efforts are started early on (e.g., phase 1; see Table 2) and before EMRs can even be discussed in any depth. When beginning to offer certain information and data exchange through a Web-based service (e.g., phase 2—admission and discharge letters, laboratory results), coordination and integration is required. This experience can then be used to slowly structure, design, implement, and apply EMRs as outlined below.

Sector Issues. The above is not only a challenge for health care systems being publicly financed, but also for private firms. For instance, in one study (Perlusz et al., 2001), investigators discovered that it was difficult for a manufacturer to obtain customer lists from U.K. and U.S. sales offices because neither of the lists shared data fields permitting the integration of both databases into one. Moreover, even within the country, lists could differ according to division (e.g., pumps vs. cooling). Also, there was not a customer database at headquarters containing information across countries and divisions. Instead, several separate databases existed, while data integration across these was nonexistent for all practical purposes. The above thus illustrates that each division had its own files using different fields and identifiers, thereby making data exchange without human involvement simply impossible. In order to have the information that was needed, the researchers generated a ''new'' database by integrating data from three separate spreadsheets into a new one. The new spreadsheet used predefined fields, variable names, and data identifiers, thereby permitting comparisons among countries using the whole data set. Naturally if the various divisions and country sales offices had used databases that shared data identifiers and fields in the first place, much of this work could have been saved.

As the above indicates, even in large for-profit organizations, coordination across units for structuring their databases to permit exchange of information electronically and with little if any human effort is far from being implemented. Unfortunately, this does not look much better in the public sector, in which cities, counties, states, and federal organizations (here even across agencies) may all have data about a citizen, while automatic matching across agencies is simply impossible without human interference. Nevertheless, if governments want to pursue an E-health strategy that has any merit, data integration efforts have to start immediately. Without them, sharing information across health care stakeholders will remain a pipe dream.

To achieve data integration, political and social issues must be addressed. (See also below.) Moreover, how conflicts might be resolved between public and private interests (e.g., for-profit health insurance carriers) is of considerable importance. Political issues such as fair distribution of public goods and integration of productive public activity may also have to be considered. Safety and security issues for the confidentiality of medical records may be of particular concern to patients and health care professionals alike (see also Table 3), as discussed below.

EMRs: Safety and Security

This section outlines the possible contents of a patient's EMR. It represents one of many ways to handle the challenge. The authors do not claim that this approach is the only one or the best. Instead, it is simply being used for illustrative purposes and to facilitate discussions about information security, access to medical information from the EMR via the internet, and other issues outlined elsewhere. First, however, it is necessary to establish some access levels to secure confidentiality, integrity, and availability of data as well as accountability for data use. This is a stakeholder (e.g., medical, public, and patient interests/concerns) as well as a political (financing) and legal issue (patient rights and health care provider obligations), hence, negotiating and maneuvering among stakeholders based on an open debate is of utmost importance. Second—and following—is that the type of information stored on an EMR must be discussed and agreed upon. Without such an agreement data integration enabling information exchange between various groups (e.g., insurance carriers and hospitals) may be hampered, thereby challenging the effectiveness of e-hc while limiting its economic and social benefits to the public, patients, and citizens alike.

Log-In for Authorized Users. Today we have difficulties in keeping track of all our passwords, and just as important, we may forget them or even let another person use them to gain unauthorized access to information. Unfortunately, sensitive applications demand more robust authentication than passwords. Probably 99% of passwords stand little if no chance against L0phtcrack and John

the Ripper hacker programs. Unless a user can remember a 78-character randomized alphanumeric alt-key password, another approach is necessary.

Medical data are highly sensitive and thus require that accountability for access be very carefully managed, hence a system based on biometrics, such as iris recognition looking for the ''hippus movement'' (i.e., the constant shifting and pulse that takes place in the eye) should definitely be used instead of another password and log-in. The liveness test used in the biometrics system based on iris recognition ensures that the reading is fresh, so an adversary cannot replay a previously recorded reading. In turn, such a system that automatically logs a person out after a few minutes unless the keyboard and other functions are used would prevent an individual from handing out the password to somebody else. Moreover, constant monitoring might also make it impossible to let somebody else get access to the system without the authorized person being present. In conclusion, the identification and authentication measures used should be such that the probability for unauthorized access is minimized (Gattiker, 2001d). In real life, 100% accuracy rates are just theoretical and nearly impossible to achieve.

Access Levels.   Besides having to implement a security policy that is supported by a verification mechanism that is relatively secure and accurate to assure data integrity, access levels for reading and adding data need to be established. According to Danish legislation, physicians are obliged to keep patients' records, and the minimum requirements of contents are also specified. Legislation further regulates the patient's right to read his or her own hospital record, but not the records kept in general practice. Moreover, the patient has the authority to allow his or her treating physician to pass on information to other physicians involved in diagnosis or treatment. Other legislation specifies the authorities to which the physician is required to pass on medical information, however, such as the Arbejdsskadeforsikringen (Workers Health and Injury Insurance Scheme) or certain social authorities in case of an application for a disability pension.

As the above outlines, general legislation regulates obligations and rights for physicians, patients, and public authorities. Practical solutions regarding digital record keeping and local and remote access must be found, however. Traditionally, the physician has the obligation and right to keep the record and the nurse on duty has the right to read the prescriptions. Nurses keep their own problem-oriented files registering the patient's condition and other data pertinent to nursing. Laboratory technicians enter laboratory results into a laboratory file for each patient, while the radiology staff saves digitized X rays into a database. Each of these health care professionals will need to access a common, local EMR to enter their information. While the treating physician needs access to the entire record, including the results of any tests he or she ordered, radiographers, for instance, may be authorized to read only the referral, specifying the kind of examination required and the indication for it.

As outlined earlier, RBAC is required to make the management of CIAA

feasible. Moreover, the principle of least privileges should be used when describing each user's role and need-to-know basis. This means that a user is given no more privileges than necessary to perform a job. This does, however, require that job functions be clearly identified. Only then can data access be restricted for a user to a domain with those privileges and nothing more.

So far the information access and type proposed may not differ much from what may currently be available on any intranet; nor may access levels to the fully digitized EMR as proposed be much different from the present one. In fact, through strict monitoring of access authorization, confidentiality may be better protected using an EMR compared to today, whereby paper files in use are kept in an open office where anybody can get access walking through the office or hallway. Problems may arise when data are exchanged between health institutions. Requests for medical information and the exchanged information should be encrypted and signed with an electronic signature to secure confidentiality, integrity, and accountability. Today's procedures make such an approach rather difficult if not impractical, however. For instance, encrypting messages takes time, as does decrypting. Moreover, keeping public keys handy while not forgetting one's password to access one's own records can become cumbersome for an average user. Here, virtual private networks (VPNs) may be of some help.

Virtual Private Network. Large firms need to connect their remote field users and representatives by securely tunneling them into the corporate IT network, hence a VPN should enable the GP to get access to the county's various hospitals' databases where some of his or her patients may have gotten treatment recently.

Creating a VPN is difficult, however. Authentication (e.g., passwords or biometrics) and key management (e.g., public and private key pair), fault tolerance, performance, and reliable transport are some of the challenges that would have to be addressed. Accordingly, the GP would have to log onto the system using biometrics-based authentication, while the hospital's and GP's system would have to exchange keys before data could be exchanged online (Gattiker, 2001d,f,g).

Even if the above is addressed satisfactorily, however, VPN placement and architecture (e.g., VPN gateway in relation to such components as firewalls, routers, internet/intranet connections) affects security directly, hence all parties to the VPN must install their firewalls and routers correctly, otherwise many problems will arise. Also, addressing and routing is another challenge. Accordingly, assigning addresses to VPN clients must be feasible. The GP and the hospital have an address and their traffic as well as their gateways systems must work properly with the right setup. Finally, administration and interoperability must be effective; that is, how can one ensure that remote clients (e.g., the GP) have correctly installed and configured their VPN software? Is the client host secure against attacks?

The issues outlined above must be resolved to allow the effective use of EMR data. Moreover, the VPN may also have to give medical researchers access to EMRs and MDBs under strict privacy rules, thereby enabling them to conduct research while guaranteeing confidentiality for patients/subjects. Findings would naturally be published in aggregate form only, thereby making the identification of any single person impossible.

Summary. The above indicates that some major technical decisions have to be made, and coordination is probably the foremost challenge to make the use of VPNs for exchanging medical information feasible and effective. Additionally, extensive negotiations and open dialogue between expectant stakeholders, including patients, GPs, hospitals, and policy makers, is a must. As the American experience would suggest, open dialogue and lobbying efforts by various stakeholders may stall the regulatory process about which basic data may be collected and shared among which parties. For instance, under former President Clinton an effort was made to usher in legislation about medical records, privacy, and access issues. President Bush delayed the bill and decided to give parties another chance for input. At the same time, however, there are indications that medical records are used relatively carelessly. This affects patients' privacy and can also result in identity theft, which is already a serious problem today as far as medical data are concerned (Farrell, 2000).

Organization, Technology, Patient, and Economy

Access levels as outlined in the previous section as well as authentication procedures that reduce unauthorized access are important. Moreover, VPNs' smooth operation still faces some obstacles, as touched upon in the previous section. The biggest challenge for stakeholder groups, however, will be to come to terms with the structure, organization, and content of registered information. Such a task may be comprehensive for a machine bureaucracy manufacturing a physical product, such as a cooling pump. Nonetheless, this will be definitely more complicated in a combined machine and professional bureaucracy. Here, delivering individualized services to healthy consumers, as well as acutely or chronically sick patients whose needs and demands are vastly different, must be accomplished effectively. The challenge is further increased by the existence of different strategies for the application of IT as a tool in the delivery of these highly individualized services. Administrators envision IT being used for more appropriate organization, planning, and budgeting. Health care professionals seek improved coordination of treatment and care within and between institutions. Consumers and patients want better service. The technology itself has its characteristics, advantages, and disadvantages. So far we have examined this technology from a security perspective (CIAA), but due to its inane characteristics, when applied during routine work, IT is bound to change the flow of work, or else be changed itself. Three small examples illustrate this point.

Example 1: Changing flow of work.   In the case of digitized X-ray pictures, the emergency room physician, when considering possible treatments, may consult the orthopedic surgeon on call via the telephone. The surgeon, having examined the same pictures on a screen somewhere else at the hospital, may now propose a treatment based on these pictures. Neither of the doctors will have to leave his or her workplace. This saves time and some procedural steps, including walking to another floor or building at the hospital, compared to a situation in which conventional X-ray pictures are applied. In this way, the technology has changed the flow of work in a very literal sense.

Example 2: Changing the technology.   The above example illustrates that unless surgeons have access to a computer terminal via an intranet where they work or in their offices, these pictures cannot be accessed and appraised while being viewed online. Nurses have to deal with similar problems. For instance, today the nurse on her routine rounds during the morning, afternoon, and evening, notes the numbers of the patient's medical data, such as body temperature, blood pressure, and pulse on a little notebook in her pocket. Later, at the nurse's station, she enters the notations into the patient's files. Modern technology might save her or him the second notation, but it is impractical to transport a laptop from room to room and bed to bed, also carrying thermometers, maintaining hygiene, and being interrupted, for example, by having to assist a patient with bringing a bedpan or to answer questions from a troubled relative.

Recently, some medical literature suggests that palm-top computers might be a solution. Their writing recognition, limited power supply, and the problem of making sure that data are always updated (e.g., regular synchronizing of databases through up- and downloads) do not necessarily make this a viable option, however (Gattiker, 2001d). In this case, it may be necessary to develop a new apparatus fit for the pocket, where it is possible to enter a limited amount of data such as temperature, blood pressure, pulse, volume of urine excreted, and volume of liquids ingested for later transfer into the EMR.

Example 3: Changing the technology or flow of work.   Nurses and doctors doing their daily rounds should still benefit from digitizing patient records by having access to such technology when being in the patient's room, however. During ward rounds, the doctor and nurse today bring a dressing trolley carrying both the medical files and the nurse's files. At the end of each visit, after exchanging information and examining the patient, the doctor dictates the record for later typing, while the nurse notes the doctor's prescriptions in the paper file. If both the doctor and nurse were to use laptops in this situation, the entourage would be quite space-consuming and the costs of equipment high. Since the presence

of the doctor, nurse, and patient is required for rounds, technological solutions for electronic data collection are needed.

Palm tops may not be the solution either (see previous section), while hard wiring of an older hospital may be prohibitive as far as expenses are concerned. (Compare Gattiker, 2001f.) Installing the necessary devices for wireless data transfer on a hospital floor is an economical solution, however, although in some places WT is prohibited due to possible interference with patient-monitoring systems. Technical solutions to this problem are available, however. Using a biometrics access authentication system with a terminal that is enabled for wireless data transfer in the patient's room is a relatively inexpensive option. Accordingly, the doctor could still enter the information with the help of speech recognition software, or as many can, by typing it using a classic keyboard. Similarly, the nurse can note the doctor's ordinations as well using an additional keyboard. Probably most important is that this approach should reduce the number of errors that usually occur when data transfer is undertaken (e.g., from notebook to patient files), thereby improving the reliability of data collected as well.

Focusing on the Patient.   Because the above will all result in quite a few changes in how medical professionals provide and conduct their daily chores and special services, a clear stakeholder focus will help usher changes through faster.

The patient is the customer or protagonist. Providing correct and timely treatment, care, and information, showing respect for the patient's dignity and integrity, and paying attention to the patient's physical and mental well-being during consultation and treatment is the ethical challenge for every health care professional. Confidentiality forms the basis for trust between patient and doctor. From a doctor's perspective IT is a tool to support the warm human dialogue between patient and doctor (Giversen and Gattiker, 2001). From the patient's perspective, promoting, maintaining, or restoring health is the goal. In this respect, IT might be a means to coordinate efforts in health care for present patients. For future patients, the accumulation of digitized data constitutes a fund for medical research and the advancement of medicine as a science. For PA, focusing on the best interests of the patients may be the key driver to achieve the collaboration of the various stakeholders (Eriksen et al., 1991; Yetton et al., 2001).

Technology Squeeze.   Being able to manage and access the various VPNs will be difficult. For instance, county A may have a technological platform different from that in county E, hence an insurance carrier that wants to participate in both counties' systems in order to process payment claims digitally may require the necessary systems to enable access to both VPN and technology platforms. To illustrate, each county could use a different standard or flavor of XML for programming and different business rules (e.g., more than 120 standards for XML have been identified and more than 200 flavors of XML are used), hence sup-

pliers and insurance companies will be ''technologically challenged'' with such a system. (Compare Sommerfeldt, 2000.) Accordingly, if hospitals start using E-procurement, suppliers will have to cope with various platforms that can be costly and cumbersome, hence it might be to their advantage as well as the hospital's to find some type of standardization to make faster progress more likely (Gattiker, 2001b).

Supplier Squeeze. The developments outlined in this chapter will also result in suppliers experiencing pressure to reduce their prices and costs being passed on to clients. For instance, it is only natural that a county's or even a state's hospitals band together to build an E-procurement platform over which most of their supplies and outsourced services will be purchased, hence the reduction in supply chain costs translates directly into reductions for the supplier costs if not an increase in the profit margin for private hospitals and GPs. In some countries, GPs not only write prescriptions for their patients, but more important, they have the drugs in-house and hand them over to the patient, thereby increasing their revenue. Together with hospitals, GPs could thus purchase their drugs through an E-procurement public exchange on the Internet. The above thus indicates that if hospitals and GPs open E-procurement exchanges for purchasing online, drug manufacturers' and suppliers' profit margins will experience a squeeze and may have to be offset by economies of scale. Accordingly, cheaper generic drugs can be purchased, while economies of scale will further reduce costs for hospitals, GPs, and their patients, at least as far as drugs and other supplies are concerned (Gattiker, 2001b).

The Challenges

In summary, IT in health care needs to be addressed from a multifaceted point of view, calling for the conjoined efforts of the various stakeholders, including patients. Organization analysis is required regarding structure and flow of work. Application areas, effectiveness, and security of IT must be examined. Standards, concepts, structure, and information demands have to be established. Financing, distribution, and redistribution of resources and budgets have to be explored. Laws regulating confidentiality and security are necessary. In this way, an EMR and its access levels may evolve based on incremental change.

The above sections outlined some of the challenges faced by all stakeholders striving to make better use of IT and EMRs to improve the effectiveness and efficiency of health care delivery. Since the application of IT and ISs in health care is tightly linked to the flow of work and services delivered, the developmental processes cannot be removed from the daily practice as it unfolds in health institutions. The challenge for PA as a discipline is thus to organize, coordinate, and manage all these processes and efforts being undertaken in the various organizations of health care. While PA is generally exercised in hierarchical organiza-

tions, such a structure may be incompatible with the task to be undertaken—development and organization of information exchange across institutions and sectors—hence to catch the multiple dimensions of reality, PA may be forced to change the organization structure of health care. From a combined machine and professional bureaucracy, health care may have to change into a flat organization, characterized by professional networks. These networks would be tighter or looser, depending on the professionals working within the same or in different health facilities. The connection between the networks would—surprisingly—be IT and IS. The factor organizing the connections of networks, we propose, would be the patient. In this way, the patient will truly become the center of the services rendered in health care.

How to Proceed. Most innovations result from a conscious, purposeful search for new opportunities. This process begins with the analysis of the sources of new opportunities. Because innovation is both conceptual and perceptual, would-be innovators must go out and look, ask, and listen. Qualitative research is at this stage an appropriate tool when exploring the possibilities and obstacles pertaining to the organizations and their stakeholders, the technology itself, the consumers and patients, and the economics of society, administrative regions, and consumers and patients. In the context of an EMR, it is thus advisable to start low and go slowly while building and developing the system further from a small platform. In return, the chance that the system will be accepted and used should be greater. Moreover, this will allow the system to be tried, tested, and most likely, revised. The testing and development ought to be accompanied by research analyses of the themes that qualitative research determined to be dominant for the organization, technology, patients, and economics. Some of this research may at this stage be quantitative, applying the data that have accumulated from a more widespread use of IT, hence the development of e-hc is an ongoing process with continuous monitoring of costs and benefits and advantages and disadvantages of new and changing undertakings.

CONCLUSIONS

While this chapter has not attempted a comprehensive analysis of the digitalization of health care, it has pinpointed a number of features affecting PA. At this point in history, little research (but many experiments) have been applied to the use of IT and ISs in health care. Reports of those experiments and the results from studies of business and management applications of IT and IS form the basis for constructing a theoretical framework for PA. This framework builds on organization and stakeholder theory. Analysis of IT and IS showed that protection of confidentiality, integrity, availability, and accountability of information in health care may be a nearly insurmountable task. Confidentiality is the basis

of trust between the patient and doctor. Danish legislation aims at protecting confidentiality, but unauthorized access to ISs threatens both confidentiality and integrity. A fully digitized health care system is dependent on the availability of data and may become totally paralyzed should the systems close down. Virtual private networks must help in ensuring accountability as well as a log in for authorized users, only based on such mechanisms as iris recognition. Also, RBAC for an RDBM can be developed only if user roles and need-to-know requirements are clearly specified, hence while people may gain access to certain domains of a database, need-to-know requirements may prevent them from viewing certain information. Also, they may not be able to alter or add to the EMR.

Four distinct phases were outlined in the development of full-fledged e-hc. Beginning with health care providers presenting unilateral information the service develops into bilateral information exchange between health professionals through nonintegrated systems. Purchasing and billing is then introduced. The final step is multilateral information exchange through integrated ISs. The different phases may coexist in a huge sector characterized by many enterprises. The various stakeholders were examined during the four phases of development of e-hc. The perspective was that of a regional administrative unit. The interests and concerns of expectant and definite stakeholders were analyzed. Lack of data integration between health institutions was found to be a dominant challenge from an organizational point of view. Also from this perspective, the different strategies applied by administrators and the health care professions were found to be a hindrance to data integration. Administrators focusing on efficiency and professionals being concerned with effectiveness may have difficulties coming to terms with common solutions when limited financial resources are allocated to IT and IS. Data security was generally important to all stakeholders, but especially to consumers and patients. Improved quality at lower costs is expected from IT and IS, but nobody knows for sure if this is possible. Due to its intrinsic characteristics IT is bound to change the flow of work in health care or else be changed itself; therefore the development of IT and IS ought to be a gradual process linked closely to practice and constantly being evaluated. One of the goals for better quality of health care is improved coordination of treatment and care across health sectors and institutions. This cross-sectional perspective challenges the traditional hierarchy of an administrative bureaucracy. The solution may be a framework of tighter and looser professional networks, working together across sectors and health institutions connected by IT and IS and with the patient as the coordinating factor.

In summary, the implication for PA is the necessity of a new form of organization of health care consisting of professional networks as described above. Huge financial interests affect the implementation of ISs. The purchase of hardware and software, analysis of needs, demands, and workflow, the development of standards and concepts, and the education of staff all represent substantial

investments. These investments ultimately fall upon patients and taxpayers. Benefits must outweigh costs, should the taxes or payments for services not be raised. The problem is that a significant part of the benefits may be intangible. What, for instance, is the value of ''a warm human dialogue'' or the value of improved coordination? Who will pay for that?

New Public Management is focusing more on performance-motivated administration than ever before (Smith, 1993). Only through interdisciplinary research and collaboration between various stakeholder groups can financial benefits and possibly intangible ones be realized (e.g., heart-to-heart talk between doctor and patient). Managing technical bureaucracies and professional organizations effectively requires a more participatory approach that still focuses on performance and effectiveness (Lynn, 1996). This chapter outlines how NPM can help further advance IT solutions in health care settings while helping stakeholders achieve their aims (e.g., cost containment and better health care for all). If PA is willing to change and to incorporate the experiences from daily practice into an organic whole, the multiple benefits of IT and IS may be reaped to their fullest for the benefit of patients and customers alike. Developing and examining these new forms of organization brought forward by IT and IS, PA may gain new strength and importance as a science.

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11

Can Competition Transform Public Organizations?
European Attempts to Revitalize Hospitals Through Market Mechanisms

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INTRODUCTION

This chapter assesses the thesis that governments can reduce the costs of public services and improve their efficiency and quality by fostering competition among public service organizations. This thesis plays a central role in many New Public Management (NPM) arguments. Drawing on neoliberal economic theories, adherents of NPM assert that public budgeting and hierarchical controls create perverse incentives for waste and rigidity. In contrast, downsizing, internal and external contracting, and especially competition are expected to transform public-sector organizations. According to this view, when publicly owned or publicly funded organizations are forced to compete with one another and with private-sector firms, the public organizations become more productive, efficient, accountable, and responsive to clients and deliver higher-quality services.

  This chapter examines the application of these ideas to publicly owned and operated hospitals in Britain and Sweden. In particular, it examines attempts to

expose hospitals to competitive forces within government-regulated quasi-markets. In both nations, political, organizational, occupational, and technical forces ultimately combined to thwart the attempts of some governmental policy makers to generate vigorous competition among providers of hospital care. The limited competition that did emerge helped enhance providers' responsiveness to client concerns and stimulated service production. There is no convincing evidence that competition contributed directly to the clinical quality of hospital services, hospital efficiency, or overall health system efficiencies. In Britain there is some evidence that the competitive reforms contributed to declines in the overall scope and quality of national health services. Moreover, in both countries the introduction of competition had unanticipated social and political consequences that many stakeholders regarded as undesirable. By identifying and overcoming limitations in the provider competition model and other neoliberal and NPM theories, we can move toward more promising approaches to research and practice in public administration.

Neoliberal economic ideas diffused widely within the fields of organization studies and public policy during the past few decades (McMaster, 1998) and exercised much influence over the diverse body of analysis and experimentation known as NPM (Hood, 1991; Jones et al., 1997). Policy analysts and politicians influenced by neoliberal views argue that exposing public organizations to competition will dramatically improve their efficiency and effectiveness. In consequence, competition among public organizations is frequently advocated as a way of revitalizing entire service sectors and curtailing governmental expenditures in those sectors. This thesis was particularly popular among center and right-wing politicians who controlled governments in Europe and the United States during the 1990s (Altenstetter and Haywood, 1991; Bartlett, et al., 1998; Kavanagh and Seldon, 1989; Rice et al., 2000). Market-oriented solutions for public-service sectors remain in vogue in the United States (e.g., Osborne and Gaebler, 1992; Osborne and Plastrik, 2000) and many other countries (e.g., Gross and Harrison, 2001).

This chapter empirically assesses arguments for public-sector competition. It examines two of the boldest and most far-reaching attempts to transform public organizations through competition—the introduction of quasi-markets into public hospital systems of Britain and Sweden. The term quasi-market reflects the idea that competitive, marketlike forces could be introduced into a system that continued to be regulated and funded by central or regional governments (Le Grand and Bartlett, 1993). In the version of this approach adopted in Britain and Sweden, funds would no longer be allocated to service providers through governmental planning and budgeting; instead they would be given to users or their agents who would then distribute them among competing providers.[1]

The quasi-market experiments in Britain and Sweden provide valuable opportunities to address the following three research questions:

1. Can governments create opportunities for competition among publicly owned and funded service organizations along the lines envisioned by neoliberal theorists and policy analysts?
2. Do public service organizations engage in competitive behavior, as expected, once structural and managerial changes create opportunities to do so?
3. Does exposure of these organizations to opportunities for competition produce performance and financial outcomes like those anticipated in neoliberal arguments?

Drawing on the political discourse that justified experiments with quasi-markets in health care in Britain and Sweden, the first part of the chapter presents an ideal-typical model of the expected impacts of competition among public-sector health providers. The second part addresses the first two research questions by examining the implementation of hospital competition in the two countries under study. In response to the third research question, the third part reviews the major organizational and system-level outcomes that emerged in each country. The conclusion is divided into two parts. The first reviews the findings on each of the three research questions and identifies important unintended consequences of these experiments with quasi-markets. The second part examines the implications of this study for the next generation of research and practice in public administration.

The study's main findings are that political, organizational, occupational, and technical forces ultimately combined to thwart the attempts of governmental policy makers to generate vigorous competition among public providers of hospital care. Limited competition did emerge, however. Competition helped stimulate service production and enhanced providers' responsiveness to client concerns. Competition did not, however, contribute directly to improving the clinical quality of hospital services and probably contributed to declines in the scope and quality of care within Britain's National Health Service (NHS). Competition's independent contribution to provider and systemwide efficiency were negligible in Sweden and very small or nonexistent in Britain; the choice depends on one's evaluation of the validity of official statistics. Moreover, the introduction of competition had unanticipated organizational and system consequences, such as reductions in equality of access to health care and disruptions and reconfigurations of health services, which most stakeholders regarded as undesirable.

The chapter focuses on reforms in the hospital sector, since hospitals throughout Europe dominate the health care sector both economically and professionally. Moreover, the hospital sector has proven itself more resistant to the repeated waves of cost containment and structural reforms introduced by European governments since the late 1970s than have other sectors of the health care system (Harrison, 1995; 1999; Harrison and Lieverdink, 2000; Saltman and Fi-

gueras, 1997). The analysis concentrates on developments during the first half of the 1990s, after which policy makers in both countries grew less enthusiastic about using quasi-market mechanisms to reform their health systems.

The analysis draws on over ninety in-depth, semistructured interviews that I conducted in Sweden during early 1994 and late 1995 and in England in mid-1996. The people interviewed included managers in public purchasing authorities and hospitals, politicians, physicians, nurses, researchers, and consultants. Besides describing how health system reforms were affecting their own organizations, many respondents reported on developments beyond their own domain of action. Other data came from site visits and informal observations, consultations with local experts, published and unpublished documents, and research reports.[2]

COMPETITION AMONG PUBLICLY FUNDED PROVIDERS

In the late 1980s Margaret Thatcher's Conservative government faced a major crisis in the NHS that threatened the system's future. With its comprehensive, fee-free health care, the NHS was (and still is) the most popular institution within Britain's social welfare system. In response to the NHS crisis, Thatcher launched Europe's most ambitious program of exposing publicly owned and funded health providers to market forces. The 1989 white paper *Working for Patients* called for the creation of an internal market for health care within the NHS in which hospitals and other public providers of health care would compete with one another and with private providers. These providers would obtain contracts from publicly funded purchasers. (For developments in Britain see Ham, 1997; Klein, 1999; Light and May, 1993; Robinson and Le Grand, 1994.)

The architects of the white paper expected the workings of the competitive market to create incentives and capacities for change and self-improvement among both purchasers and providers—features that were said to be missing in the NHS prior to the reform. The reformers' diagnosis of the ills of the NHS and their views on the effects of market forces drew heavily on the ideas of New Right theories and NPM (Ferlie et al., 1996; Webster, 1993). The NPM approach, which had come to dominate agendas for bureaucratic reform in several countries, favored introducing basic principles of business management—such as professional management, performance assessment, cost-effectiveness, and competition—into public organizations. The NHS reformers relied directly on analyses by neoliberal economists, including members of three British pro-market policy institutes (Giaimo and Manow, 1997), and Professor Alain Enthoven (1978; 1985) of the United States. Enthoven (1985) described the NHS bureaucracy as being ''caught in a gridlock'' of forces that blocked change and as containing ''perverse incentives'' that discouraged efficiency. His arguments concerning the advantage of competitive, market-oriented systems over systems based on public bureaucracy fit nicely with Thatcher's pro-market ideology and with the views

of earlier NHS reformers, who had repeatedly attacked the health system's institutional rigidity.

To remedy the ills of the NHS, Enthoven proposed creating an ''internal market system'' for the NHS that would operate in a state of ''regulated competition.'' Separating purchasers and providers would end the providers' undue influence over purchasing decisions and allow for more rational decision making concerning resource allocation. Free to purchase services from any producer who offered good value, NHS managers would be able to use resources more efficiently. Competition among providers—modeled on the competitive market among health maintenance organizations in the United States—would give providers direct incentives to deliver high-quality care and cut costs.

In the late 1980s and early 1990s many forces encouraged Sweden's national and regional politicians to experiment with market-oriented reforms of the tax-supported health system, which provided one of the foundations of the country's cradle-to-grave social welfare system.[3] These included a drive to cut health costs in response to Sweden's deepest recession in fifty years, a movement to make the health system more responsive to patients' needs and allow patients to choose their own care givers and institutions, and emerging interest in reducing hospital care and strengthening primary care and prevention. The advocates of market-based reform for Sweden were encouraged by British experiments with internal markets and by the ideas of Enthoven and other local and foreign advocates of market-based reform. These advocates argued that exposing public agencies to competition would enhance their responsiveness to their clientele, as well as make them more efficient.

Sweden's market-oriented reforms were most widespread during the period between 1991 and 1994. During this period a coalition of the center and right-wing Moderate and Liberal parties held power in the national government and most county councils (CCs). Market experimentation was not the exclusive province of political conservatives, however. Support for the market-oriented reforms emerged under the Social Democrats prior to 1991 and came from a broad coalition of actors with divergent political affiliations. Moreover, the reforms continued in some counties after the return of left-of-center governments in 1994.

Figure 1 presents an ideal-typical model that captures the main ideas contained in the British and Swedish programs of market-oriented experimentation. The upper boxes show the two structural conditions that create opportunities for competition among public providers: first, separation of public purchasers [health authorities (HAs) or general practitioner (GP) fundholders in Britain, and CCs in Sweden] from providers (hospitals, clinics, physicians, ambulance and social services), and second, creation of a variety of providers, among whom patients or their surrogates (physicians or public officials) can choose. Contracts are the mechanism that defines where and under what conditions funds flow from purchasers to providers. Purchasers are expected to choose services and providers
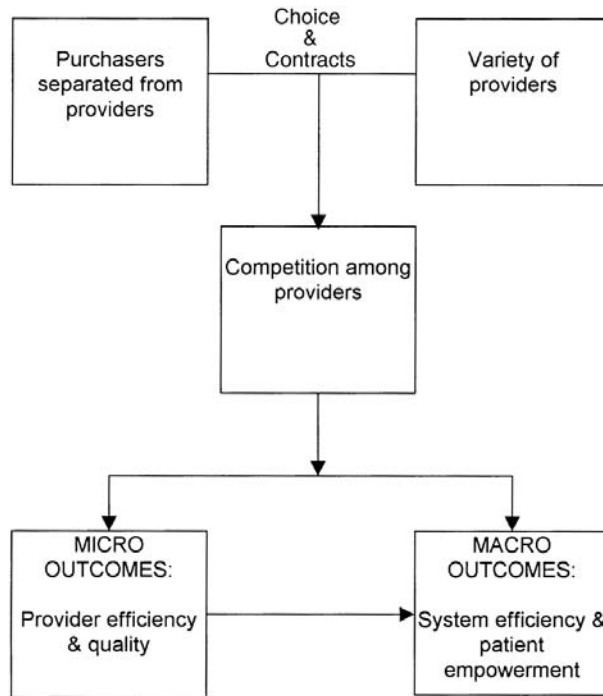
FIGURE 1 Competition among public providers.

based on their quality and cost-effectiveness (value for money). These structural conditions and contractual mechanisms are expected to generate competitive behavior among providers and release incentives for providers to become more efficient and enhance the quality of their services. Underlying this expectation were three assumptions: first, purchasers can develop the capacity for rational choice of cost-effective services; second, providers will seek to increase revenues by attracting and retaining patients and contracts; and third, providers can develop the managerial and professional capacities needed to price and market services, become more efficient, and enhance quality. The anticipated provider outcomes, which economists often call micro-efficiencies, are shown in the lower left-hand box of Figure 1. In turn, these outcomes are expected to lead to the systemwide (macro-level) outcomes shown in the right-hand box—a more efficient public health service that gives patients more power and freedom of choice. Some advocates of market-oriented reform even claimed that improving provider efficiency would ultimately lead to lower national expenditures for health care.

CREATING INTERNAL MARKETS

The survey that follows addresses the first two research questions, which inquired whether Britain and Sweden succeeded in implementing structural and managerial changes that could provide opportunities for competition among their public hospitals and whether in fact these changes led to competitive behavior by providers. The main finding is that during the first half of the 1990s Britain's national government and some of Sweden's regional (county) governments successfully implemented changes that could generate some competition among hospitals. In practice, however, relations among hospitals rarely became as competitive as policy makers had anticipated.

Britain

During the early 1990s Britain's powerful central government moved forcefully toward creating an internal market for health care and exposing its public hospitals to competition. To accomplish this transformation the government separated the responsibility for providing services from that of purchasing them (also called commissioning). The main *providers* were GPs and hospitals.

The main purchasers in the reorganized NHS were the district HAs, which had previously directly administered most hospitals. In 1993 the HAs controlled 88% of total NHS purchasing (Appleby, 1993). Relieved of the operation of district general hospitals, the HAs were made responsible for assessing the health needs of their district's residents. The HAs were to receive their budgets from the regions with adjustments for the age, sex, and health of the district's population. The HAs would then contract with providers within the NHS and in the private sector for the services required by district residents. Some GPs also became purchasers by registering as fundholders, who gradually received budgetary and administrative responsibility for their patients' ambulatory and elective hospital care, their pharmaceutical prescriptions, and home nursing.

District and regional hospitals, along with such district community services as ambulance provision, were encouraged to reorganize as independent, semiautonomous trusts. Trusts continued to be owned by the NHS and remained accountable to the government. The trusts were to sign care contracts with purchasers and balance the revenues from these contracts against expenses. The government allowed trusts to set the pay, conditions, and composition of their workforces locally. Local pay arrangements were not fully implemented, however, because of opposition by the physicians and by paramedical groups.

By the end of 1994, the formal structure of the purchaser–provider split was firmly established. Nearly all hospitals in England and Scotland had become semiautonomous trusts, and over a third of English GPs had entered fundholding. By 1996, one year before the electoral defeat of the Conservative government,

39% of all English GPs and 28% of all practices were in fundholding practices. There were also sixty-one experiments in total fundholding, in which GPs received delegated budgets from HAs and directly purchased all of their patients' hospital care, and another thirty-four such experiments were slated for launching (Harrison and Choudhry, 1996). Penetration of fundholding in Scotland and Wales was lower.

Despite the implementation of the new purchaser–provider structure, there were two structural limitations on competition among acute hospitals. First, the purchasing contracts introduced by the reforms only covered nonemergency cases, which make up a small part of hospital budgets, in some cases as little as 20–30% (Harrison and Wistow, 1992; Coulter and Bradlow, 1993). Second, in many areas, there was only one former district hospital capable of providing the volume of care required by the HA.[4]

In response to the second research question, let us consider the behavioral consequences of these structural changes. Contrary to the reformers' expectations, during the first few years after the market reforms went into effect in 1992, most acute hospital trusts did not engage in intense competition with one another. Instead, relations between trusts and HAs did not change dramatically with the onset of the reforms. There were several reasons for the limited scope of change. First, as noted, many HA purchasers had no alternative besides purchasing care from the same local hospitals that they had previously administered directly. Second, even where additional providers were available for some services, HA purchasers usually preferred to continue to work with the hospitals they had previously managed. This preference reflected long-standing network ties between the HA management and the hospitals. For many HA managers, switching hospitals would have been tantamount to admitting that the hospitals that they had run until recently were not the best alternatives available to the district's constituencies. The HA managers also worried that switching providers would endanger emergency care and other services for which the HA continued to depend on the local district hospital. In addition, HA managers lacked experience in contracting and purchasing, nor could HA staff get adequate information with which to judge the quality and cost-effectiveness of hospitals. In most instances, hospital physicians had most of the knowledge about clinical performance, and they were loathe to share this information with hospital managers or purchasers. Even the limited data that were available often went unused, because HAs lacked sufficient management information systems and decision capacities. The government made efforts to publish statistics on hospital performance, but these were not sufficiently detailed or reliable to serve as guides to purchasing decisions.

These constraints led HA managers to act conservatively. Most refrained from bidding against one another or encouraging providers to compete directly for contracts; nor did HA managers show much interest in using services outside the NHS, despite encouragement from the NHS executive (Appleby et al., 1994).

Instead, most HAs signed block contracts for the bulk of their elective services with the same hospitals they had managed prior to the reforms. In block contracts the purchaser agrees to buy access to an agreed-upon range of facilities for a fixed fee and time period (usually a year) without specifying workload, volume, or the specific facilities to be used. Block contracts actually discouraged competition among providers and generated disincentives to improve productivity. Under this type of contract providers do not receive extra payments during the contract period if the provider delivers additional (uncontracted) services, reduces waiting times, or otherwise improves performance (Bartlett and Le Grand, 1994; e.g., Kingman, 1993).

The behavior of trust managers reflected these emerging relations with HA purchasers and the severe budgetary constraints to which many trusts were subject. Most trust managers did not adopt aggressive marketing tactics in their relations with HA purchasers or deploy tough competitive tactics toward other providers, nor did most trust managers try to take entrepreneurial advantage of the emerging market for health care services. Despite the urging of the government and the NHS executive, trust managers showed little interest in purchasing vital clinical functions and administrative services from external sources, be they private or public (''The Making of NHS Ltd.,'' 1995; Decker, 1995).

One explanation for the trust managers' limited interest in market mechanisms was that most managers lacked expertise in contracting and marketing. In addition, the trusts lacked the necessary skills and information-processing capabilities to assess the costs and benefits of outsourcing and marketing their own services to purchasers or other providers (e.g., McNulty et al., 1994). Many trust managers also sought to avoid local pay (Crail, 1995) and other organizational changes that might disrupt relations with powerful physicians and other staff groups, hence in keeping with the instructions of the NHS management executive, most trusts only sought to modify the contracts of staff who were hired after the start of the reforms.

Trust managers found their strategic and tactical options constrained by government-imposed budgetary restraints and top-down pressure to meet narrow fiscal and performance targets. As a result, instead of becoming market-oriented, the managers concentrated most of their efforts on reducing staff and facilities in order to meet the government's ''efficiency targets.''[5]

In contrast to the lack of competition for HA contracts, hospitals did begin to compete for contracts with GP fundholders. Although GP fundholders controlled a minority of the trusts' budgets, their influence on the trusts was disproportionate to their purchasing power (Goodwin, 1998). It was easier for GP fundholders to shift contracts between providers than for HAs to do so, because the volume of services purchased by fundholders was lower. Fundholders could also obtain somewhat better information about hospital services than could HAs. General practitioners can more easily keep track of their patients' waiting times than

can HA managers, and GPs can make personal contact with the hospitals and get reports from their patients concerning the treatment they received in the hospital. General practitioners also receive discharge letters from the hospitals. In addition, unlike HA managers, who personally gain little from aggressively negotiating with local hospitals, GP fundholders could attain benefits for their own practices by taking an entrepreneurial approach to fundholding.

Members of the first three waves of fundholding moved quickly to press hospitals to improve services to patients; for example, by reducing waiting times for initial appointments, speeding turnaround of laboratory results, improving the speed and quality of discharge letters, and ensuring that consultants (rather than junior doctors) saw patients on an agreed-upon proportion of visits. General practitioner fundholders threatened to switch to providers who would agree to improve service. Sometimes the fundholders did in fact leave providers who gave particularly bad service. Unlike the first few waves of fundholders, many of the physicians who joined the program later made less aggressive use of the market. Moreover, both early and late joiners depended heavily on hospital clinicians to assess and assure the clinical quality and appropriateness of care.

Unlike the HAs, fundholders arranged cost-per-case contracts and cost and volume contracts with hospitals. These contracts provide more leverage over providers than do block contracts.[6] The fundholders built sought-for improvements into purchasing contracts (Glennerster et al., 1994); however, their contracts did not include provisions for systematic evaluation of the trusts' conformity to contract standards or sanctions for failure to meet these standards (Baeza and Calna, 1997).

To facilitate management of fundholding and consolidate their influence on trusts and HAs, a growing number of GP fundholders formed fundholders' consortia. Other GPs, who were not fundholders, formed cooperative ties with fundholder consortia and HAs, so as to jointly commission care.

Trust managers quickly recognized the changes that were occurring in their relations to GP fundholders and made efforts to market services to them and ensure that they evaluated the trust's services favorably. In particular, trust managers and clinicians tried to respond more quickly to inquiries about patients by GPs, provide better discharge letters, reduce waiting times, and grant other privileges to the patients of fundholders.

Throughout this period, the government continued to intervene directly in the health system rather than allow the hidden hand of market forces to shape the supply and delivery of hospital services. In particular, the Department of Health and the top-level NHS executive held HAs and trusts directly accountable for their yearly fiscal performance and their reduction of waiting lists. The government held budgets down in many areas and functions, while adding funds in others. To ensure the success of the reforms and relieve the funding crisis, the government provided generous support for the fundholding scheme, helped pay

for rising managerial costs associated with the contracting process, and supported efforts by hospitals and HAs to develop management information systems. At the same time that it cut beds and nursing staff, the government provided additional funding to reduce waiting times for elective surgery and add physicians to hospitals. The budgetary increases within the NHS between 1990 and 1994 were larger than any that had occurred during the previous two decades, and the system's rapid growth was unparalleled in other OECD nations during the 1990s (OECD, 1995). Nonetheless, even after this massive infusion of funds, NHS spending per capita and as a percentage of GDP remained well below the European average (OECD, 2000). Because of rising demand and reductions in capacity, the hospitals continued to experience heavy burdens on their facilities and staffs.

The British government took steps to manage the market, so as to avoid disruptions in health care and moderate market developments, such as hospital closures, that would be unpopular with the voters, physicians, and other powerful interest groups. In some areas, the government had to deal with serious threats to the viability of trusts that arose through a combination of budgetary constraints and new purchasing arrangements. In London, for example, market pressures threatened the future of famous teaching hospitals. The result was widespread protest against proposals to close and merge hospitals. Rather than allowing a market shakeout to occur as market theorists would have proposed, the government set up a high-level advisory commission, a bureaucratic implementation body. Then a series of advisory reviews were conducted by hospital consultants in six of the city's major areas of medical specialization (James, 1995). The government also found extra funds to help London's ailing hospitals and then gradually moved to close wards and entire hospitals. In this crucial test of the quasi-market, provider competition and purchaser choice worked primarily to surface and intensify long-standing debates about the viability of London's hospitals, but HA contracting and competition among hospitals per se produced little change. Instead top-down governmental intervention, tempered by interest-group politics, formed the driving forces for trust consolidations and other structural changes.

In the end, the ability of the NHS to operate as an open, competitive market for health care was severely limited. Some competition did develop among trusts, particularly for contracts with GP fundholders, but the HAs, who controlled nearly 90% of purchasing, made limited use of their freedom to choose providers. Moreover, the government moved quickly from enthusiastic endorsement of the operation of the free market to a policy of tightly regulating trusts, HAs, and GP fundholders. To manage the internal market and intensify its drive for efficiency and accountability among providers, the government expanded and centralized the NHS bureaucracy and tightened its chain of control, rather than devolving control to HAs and trusts as originally envisioned.

Despite the many constraints on competition, the purchaser–provider split within the NHS and the introduction of contracting for services heightened efforts by hospital managers and physicians to satisfy patients and meet the expectations of purchasers. Moreover, the introduction of the internal market led to the penetration of market and service-oriented thinking and management practices into the hospitals.

Sweden

Hospital, outpatient, and primary care in Sweden are almost entirely owned, funded, and operated by 23 CCs and three cities (which are grouped here along with the CCs). Nonetheless, there is a balance of power between the CCs and the national government in the formation of health policy. The CCs provide health services for populations ranging from 200,000 to 400,000 persons. A typical CC contains two to four general hospitals and one main hospital that provides most specialties. There are also six medical regions that coordinate and provide tertiary care through ten tertiary hospitals.

Several of the national and county-level reforms introduced after 1989 created opportunities for competition among public hospitals (Anell, 1995; Rehnberg, 1995; Saltman and Von Otter, 1992). To respond to our first research question, let us examine these market-oriented reforms in greater detail. Beginning in 1989 patients throughout Sweden were given the right to choose hospitals for elective procedures. This reform mandated that payments by the CC to the hospitals were to follow the patient, rather than being budgeted in advance to the hospital in the patient's residential area. At the same time, to guarantee prompt treatment for procedures having long waiting lines, the central government granted extra funding to hospitals but made these grants contingent on treating the patient within three months of diagnosis. Patients who did not receive prompt treatment could go to a hospital outside their residential area. The logic behind the patient choice reform was simple: if money followed the patient, hospital managers and professional staff would encounter strong incentives to increase hospital productivity and efficiency so as to attract patients from outside their catchment areas and avoid losing local patients to competing hospitals. The allocation of funds in response to patient choice would remove perverse incentives for managers and physicians to allow long waiting lines to develop in order to justify additional funding.

During the same period in which these nationwide reforms were introduced, many CCs began experimenting with ways to separate the functions of purchasing and providing hospital care. The resulting structural changes were roughly analogous to the redefinition of the functions of HAs and hospital trusts in Britain. Unlike British trusts, Swedish hospitals gained autonomy without undergoing a change in legal status. Another notable difference from Britain was that Sweden's

new purchasing boards were staffed by elected politicians, who were directly accountable to county residents and served as their representatives in contracting.

At their height, purchaser–provider splits were far less widespread in Sweden's health care system than was the case in England. In 1993 only six out of twenty-six CCs had established independent purchasing boards. In the Dala CC, an arrangement reminiscent of fundholding emerged with fifteen local boards, some with close ties to primary care. By 1995 one-third of Sweden's CCs had separated public purchasers and providers. Other counties created purchasing functions within the CC's central administration.

Stockholm was an important exception to the trend in other counties that introduced quasi-markets. The Stockholm model assigned purchasing responsibility to broad area boards that had limited community contacts. Purchasers in Stockholm contracted for services directly with hospital departments, which were given separate budgets. The contracts provided for performance-based payments using diagnosis-related groups (DRGs) in surgery beginning in 1992, in internal medicine in 1993, and thereafter in all areas. Reimbursement rates were to decrease if activity exceeded target levels.

By the mid-1990s nearly half of Sweden's CCs had created purchasing functions, and by 1999 the proportion had risen to three-quarters, but many CCs integrated these purchasing functions into the central CC administration, rather than maintaining independent purchasing agencies, as was done in the early 1990s. Moreover, most of the CCs that originally experimented with quasi-markets made major changes shortly after starting the experiments. These changes reduced the autonomy of local and area purchasing boards and of local hospitals. In Dala, for example, purchasing was reintegrated into a single purchasing function, which coordinated both primary and hospital care.

Shortly after starting its experiments, the Stockholm CC intervened in purchasing and began to enforce tight budget ceilings. The CC's drive to halt the rise in hospital activity produced confusion and hostility among hospital physicians and managers, who had believed that their budget revenues would directly reflect their activity levels. In 1996 Stockholm created a single board to coordinate the purchasing of hospital services. Contracts were reassigned to hospitals rather than departments, and changes were proposed in the prospective payment system. During 1996 and 1997 the Stockholm CC considerably restricted the autonomy of purchasers and hospitals by imposing cooperation on one pair of hospitals and cutting services at Stockholm's smallest hospital. By the mid-1990s regional planning and budgeting for hospitals and a wave of hospital mergers began to reduce hospital competition and overshadow the counties' market-oriented reforms.

Even at the height of the market programs, opportunities for competition under the patient choice reform and also in counties with purchaser–provider contracting were concentrated mainly in urban areas in which two or more hospi-

tals were readily accessible by patients. Moreover, younger patients and the less seriously ill found it easier to choose hospitals outside their residential area than did the majority of hospital patients, who were older and more seriously ill.

To what extent did the structural reforms of the early 1990s foster competitive behavior by hospital managers and staff? In urban areas, and particularly in western and southern Sweden, hospitals quickly felt the effects of patient choices for elective surgery. Competition among these hospitals revolved around waiting time for care and to a lesser degree perceived quality, but not price, which was set and paid by the CCs. Some hospitals gained patients and revenues, while others lost them. Hospital managers made efforts to attract patients to their facilities. In particular, they sought to reduce waiting times for procedures that had previously had long cues and that were subject to incentive funding under the national government's care guarantee. Across the nation hospital managers sought to implement cost savings and encourage productivity gains to meet budgetary constraints. Few managers developed market-oriented strategies for their hospitals as a whole, however.

In contrast to patient choice, the separation of purchasers and providers did not contribute noticeably to competition among hospitals. There are several explanations for this situation. Chief among these is that CC purchasers were unable to find alternatives for most needed care. Moreover, CC politicians were reluctant to put their local hospitals at risk, since these hospitals were sources of local pride and employment. County council purchasers lacked knowledge and information about medical care and hospital administration. Unable to judge the quality or necessity of the services they purchased, they were at a serious disadvantage in negotiations with hospital providers.

In consequence, most CC purchasers signed block contracts for almost all care with the same hospital that the CC had previously administered directly. Budgetary constraints left few opportunities for either the CCs or the hospitals to reconfigure care patterns. As their health budgets were cut from year to year, CC purchasers usually found themselves more concerned with keeping hospitals within their budgets than with contracting for changes in the location, nature, and quality of care. By the mid-1990s CC purchasers began to stress cooperation with providers and the coordination of care between hospital, primary, and community care (e.g., geriatric facilities), rather than confrontation and vigorous bargaining over the terms of hospital care. Furthermore, the health policy agenda gradually shifted toward greater emphasis on setting priorities for public spending and enhancing clinical quality through professionally developed guidelines.

ORGANIZATIONAL AND SYSTEM-LEVEL OUTCOMES

Caution is required in interpreting the available data on the ways that hospitals were affected by the quasi-market reforms. There are only limited data available

on hospital outcomes. Moreover, it is difficult to separate out the effects of the quasi-market reforms from those of other influential developments that occurred at the same time.

In practice, the model presented in Figure 1 was never free to operate as a closed system. Instead, crucial exogenous variables intervened from start to finish. Particularly noteworthy were the massive increase in funding of Britain's NHS during the internal market's first few years of operation and the serious recession and constraint on funds for health care that occurred during this period in Sweden. Furthermore, the governments of both countries implemented additional top-down programs for reforming their health systems at the same time that they launched the experiments with quasi-markets. Other external forces that shaped organizational and system outcomes included lobbying and pressure by physicians and other local and national stakeholders. Also noteworthy were the spread of such medical technologies as noninvasive diagnostic and surgical procedures and new drugs. These developments greatly facilitated reduction and avoidance of hospital stays, along with expansion of day surgery and other types of hospital outpatient care.

Britain

Do the available data suggest that exposing public hospitals to competition led to outcomes such as those anticipated by advocates of quasi-markets? In Britain, according to official data, hospital activity surged during the first years of the reform, waiting lists fell, and efficiency—measured as total activity versus real costs—rose (Le Grand et al., 1998; Le Grand, 1999). Unfortunately, there are serious reasons to doubt the validity of official statistics on hospital activity (Seng et al., 1993; Radical Statistics Health Group, 1995; Hamblin, 1998). These data are based on an indicator of hospital activity that counts as a separate, completed treatment each internal and external transfer of the same patient from one specialist or diagnostic unit to another. This and other official NHS measures, such as occupancy levels, day surgery rates, length of stay, and waiting times for hospital admission, have been repeatedly attacked as invalid, noncomprehensive, and vulnerable to manipulation by managers who were under intense governmental pressure to demonstrate improvements in performance (Clarke et al., 1993; Morgan, et al., 1999).

Although management costs grew more slowly than reported activity, the growth in expenditures for management was nonetheless substantial. Unfortunately, there are no agreed-upon figures. According to official NHS figures, the number of general and senior health managers increased 404% between September 30, 1989 (just before the publication of the white paper) and September 30, 1994. Nursing staff fell 7.7% during this period. (NHS managers up 15% in year, 1995.) It is impossible to determine what proportion of the growth in management should be attributed directly to the quasi-market reforms.

Although British politicians often cited ostensible increases in hospital activity as evidence of the impact of market forces, it seems more probable that most genuine productivity improvements simply reflected dramatic improvements in cash flows (Appleby et al., 1994; Maynard, 1993; OECD, 1995). In fact, the inflation-adjusted rates of increase in the NHS budget during the first and second year of the reform were as high as any since 1980 (Maynard, 1993). These increases covered higher levels of hospital activity in areas of need, special funds to reduce waiting lists, and generous allocations to GP fundholders. Improvements in hospital performance also reflected trends that developed before the reforms, including reductions in length of stay, increases in day surgery, and cost cutting to meet government-imposed efficiency targets. These developments may have been accelerated by the introduction of the internal market, but they were not primarily caused by hospital competition.

Increased hospital activity can only legitimately be described as a gain in provider efficiency if the *quality* of care remained constant or rose during the comparison period. Qualitative and anecdotal sources suggest, however, that global budgeting and the internal market had very mixed effects on care within the NHS. The most dramatic improvements occurred in *nonclinical* features of the services provided to patients. Waiting time, a major source of public dissatisfaction and frustration, declined radically during the early 1990s. For example, by March 1994 the number of people waiting over six months had fallen to half of the 1991 number, and the average waiting time had also dropped considerably. On the other hand, the total number of people waiting for attention continued to rise, with 7% more waiting for inpatient treatment or day care in hospitals in March 1994 than just one year earlier (OECD, 1995).

Early reports by GP fundholders pointed to their ability to attain improvements in hospital services (Glennerster et al., 1994), but later studies found that the GPs' reports were sometimes rosier than objective measures of patient treatment (Whitehead, 1994). Fundholders in the early waves did succeed in obtaining lower charges for their patients. Early fundholders also gained faster treatment for their patients but were no more successful than nonfundholders in reducing their patients' length of stay (Goodwin, 1998). On the other hand, fundholders in total purchasing schemes did attain shorter hospital stays (Goodwin et al. 1998). Since reduced hospital charges to fundholders raised HA costs (Le Grand et al., 1998), the savings obtained by the fundholders did not contribute to savings or efficiency for whole districts or the entire NHS. Fundholding's documented attainments in other areas fell short of expectations. Longitudinal and comparative research uncovered no consistent evidence that fundholding led to changes in referral practices or produced significant substitution of community services for those previously provided by hospitals (Godsen and Torgerson, 1997; Goodwin, 1998).

In contrast to its contributions to service quality, the internal market seems to have harmed certain aspects of the clinical quality of care. According to GPs (Francome and Marks, 1996: 69) and primary care givers whom I interviewed, there was a growing tendency during the reforms for hospital trusts to ''dump'' patients on to primary care by releasing them earlier than was advisable.[7] A report by the Health Advisory Service attributed the hospitals' overemphasis on the rapid throughput of elderly people in acute wards to perverse incentives built into the productivity measures used in hospital contracts (Millar, 1997). The government's requirement that hospitals attain annual efficiency gains probably also contributed to the premature release of patients. Additional quality problems showed up in yearly winter emergency crises, which were in part due to the failure of HA contracts to anticipate predictable seasonal fluctuations in demand (Jones, 1997).

Disturbing episodes of clinical and organizational ineffectiveness in hospitals also came to light during the reforms (''An Unhealthy Silence,'' 1997). There was no direct connection between these episodes and governmental programs, and the underlying problems predated the reforms. Nonetheless, the revelations suggested that the market reforms had done little to remedy serious failings in managerial supervision of hospital quality and professional self-regulation (Rosenthal, 1995; Smith, 1998).

Coordination among care givers, which is crucial to the quality of care, also suffered under the reforms. The purchaser–provider split and fundholding deepened existing structural and financial divisions within and between primary care, hospitals, and social care and thereby intensified the potential for rivalry and conflict among care sectors and providers (Millar, 1997; Muijen and Ford, 1996; Wistow, 1995).

The internal market reforms sought to create gains for the NHS as a whole (see Figure 1), as well as improvements in each hospital. The debate over the efficiency of the hospital system as a whole turns on the aggregate data reviewed above. One system development is beyond dispute, however; rather than leading to short-term cost reductions as expected, the introduction of the internal market was supported by substantial additional government expenditure. These budget outlays were needed to cover the burgeoning managerial and costs incurred by the GP fundholders, HAs, and the trusts as they struggled with contracting and data management.

In evaluating the effects of the reforms on the health system as a whole, it is also important to recognize that the quasi-market reforms aggravated an ongoing trend toward reduction of services covered by the NHS. This trend seriously compromised the NHS's claim to provide comprehensive health services that were free at access. During the early 1990s curtailments in NHS coverage shifted much of geriatric, dental, and eye care into the private sector (Harrison

and New, 1996). General hospital managers in turn sought to reduce costs by cutting the length of stay and transferring aged patients who required continuing nursing care out of the NHS system.

Patient choice and empowerment were yet additional systemwide goals for the reforms. The reforms did give patients more flexibility in their choice of GPs. Moreover, some GP fundholders acted as advocates for patients within the hospital system, but patients could no longer ask their GPs to refer them to a specialist or hospital of their choice, as they could before the reforms. Instead the contracts signed by HAs and GP fundholders with providers determined where patients were referred. Patients also lost influence under the reforms, because local politicians were no longer represented within the HAs, as they had been before the reforms. Demonstration programs in HAs to involve citizens and patient groups in decision making were very limited in their scope and impacts (Milewa et al., 1998; Mulligan, 1998).

In conclusion, selective funding increases and top-down drives for efficiency apparently contributed more to enhancing Britain's hospital productivity and reducing waiting times than did the introduction of the internal market. General practitioner fundholding is the main feature of the purchaser–provider split that led, at least initially, to improvements in nonclinical hospital services, but there is no evidence that fundholding enhanced clinical quality and outcomes in hospitals. Moreover, fundholding benefited only a minority of patients, to the detriment of others (Goodwin, 1998; Hamblin, 1998). Because the program was more widespread in higher-income areas (Audit Commission, 1996: 10), it aggravated existing socioeconomic differences in access to hospital services.

Sweden

By using global budgeting, Sweden succeeded in reducing health care costs during the 1980s and achieved cost stability during the early 1990s (OECD, 2000). Were there also organizational and system outcomes that might be attributed to the creation of competition among hospitals? Available quantitative measures (Federation of Swedish County Councils, 1993) point to increases in productivity and efficiency in hospitals across the country during the early 1990s. Waiting lists for elective surgery quickly disappeared after the introduction of the care guarantee.

The wide distribution of these improvements suggests that purchaser–provider splits, which were the most fundamental market-oriented reform, played a minor role in enhancing productivity when compared to other programs. These included creation of hospital competition through the nationwide patient choice program and important noncompetitive reforms, including budgetary restraints, the care guarantee, and the Ädel reform, which reduced hospitalization of geriat-

ric nursing patients in general hospitals. Further evidence that purchaser–provider splits had limited direct effects comes from the finding that productivity gains and cost reductions usually occurred *before* the introduction of purchaser–provider splits (Bergman, 1993). On the other hand, one study (Jonsson and Bruce, 1996) showed greater improvements in hospital productivity and throughput between 1990 and 1993 in Stockholm than in comparable counties that did not implement a purchaser–provider split.

Some of the nationwide productivity gains probably reflected the new climate created by national and county experiments with markets, along with the effects of top-down budgetary constraints. During the early 1990s, in response to the patient choice reform, hospital managers and health professionals throughout the country showed greater concern with attracting patients from outside their catchment area and retaining their own patients. In like manner, managers and health professionals reported increased awareness of considerations of cost and productivity, more constraints on their activities, and greater efforts to do more with fewer resources (Forsberg and Calltorp, 1993). Many hospitals launched programs of internal reorganization designed to increase efficiency and responsiveness to external constraints.

The market-oriented reforms improved the service dimensions of hospital quality by eliminating waiting times and increasing access to electoral procedures. Unfortunately, no systematic data are available concerning the quality of hospital care or the medical outcomes of that care before or since the reforms. Although many health professionals worried about the impact of the reforms on quality, there is no clear evidence that general hospital care was adversely affected (Bergman, 1998); nevertheless, care for the elderly apparently suffered, as the Ädel reform shifted nursing care from general hospitals, which were run by the CCs, to nursing facilities run by cash-constrained municipalities (Socialstrylsen, 1993; 1998).

Perhaps the most dramatic and unambiguous systemwide outcome of the introduction of a quasi-market in Stockholm was the escalation of total hospital costs, which resulted from the rapid rise in hospital activity and productivity (Hakansson, 1993). For many politicians this rise in total health costs greatly overshadowed the hospitals' productivity gains and contributed to the discrediting of competitive mechanisms as a way of restraining Sweden's health care expenditures.

Most observers report that the market-oriented reforms empowered patients by improving their access to care givers, representing patient concerns through CC purchasers, and making hospital staff more aware of patient concerns. Sweden's market-oriented experiments may also have enhanced the flexibility of service providers somewhat. Unlike some of the government's top-down interventions, however (Calltorp, 1996), competition among hospitals does not appear to

have had major independent effects on the efficiency of the health system as whole (Harrison and Calltorp, 2000).

CONCLUSION

Implementation and Consequences of the Quasi-Market Reforms

The British and Swedish experiments with quasi-markets for public hospital care rank among the West's boldest applications of neoliberal economic thinking to public service organizations. They thus provide a rare opportunity for examining the research questions about competitive mechanisms in the public sector, which were presented at the start of this chapter. First, to what extent were the governments of Britain and Sweden able to introduce opportunities for competition among their publicly funded health providers? Overall, the market-oriented reforms in these two countries produced less vigorous competition than that envisioned by the advocates of market-type reforms; nevertheless competition did emerge in certain areas. British acute hospitals competed for contracts covering elective care that were negotiated by GP fundholders. Swedish hospitals in urban areas competed for patients seeking quicker or better treatment for elective procedures. Purchasers and providers in both countries may have viewed contracts as potentially contestable, even when purchasers did not actually switch providers or require providers to engage in competitive bidding.[8]

Nonetheless, in many locales competition was substantially constrained by provider monopolies and loyalties of public purchasers and patients to local hospitals. A further constraint on purchaser choice of hospitals derived from the purchasers' lack of knowledge about both contracting and medical care. The purchasers also lacked usable data on comparative costs and quality in hospitals. When purchasers did seek to switch providers, they often faced pressures by politicians and interest groups not to do so. Moreover, where purchaser or patient choices endangered the viability of hospitals in both countries, governmental authorities brokered or dictated changes in resource allocations and hospital structures rather than leaving them to the forces of the market.

The second and third research questions concerned the behavioral, organizational, and systemic effects of competition. It is very difficult to sort out the effects of provider competition on British and Swedish hospitals because these organizations were exposed to several other influential developments at the same time. In addition, many possible outcomes of competition are indirect and hard to measure.

Changes occurred in Swedish hospitals, but much of their culture, structure, and environmental relations remained untouched by the competitive reforms. Changes were greater within British hospitals, but they also reflected the impacts

of earlier waves of reform through command and control techniques and other governmental programs that were unrelated to provider competition. Despite radical changes in managerial discourse, hospital physicians retained much of the medical subculture that prevailed prior to the reforms (Harrison, forthcoming).

Productivity did rise in both Swedish and British hospitals, and waiting times were cut, but direct productivity incentives probably had a greater impact on these improvements than competition among providers. In the absence of reliable data on clinical and service quality, it is difficult to decide whether or not market forces genuinely led to greater efficiency within British hospitals. Qualitative evidence does point to improvements in both Britain and Sweden in the responsiveness of hospital managers and care givers to patient needs. Clinical quality may have suffered in Britain because of cuts in hospital beds and services, increasingly rapid turnover of patients, and growing fragmentation of NHS services. No such effects have been reported for Sweden, other than problems in geriatric care provided by the municipalities.

At the level of the health system as a whole, the introduction of quasi-markets did not lead to the kinds of macro-system efficiencies and overall cost savings that were hoped for. On the contrary, politicians in both Sweden and Britain discovered that it was very expensive to develop an organizational and technical infrastructure capable of supporting contracting. Moreover, once in place, this type of system generated higher transaction costs than a fully budgeted system. Fluctuations in hospital revenues stemming partly from competition and contracting made these cash-limited systems less stable than they had previously been.

Finally, the market-oriented reforms appear to have had a range of direct and indirect consequences that were not well captured by the model presented in Figure 1 or fully anticipated by advocates of quasi-markets. First, the system of contracting for hospital services gave public purchasers a tool for requiring greater accountability by providers. To date the emphasis in contracts has been on costs, but considerations of service and clinical quality, as well as the location of services (in or out of the hospital), have also been introduced.

Second, the internal-market reforms had negative effects on equality of access to care (equity). In Sweden, healthier, urban, and more geographically mobile patients were more able to benefit from patient choice and the care guarantee than others. Britain's reforms also weakened equality of access and comprehensiveness of NHS care. Hospitals gave preferential treatment to the patients of fundholders. Moreover, to reduce costs general hospital managers sought to move geriatric patients through quickly and transfer them to social care, which was outside the NHS and was means-tested.

Third, the introduction of quasi-markets contributed to important changes in the balance of power among actors within the health system. In particular, it strengthened the hand of Britain's GPs in their dealings with hospitals. Analo-

gously, contracting by public purchasers in Sweden somewhat increased pressures on hospitals to transfer care from the hospital to the community. Another shift in occupational relations occurred within the hospitals. In both Britain and Sweden, exposure of hospitals to market pressures enhanced the influence of managers over physicians. To deal with actual or anticipated competition, hospital managers in both countries led their physicians to act more responsively toward patients and to attend more closely to the expectations of public purchasers.

Fourth, by generating a more complex and flexible system, the market experiments deepened rather than resolved the difficulties of coordinating care across sectors. The quality of medical services, as well as cost control, ultimately depends very much on coordination of acute hospital services with those of primary care, community-based specialty care, geriatrics, rehabilitation, and services for the mentally ill and retarded. Instead of creating incentives and mechanisms for intersectoral cooperation, the introduction of provider competition tended to sharpen already deep organizational and budgeting divisions between care sectors and generated further disincentives for cooperation among them.

By the mid-1990s experimentation with internal markets began to decline in both Britain and Sweden because the experiments did not live up to their advocates' overly optimistic expectations and because the champions of managed competition began to lose their political support. In late 1994 members of England's governing Tory Party had begun to view the NHS reforms as an electoral liability. At this time the NHS executive took steps to assure the public that deliberations over hospital closures and mergers would give weight to ''noneconomic'' considerations, such as the effects of closures on employment levels and the popularity of health care units with the public (Butler, 1994). When Tony Blair was elected prime minister in 1997, he eliminated fundholding and introduced forms of primary care and HA purchasing that emphasize collaboration among health system players more than competition. In Sweden, opposition to the quasi-market reforms also emerged in 1994, the same year that the right–center coalition lost control over the central government and almost all of the CCs. In the late 1990s, a new form of market-oriented activity emerged within the health system, this time turning on competition between private and semiprivate providers rather than competition among publicly owned and funded providers.

Defenders of the neoliberal model might argue that neither Britain nor Sweden conducted a fair test of the effects of competition on public providers; there were too many constraints on competition and too many exogenous forces in operation. Constraints and exogenous forces such as these are recurring features of public-sector management, however. A model that treats all such organizational, political, technical, and economic forces as exogenous cannot adequately explain, predict, or guide organizational change in the public sector.

It is to be hoped that the demise of the experiments with internal markets will not bring an end to the search for ways to make hospitals and other public

service providers more accountable for the costs and quality of their services. Contracting between public purchasers and providers appears to be one mechanism that communicates these demands for accountability. Unfortunately, the market-oriented forms of contracting that were tried in Britain and parts of Sweden put too much emphasis on costs, which can be better contained through budgets and negotiation with providers. If contracting between public purchasers and health providers is to improve organizational performance, it needs to go beyond cost measures to encompass other features of care, including clinical outcomes, the quality of the information given to patients, patients' psychosocial needs, coordination of care across organizational and sectoral boundaries, and the quality of nonclinical services.

Implications for Public Administration

What are the implications of this study of provider competition in health care for future research and practice in public administration? To advance the field, we need to identify and overcome important limitations of the neoliberal model that has been so dominant in recent years. As illustrated here, the neoliberal view of provider competition rests on unproven and dubious assumptions about the ability of consumers or their proxies to engage in rational choices of health services. In addition, the model ignores critical contextual forces that shape the ability of a country to import and implement competitive reforms and other types of public-sector reform. These political, organizational, cultural, and social forces define the contexts in which governments and public-sector managers work and undertake change. Much work in organizational studies (see Daft, 1995, for a survey) focuses directly on these contextual forces and thereby calls into question the closed-system view that underlies the neoliberal model and much NPM. In like manner, generations of research lead us to question whether or not such organizational decision makers as the public purchasers in Britain and Sweden can be expected to engage in comprehensively rational choice processes. It is time to restore these organizational perspectives to the mainstream of public administration.

Research and practice in public management can help overcome the limitations that characterize the model of provider competition and much neoliberal thinking by adhering to the following five imperatives:

1. *Carefully diagnose the nature of the problems and challenges and take actions that are very likely to help solve the problems and meet the challenges* (Harrison and Shirom, 1999). Politicians, policy analysts, managers, researchers, and consultants often promote familiar, fashionable, or expedient choices for reforming public administration rather than pursuing steps that are most likely to produce sought-for outcomes. For instance, competition among health providers in Europe

was initially proposed mainly as a way to constrain costs and increase system efficiency, yet honest examination of past experience with competition in both health and other sectors would have been sufficient to show that—whatever its other merits—provider competition is very unlikely to hold down systemwide costs (Light, 2000). Reforms that succeeded in containing health costs typically relied mainly on budget caps (OECD, 1992; Harrison, 1995). Budget constraints also foster efficiency, as providers labor to do more with fewer funds.

2. *Pay close attention to the impact of political and social values on the implementation of reforms in public administration.* In Britain and Sweden, as in other European nations, most citizens view health care as a public good, the provision of which maintains social solidarity. According to this principle, all citizens are entitled to care on the basis of need, regardless of their ability to pay. Subjecting health care to market forces seems reasonable to most Americans, who view health care as a consumer good, but the assumption that health care is a public good that should be distributed in accordance with the principle of solidarity made market reforms suspect in the eyes of most Europeans (Morone, 2000). In keeping with this trend, in the mid-1990s the electorates of both Sweden and Britain granted majorities to Social Democratic parties. These parties argued that the conservative political incumbents had threatened solidarity as well as intensifying unemployment by subjecting the national health systems to market forces.

3. *Examine the ways that institutional arrangements (Immergut, 1998; Weir and Skocpol, 1985) shape opportunities for change in public services.* In Britain, for example, GPs played a central role in health care for many decades and typically acted as gatekeepers to hospital care. In contrast, Sweden lacked such a tradition and its patients were used to direct access to hospitals. These institutional patterns made it easier for Britain than for Sweden to implement programs that strengthened the influence of primary care physicians over hospitals.

4. *Identify local and national stakeholders and assess their ability to act together to influence public policies.* This policy network approach (Light, 1991; Marin and Mayntz, 1991) alerts us to the ability of such powerful policy actors as the physicians to block initiatives that threaten their interests. In Britain, for example, hospital physicians at both the national and local levels resisted governmental attempts to make them accountable to nonmedical managers for the clinical quality of their work (Harrison, 1999). In both Sweden and Britain, local purchasers and governmental representatives found it hard to formulate plans for reconfiguring hospital services that would not clash with the interests of one or more of their many stakeholders.

5. *Expect citizens, politicians, and public managers to exhibit bounded rationality and opportunistic choice* (March and Weissinger-Baylon, 1986) in the selection of health care modalities and providers, as well in decisions about other types of social and educational services. Do not expect individual and collective purchasers to search widely for alternatives and to evaluate systematically the cost-effectiveness of each option. Even when there are agreed-upon standards for evaluating the quality and effectiveness of clinical work and medical technologies, citizens and their representatives often lack access to needed information or are unable to interpret it.[9] What is more, public representatives of patients, such as purchasing agents, cannot readily combine the incommensurable needs and priorities of very divergent groups of health care consumers, including the chronically ill, people requiring very expensive treatment regimes, the young and healthy, and patients needing nursing care; nor is there any entirely convincing and satisfactory way of allocating scarce public funds among competing medical services and technologies or ranking competing objectives, such as promoting wellness versus treating acute conditions. For all these reasons, explicit and implicit political bargaining rather than rational choice by individual or collective consumers inevitably plays a central role in allocating public funds to health care and for most other social services.

Programs for improving public administration that take the former five imperatives seriously will need to proceed more incrementally and more experimentally than did the bold programs of provider competition examined in this chapter. This more cautious approach provides opportunities for obtaining feedback from those responsible for implementing change and learning about the system undergoing change (Harrison and Shirom, 1999). Planners of public administration reforms may also become aware of implementation prospects and pitfalls by carefully examining the outcomes of previous reforms in their own country and elsewhere. Comparisons to other settings must, of course, distinguish between processes that are common to many change programs and those that are distinctive of a particular institutional or national context. It is to be hoped that this experimental and comparative approach will yield more durable and effective results than did the quasi-market reforms of the early 1990s.

NOTES

1 In contrast, advocates of ''managed competition'' in the Netherlands, Germany, and Israel envisioned exposing private, not-for-profit health maintenance organizations and insurers to competition for members and their premiums.
2 For further details see Harrison (forthcoming).

3   See Harrison and Calltorp (2000) for further details and references on Sweden's re-
    forms.
4   One systematic study, using the Hirschman–Herfindahl index of competition, found
    that a quarter of the hospitals, accounting for 38% of the patients, were pure monopo-
    lies in the West Midlands, England's largest region (Appleby et al., 1994: 45). The
    rest were amenable to competition. These measures may have overstated the actual
    level of competition for services and among specific types of hospital wards.
5   Available data on staffing point to shrinkage in nursing staff, combined with growth
    in managerial and technical staff. According to one analysis by a member of the
    opposition Labor Party, the number of nurses fell in almost all regions during 1992–
    1993, while the number of managers rose, in some areas dramatically (''Management
    Growth Figures 'Misleading,' '' 1994).
6   In cost-per-case contracts the buyer negotiates the price for a particular procedure
    based on an average cost. Most contracts of this type also contain maximum workload
    specifications. In cost and volume contracts purchasers buy access to facilities (as in
    block contracts) up to a certain workload, beyond which payment is based on cost
    per case (Glennerster et al., 1994; Posnett, 1993).
7   Francome and Marks found a jump of 270% between 1992 and 1994 in the proportion
    of English GPs reporting that they had sent people back to hospital after premature
    discharge. Trust competition effectively began in 1992, after a year during which
    the government held the internal market in a ''steady state'' (Bartlett and Le Grand,
    1994).
8   See Appleby et al. (1994) on the application of the concept of contestability to the
    internal market.
9   In practice, even experts rarely reach certainty and consensus in their evaluations of
    the advantages and disadvantages of alternative medial practices and technologies.
    For this and other reasons, such techniques as evidence-based medicine, clinical
    guidelines, and medical technology assessment have so far provided only limited prac-
    tical guidance as to which practices or technologies are most cost-effective (Drum-
    mond and Cooke, 1997; Harrison, 1998; Office of Technology Assessment, 1995;
    Woolf et al., 1999). Moreover, methods for assessing the clinical quality of care suffer
    from many limitations (e.g., Romano, 2000). Assessment of the quality of health care
    is not yet widely implemented in Europe and continues to suffer from major imple-
    mentation gaps in the United States (Government Accounting Office, 2001; Sorian
    and Dallek, 2000).

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12

Some Organizational Learning About Change
Effective and Timely Change Are Not Oxymoronic in the Public Sector

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INTRODUCTION

This chapter has two broad purposes. First, it focuses on the success rates of planned change applications in the public sector, relying on two kinds of technologies with values for change—organization development (OD) and quality of working life (QWL). These success rates are consistent and substantial. Second, as a kind of practical counterpoint, a list of guidelines that specify some details for intervention within these OD and QWL traditions is presented, being based on a recent OD application in the U.S. Department of Labor (DOL) at the middle management and executive levels. In a basic sense, the guidelines provide a sense of the dynamics underlying the aggregate success rates reviewed as a first objective of this chapter. The guidelines provide a useful sketch of what ''works'' in the practice of change in the public sector.

The sociologist Gouldner (1955) usefully drew attention to the ''metaphysical pathos'' that can influence human activities, arrayed as professions, academic disciplines, organizations, or however. The total sense of it is a conviction of not being able to win for losing, which powerfully impacts what people are willing to risk undertaking and with what degree of intelligent commitment. The cartoonist Al Capp once gave us a prototype of such a condition portrayed as a person. You know, Joe Btzsflk; he appeared with a dark cloud over his head to remind us that it was always raining and dreary wherever he was. metaphorically, Joe had an attitude that could turn every glorious day into a bummer wherever he was. His metaphysical pathos was dour and continually self-defeating.

SOME BASIC CHALLENGES

Many students of public management have taken on Btzsflk-like characteristics. The frame of reference of their metaphysical pathos is well known. In outline form, that pathos has the following features, among others that might be detailed:

> The public sector badly needs change overall, and that need is desperate in some arenas.
> The chances of effective and timely change are slim or none.
> For one important feature, the dominant public-sector pathos approximates a slough of despondency, overall.
> Despite exceptions, even compelling exceptions, the need for change has an asymmetric character; careerists are more often true believers in the needs as well as the chances for responsible change, but their professional yearnings are likely to be frustrated by politicos whose variable experience and short terms in office make them unlikely actors in programs of substantial change.
> Major institutional features have been developed to further reduce the possibility that the practitioners and the political twain will meet.

Quite curiously, as is established in detail elsewhere (Golembiewski, 1995), many (probably most) public administrationists have in effect joined the enemy in sharing much the same metaphysical pathos. To simplify in the service of analysis, two main camps of public administrationists seem to exist. This pairing is paradoxically consequential. In sum, the *hallowers* in essence aid and abet the careless ideation that proposes that our only reasonable alternative is *to hollow* the administrative state. The second camp proposes that we should *hallow* the administrative state, much as it is (e.g., Goodsell, 1983; 1985; 1994), and also turns out to join the hollowers in the crucial assumption that only the bureaucratic model is available to guide the organization of work in the public sector (Golembiewski, 1995). The two basic approaches disagree only in the sense that one

sees the bureaucratic theory as tolerable while the other would dismantle the administrative state because of the theory's inadequacies.

Here we propose a third way: to join in the criticism of the hollowers while we go far beyond the hallowers in proposing an alternative to the present managerial arrangements. Both objectives can be accomplished by sketching the emerging features of an alternative model for organizing public work (e.g., Golembiewski, 1987; 1995), which builds upon and extends earlier work (e.g., Golembiewski, 1962; 1982).

The present case can be encapsulated briefly, although it clearly cannot be proved; that is to say, duel operating biases dominate. The hallowers propose that we risk far too much in basic criticism of the bureaucratic model without a clear and complete replacement in hand. Moreover, the hallowers tether us very short of where we need to be, and indeed, seem to delight in the (to them) unavoidable disadvantages of the bureaucratic model. This chapter sketches elements of this third alternative that are relevant to both hallowers and hollowers, but its full development must occur in loci far beyond the present limits.

This metaphysical pathos is seen here as particularly inappropriate given the apparent life chances of public-sector applications of two related varieties of planned change (OD and QWL). Later attention will be given to the substance of these two related approaches.

Here, let us settle for an introductory summary of this third way. Overall, the evidence about change not only fails to support a dour view for OD and QWL, but even provides very good evidence against such a view. Beyond that, at a macro-level, we are usefully down the path of evolving guidelines for praxis that permit avoiding or finessing (or at least seriously moderating) the Btzsflk pathos.

Two major sections below elaborate this more optimistic perspective in three ways. Success rates justifying optimism, or at least inclining us toward it, will be illustrated below. In turn, at the level of a specific and recent change initiative in the DOL, some specific guides for an optimistic praxis will be sketched, reflecting both the aggregative data as well as the grounded experience in DOL.

One Early and Major Caveat

Overall, this chapter proposes a cross-national perspective. Some relevant data are presented below, and far more elaborate and convincing demonstrations are available elsewhere (e.g., Golembiewski, 1998; 2000a, b; Golembiewski and Sun, 1990). Broadly, the argument is not that the present technology for change with values (usually called OD or QWL) is broadly applicable. So far, thousands of applications in about sixty nation-states have been isolated, including substantial representations of applications from India and Israel, and they generally are rated

as ''successes'' by multiple raters. The point is not that every OD or QWL design is applicable to each and every worksite wherever they are; rather, some designs from a broad inventory seem applicable to very broad ranges of presenting conditions, and OD or QWL intervenors have the demonstrated capacity in the substantial majority of cases to more closely approach OD or QWL values by designs via fitting approaches to existing conditions that may depart from cultural starting points common in Western and developed settings (e.g., Ha, 1986).

The sense of it is that planned here→there change is usually possible given even substantial differences between local ''heres'' and greater or lesser approaches to the ''there'' of OD/QWL values.

Only the bare statement of this point is possible here (Golembiewski, 2001, Chaps. 7–9), but the implied flexibility of OD and QWL designs for change have clear roots in shared needs and values characteristic of a broad range of social contexts for work. Elsewhere, for example, detailed attention goes to how the so-called OD work ethic shares conceptual and normative ground with two geographically based characterizations of worksites—the Judeo–Christian work ethic taken to relate to many Western settings in which OD/QWL largely developed (e.g., Golembiewski, 1993), and also the Confucian work ethic, rooted most substantially in southeastern Asia.

Such flexibility has two kinds of roots, which contribute to a sense of OD/QWL as cross-cultural or even transcultural, thus some OD/QWL values such as interpersonal authenticity may be approached in different ways seeking movement to the same goal even from very different starting points. For example, in most Western settings direct confrontation of supervisors and subordinates can encourage greater openness, while (for example) in Korea long and anonymous letters are exchanged among group members to move toward the same goal in ways that are less challenging to substantial social distance and the need to ''save face'' characteristic of many traditional cultures. Similarly, different patterns of ideation may have similar roots, as in the existential fundamentals of the OD and Confucian work ethics (Golembiewski, 2001, Chaps. 7–9).

THREE SOURCES OF EVIDENCE SUPPORTING OPTIMISM FOR CHANGE IN THE PUBLIC SECTOR

The evidence for a less dour view of public-sector change could utilize far more space than is available here (e.g., Golembiewski, 2001), but three aspects of that great bulk can be conveniently used here to represent the far broader support appropriate for an optimistic view. The initial focus is on success rates for applications of two related approaches to change OD and QWL at various levels in public-sector contexts. A concluding focus here looks at success rates at the political administration interface, where the common wisdom considers the public sector as most refractory to change.

We do not apologize for a certain degree of restatement here. Most of the technical evidence has been published in sources beyond the normal reading range of most public administrationists and political scientists, and for our money, the good news needs repeating, if only that none of us will forget what we seem to know.

OD Success Rates

For the last decade or more, substantial and growing evidence implies the success of public-sector applications of OD, which is a technology-cum-values consistent with the schema in Table 1. Basically, Table 1 sketches the major features of a value-loaded template for guiding the postbureaucratic development of an organization's cultural preparedness at macro- and micro-levels, respectively. Great detail is available in many places (e.g., French and Bell, 1999; Golembiewski, 1987; 1993; 1995; 2001).

Is this effort toward building OD cultures worth it? The evidence is incomplete, but would be attractive even if OD were not one of the few games in town, as it were. Table 1 summarizes the success rates of attaining desired effects via eight categories of OD learning designs. Many details are necessary to give full

TABLE 1 Illustrative Value-Loaded Contribution to a Cultural Preparedness for OD Applications

Macro-level values of OD	Associated micro-level values/skills: regenerative interaction
1. An attitude of inquiry, including a hypothetical spirit and experimentation	High *openness*, or "telling it like it is"
2. Expanded consciousness and recognition of choice	High *Owning*, or psychological acceptance of one's ideas/feelings, and acceptance of responsibility for them and their consequences
3. A collaborative concept of authority, including the open resolution of conflict and a problem-solving orientation	Low *risk*, or objective threat in the environment
4. An emphasis on mutual helping relationships in group and organizational settings to reflect our social nature and connectness	High *trust*, or confidence that "things will work out"
5. An emphasis on personal authenticity in expressing feelings and dealing with their effects	

Note: For supporting citations, see Golembiewski, 1993: 55–72, 92, 163–169.

TABLE 2 Estimates of Success of OD Applications (n = 574), Western Worksettings

		Public sector		Private sector	
Success Category[a]		N =	Percent	N =	Percent
1.	Highly positive and intended effects	110	41	122	40
2.	Definite balance of positive and in-tended effects	116	43	148	49
3.	No appreciable effect	18	7	14	5
4.	Negative effects	26	9	20	6
	Totals	279	100	304	100

[a] Based on Golembiewski, 2001, Chap. 1. "Objective" and "self-report" criteria are combined.

meaning to Table 2, but here let us settle for circumscribing that more complex reality. For many variables (satisfaction, productivity, employee turnover, etc.), the four classes of success identified here indicate that in pretests followed by OD interventions and then a posttest

Category I: Virtually all pre- vs. postestimates fall in the expected directions (e.g., productivity and satisfaction increase and turnover decreases), with two-thirds or so of the differences either achieving statistical significance or being greater than 10%.

Category II: Direction of changes is as for category I, but fewer differences in the expected direction attain statistical significance; (i.e., about one-third of the cases do so).

Category III: Essential stability.

Category IV: Any substantial proportion of differences in a contrary direction (let's says, over 20), especially if any of the unexpected changes attain significance or are "large."

A large population (Golembiewski et al., 1981) first contributed substantially to three generalizations. First, OD values can be approached in most cases in ways that can be summarized as postbureaucratic or participative. Second, public- and business-sector rates of intended change differ somewhat, but not much, and not always to the advantage of the business sector, as many assume. Third, comparable success rates are found at several relevant levels—individual, small group, and larger organizations—that were tapped by the eight major classes of designs for change represented in the panel of OD applications.

Note also that studies with widely different research designs essentially support Table 1, as two selected sources will establish for the present purposes. For a time, substantial criticism was directed at Golembiewski and his associates

in the 1981 and related publications, and especially because of their emphasis on self-reported effects. This reaction rolled forth despite the fact that about a dozen other surveys of evaluative research with small Ns already existed in the literature, and their success rates were similar to the 1981 Golembiewski study on average. Many of these early critics were OD specialists, it is important to note. (Why is an intriguing question.) It is clear only that Golembiewski and others definitely raised the ante for satisfactory OD applications.

Additional evidence began to accumulate, however, and its various forms also support the optimistic view. Of particular use was Nicholas's study (1982). He found high success rates in a survey of evaluative studies, all assessing ''objective'' effects, which are typically thought to be more difficult targets for change than the self-reports usually utilized in most OD or QWL applications. Nicholas also focused on several kinds of applications (human-processual, socio-technical, and structural-institutional).

Nicholas was not alone in contributing to a greater optimism about change in the public sector via OD. Only some two decades later, Golembiewski (1998) found sixteen independent surveys of evaluative studies of OD applications, all with substantial success rates. Some double-counting is involved, but several thousand applications are included. In sum, the early success rates reflected above do not seem artefactual. Independent observers—using different criteria of success, in different populations, at various times—produce success rates in a narrow and high range.

This accumulative work seems to have had a clear effect. Opinion among OD specialists has gradually moved toward the optimistic prognosis, significantly, although that transition is hardly complete. Most revealing has been the change of opinion among several prominent early critics, who will not be identified in the spirit of a greater comity than existed earlier.

QWL Success Rates

Similarly, QWL applications support the real probability of constructive changes in interaction and structures, as well as policies and procedures. Note here only that OD and QWL share basic values (e.g., Skelley, 1989), with the latter being more likely to occur at operating levels and in unionized contexts than OD efforts. In addition, QWL applications also are more likely to involve changes in structure as well as policies and procedures, while OD tends to emphasize changes in interaction, at least for openers.

This largest available batch of QWL applications so far assembled also supports optimism about changing traditional public-sector managerial practices and policies (e.g., Golembiewski and Sun, 1990; Golembiewski, 2001, esp. Chapts. 2–3). In sum, QWL success rates are formidable, and the success of public-sector applications are at least comparable to rates in business contexts.

TABLE 3 Success Rates of QWL Applications (n = 314)

Success category[a]	N =	Percent
Highly positive and intended effects	217	69
Definite balance of positive and intended effects	72	23
No appreciable effects	14	5
Negative effects	11	4
Totals	314	101

[a] From Golembiewski, 2001, Chap. 2. Only objective variables are used.

Table 3 provides summary details and employs the same measurement conventions as Table 2.

Three points related to Table 3 deserve highlighting. First, the very high success rates reported there invite attention, even suspicion. Hypothetically, this level reflects the operating and supervisory levels of most applications, while OD applications focus on managerial and executive levels. Moreover, all QWL studies employ objective measures, and there preclude the kind of creativity possible when respondents deliberately provide too-low (or too-high) estimates on self-reports. Finally, success rates do not favor business applications as a general rule. Indeed, in a noteworthy proportion of cases the individual surveys summarized in Table 3 conclude that the public-sector success rates are higher.

Success of Planned Change at the Interface

Let us add a third and important feature to the chain of evidence seen here as supporting noteworthy effects of planned change in the public service. To be specific, it long has been a special point of contention that public-sector OD and QWL applications will founder, and especially at the interface between political and career employees. The rationale is transparent; the political appointees there often have a range of concerns that extend far beyond technical efficiency and effectiveness, and the relatively short tenures of political appointees also reduce the probability of their being in office long enough to champion substantial change. This catalog has been substantially elaborated elsewhere (e.g., Golembiewski, 1985).

The evidence in Table 4, which is one of the most extensive so far assembled, even as it has sharp limits, does not permit definite judgment. Only a small number of cases are involved, obviously. Nonetheless, the applications there have substantial success rates, even formidable ones.

The ''interface'' in the public sector gets common attention, of course, but a similar policy/technical zone exists in many organizations. Table 4 thus also contains a few business cases.

TABLE 4 Overall OD Success Rates at the Interface (n = 41), Which Encompass 59 Estimates

I. Highly positive and intended effects	II. Definite balance of positive and intended effects	III. No appreciable effects	IV. Negative effects
30.5%	54.2%	15.3%	0.0%

Note: Adapted from Golembiewski (2000), which included one case previously in process.

GUIDES FOR PRAXIS TOWARD CHANGE, BASED ON LABOR DEPARTMENT EXPERIENCE

In addition to such aggregated results encouraging OD/QWL applications in the public sector, we are developing a substantial sense of what might be called ''guides for praxis.'' The brief catalog below outlines some aspects of this development and rests on a single recent OD application in the U.S. DOL (Golembiewski, 2000a; Golembiewski and Miller, 1999). The case involves various levels of DOL, which encompass the politics/administration interface.

As a synopsis of the DOL goals for change, the essential purpose was to redefine its mission and roles before another likely downsizing mandated by the legislature came crashing down on the DOL bureaucracy, as had happened twice before in recent memory. Mindful of the several cutbacks that had already occurred, DOL officials worried that the reduced employee rolls would inadequately fit the old mission and roles. The proactive strategy was direct; the intent was to develop a broad consensus about a new ideal DOL organization to which manpower levels could be tailored and hence made less vulnerable. A few officials believed that an effective reprioritizing would in effect limit any future legislative cutbacks; that is, DOL would be in a position postchange to assert greater credible influence in response to new legislative demands for future cutbacks. The design largely relied on a complex and shifting array of task forces that can be characterized as representative of DOL employees. In addition, at several crucial points all employees were given the opportunity to respond to drafts of recommendations. This brief list of guidelines adds counterpoint to the bare success rates sampled above. In effect, these guidelines provide one level of detail about the specific ways in which OD/QWL intervenors should act so as to make the normative template in Table 1 ''work'' in practice.

1. *Championing is a major feature of OD/QWL applications*, *and emphasis on that fact can hardly be overstressed*. In the DOL application, some thought that buy-in was already so extensive that any further emphases might be counterproductive, encouraging coercion or

conformity at early stages and inflexibility at later stages as conditions changed. Early on, that is to say, the DOL effort already enjoyed champions at three political levels of the executive branch: the president, the department head, and a political appointee in a DOL bureau, Education and Training Administration (ETA). Enough, many DOL employees concluded, lest suspicion develop about a hidden agenda to curry executive favor as opposed to what had been advertised as a joint labor/management initiative.

In DOL nonetheless, continuous consultant encouragement of champions continued, and this proved very useful when at later stages the list of executive champions suddenly dwindled to zero. The risk of ''too much'' here transmuted into ''just barely enough'' for detailed reasons available in other sources (Golembiewski, 2000; Golembiewski and Miller, 1999).

2. *Relatedly*, *championing at the top is usually considered vital*, *but one should not become too comfortable with this generalization*. As noted in DOL early champions included the president, the head of DOL, and a powerful political appointee managing the highest career level. Health, family issues, and a change of mind acted in a short time frame in these changes of minds and hearts of early executive champions.

In any case, in DOL these prominent champions were less available later in the process, and various other champions, often careerists at much lower levels, were critical in the final legislative adoption of the proposed change.

3. *In government, champions in both legislative and executive roles seem useful generally*, *if not universally*. At times this will require linkages between what the U.S. Constitution considers separate branches but with checks and balances. Also, in national systems such as that in the United States some observers neglect the crucial point that this generalization includes legislators from both substantive as well as appropriations committees, and any executive unit can be responsible to substantive and appropriations authorities with different interests. This certainly proved to be the case in DOL.

''Checks and balances'' and ''separation of powers'' are seen by some as precluding legislative–executive collaboration in programs following an OD normative template. The present authors do not accept this conclusion (e.g., Golembiewski and Kiepper, 1988), although the distinction between legislative and executive spheres should not be neglected. In any case, in practice, explicit coparticipation by legislative and executive authorities is uncommon enough to justify explicit notice (e.g., National Academy of Public Administration, 1991). Other forms of government (e.g., the commission and

parliamentary forms) do not raise such issues in the direct way that the U.S. constitutional system does.

The point has been neglected in prominent cases, with unconvinced legislators being able to exercise veto power over efforts at change largely pushed by careerists or appointed officials (e.g., Harmon, 1975). This was the case in Project ACORD, or Action for Organization Development in the U.S. Department of State, which neglected this aspect of U.S. institutional dynamics and paid a major price for that neglect.

4. *Common wisdom urges that career officials are focused on change and improvement*, *while political officials may for various reasons not be actors in whom great confidence can be placed when it comes to planned change*. The usual rationale emphasizes the short tenure of politicos, the often-incongruent logics of ''politics'' and ''management'' as distributive and integrative, respectively, as well as the long time horizons of any substantive change.

In DOL, this generalization was substantially too simple. Indeed, politicos often spearheaded the change, while careerists often were major resistors. If this generalization applies broadly, it implies major dysjoints in U.S. thought about government and public management. For example, the ''protected service'' is rationalized in large part to provide some protection for careerists to apply technical and scientific criteria with some degree of security from political judgments. Indeed, some observers (e.g., White, 1971) explain this discretion when they claim that ''administration'' is the realm of the ''rational'' and ''politics'' of the ''irrational.'' One cannot read the DOL experience in such terms. Indeed, the common formulation was false to central DOL dynamics.

5. *If necessary, adverse personnel actions should be sharply isolated from the change program*. This could be recognized, for example, by guarantees that no employee would lose a job because of the change program. Such arrangements have existed, as in the pledge that any reductions in employment would be limited to normal attrition that are intended to reduce knee-jerk resistance to change. The rationale is obvious. In the DOL some employees believed that the change effort was a deception to make it easier for Congress to make another round of personnel cuts.

No guarantees were made, and the memories of several major cutbacks remained vivid. Arguably, this may have contributed to resistance and conflicted opinions, or at least to indecision.

In DOL, this double-edged sword of change leading to punishment no doubt played a role, as a few details suggest. Some propo-

nents of the change hoped that DOL could safely reorganize, following earlier personnel cutbacks by Congress, but the situation was complicated for others. Some hoped that the change program would permit the agency to exert greater control over its future staffing by a reorganization that would pre-empt or at least limit legislative initiatives for further cuts. Still other DOL personnel thought such a possibility was a pipe dream and sought to hold on to the status quo.

6. *There is almost no such thing as a bad program for change*: *''bad'' here largely or entirely relates to inadequate buy-in and commitment by members of the organization*. The DOL change team tended in this direction, clearly enough, thus major efforts were made to allow review, even if that meant loosening deadlines or including new stakeholders. Major risks were run to avoid complaints that anybody was ever denied an opportunity to participate and to buy in.

   On occasion, some felt some demands or requests for variously expanding the review processes were in reality simply variously veiled tactics of resistance. Even in such cases, however, most of the DOL change teams usually decided to honor the values reflected in Table 1, even when real stretches were required.

7. *Hence*, *the need for a great and growing commitment to OD processes and models*, *even in extremis*, *lest opponents be able to make any real claims that the change models are tactical only*; that is to say, change can mean threat, and that in turn can result in misperception or suspicion.

   In DOL, the change team typically extended itself very far in the direction of the normative template in Table 1. The change process was to be kept as ''clean and credible'' as possible, to distinguish its openness and trust from ''normal processes.'' Not only must ODers believe in their integrative values, they will often need to respect them even in the face of certainty that others are playing divisive games.

   This implies advice that may be difficult to follow, or perhaps even foolhardy. The term often is used in the paragraph above to avoid stereotypic insistence on stiff-neckedness when opponents are playing fast and loose with the ''facts.'' In virtually all cases, however, the authors would recommend absolute respect of OD norms, even though OD normally seeks overall movement in specific normative directions rather than promising perfection in that regard.

8. *Change teams should carefully include all stakeholders in numbers and roles having broad acceptance*. Often the most convenient approach here will involve major elements of self-choice or voluntarism, as sharply opposed to even the suspicion of ''loading the dice.''

   Quite consistently, this describes the orientation in the DOL.

The overall change team included levels high and low, all functions, labor as well as management, and older employees and newer recruits. Of special relevance was the involvement of labor union officials, representing separate local unions for headquarters and field personnel. Union officials sought cooperation with management, even though this risked on occasion, criticisms of them as dupes of the politicos, if not worse. The coauthor of this chapter, in fact, was one of the union officials most prominently involved in the DOL change activities.

9. *Consultants or facilitators are commonly useful in various roles*, *and insider/outsider pairs are particularly useful*. For example, externals may provide comprehensive experience and knowledge of the literature, while the former can specialize in the host organization's history and culture. Such pairings existed in DOL, in several cases including the two present coauthors.

10. *Change team members in end-of-game situations (e.g., nearing retirement or movement to a new employer) can be particularly helpful*; that is, they are less susceptible to charges of self-interest and empire building, which contributes to the perception that such end-of-game players will ''call them as they see the issues.''

Such end of games did exist in the DOL, and some were influential in DOL dynamics. A similar situation existed in the Baltimore office of the Social Security Administration (SSA) in an important structural change that was led by an SSA official of long and respected tenure (Rainey and Rainey, 1986).

TOWARD A MORE ROBUST THIRD APPROACH TO CHANGE IN PUBLIC ADMINISTRATION (PA)

Overall, most PAers fall into two traditions of inquiry—the hallowers and the hollowers (Golembiewski, 1995). The hallowers include the majority of students and practitioners, such as Goodsell (1983; 1985; 1994), who find most PA theory and practices to be comely. The hollowers are often influenced by economist thought (e.g., Golembiewski, 1995, Chap. 1), and they far prefer to bury PA than to even damn it with faint praise.

The reader will find few of the ten guides above for change among either hallowers and hollowers, so what appears above is definitely a minority position in PA. Even more so, the hallowers and hollowers both share considerable conceptual and practical ground; that is, both support the traditional theory of organization and neither category rejects what is here called degenerative interaction.

The view here might well be labeled a mixed approach; it implies a criticism of PA thought and approaches, provides a range of alternatives even if not

yet comprehensively so, and sees a major future role for an administrative state (if suitably reformed). The OD/QWL tradition of interdisciplinary effort goes back about a half century and counts some PAers among its long-standing proponents (e.g., Golembiewski, 1967; 1977; Golembiewski and Eddy, 1978).

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13

The Organization of Chaos
The Structure of Disaster Management

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INTRODUCTION

Disasters and emergencies appear to be as inevitable as taxes. So too is our ongoing effort to cope with them. This ability to cope lies deep in our primordial past, which has taught us that ''organizing'' is the most efficient and effective means to survive (Kauffman, 1994). The apparent chaos and threatening nature of disasters—as unusual, uncontrollable, and many times unpredictable events—facilitated the development of organizational means to restore order and normalcy. In most cases, the latent organizational structure that evolved to mitigate disasters lay dormant and was only activated when needed, yet these same latent organizing behaviors have embedded themselves in all other forms of social activity. This is because, first and foremost, societies are in the business of surviving. When its members are killed or injured, when its economic viability is thwarted, or when the fabric of everyday life is tattered, survival becomes problematic (Miller et al. 1999; Janney et al. 1977). The activation of the latent ''disaster-

oriented'' organization was essential to increase the survival function of the group or community (Paton, 2000). In most cases this meant the participation of the entire group or community so as to reaffirm and strengthen social bonds, clarify the division of labor, and most important, set in motion practical means to overcome the disaster (Dynes, 1998).

These forms of disaster organizing have for centuries been an inherent part of a community's social structure. Today, most of these social functions have been excised and replaced by public-sector agencies dominated by external non-community public administrations. I will argue that the consequences of this change have increased the vulnerability of communities to the vagaries of disasters.

HISTORICAL ORGANIZING FORMS

The historical forms of organizations dealing with disaster events (before, during, and after) reflect how well we have adapted to the sources of disasters (from natural to man-made) as well as how we utilized societal social capital in minimizing disruption. It is easy to imagine how our ancestors, living in caves or wandering the plains, developed means to cope with and survive what were then considered natural events—even those that we today consider disasters (such as floods, fires, and extreme weather conditions). The processes of adaptation, migration, and inventiveness were all used in conjunction with adaptive forms of organization to maximize survival. The result has been a type of an organizational disaster subculture that emerges when disaster threats are perceived to be eminent (Granot, 1996). This pattern of community participation in the development and activation of organized behavior to face disasters remained in place over thousands of years (Oliver-Smith, 1986). Its remnant remains a benchmark for survival in grassroot behavior and the overriding goal of societal maintenance.

The institutionalization of organized behavior in the face of disasters must be seen in light of the extended time span over which it occurred. This time span reinforced, refined, and culturally embedded such behavior into our psyches. As time went on, however, small groups and communities grew, dispersion led to cultural differences, and technological advances were made. Both population growth and domesticated agriculture led to newer organizational forms. These forms adapted to the culture that generated them (Roth, 1970). Nation-states evolved from tribes, urban centers evolved from rural villages, and commercial trade overpowered barter or subsidence markets. What did not change was the occurrence of disasters. What did change was the frequency and severity of disasters, especially with the urbanization of populations (Quarantelli, 1999; Institution of Civil Engineers, 1995). Individuals, groups, and communities not only faced the fortuitous wrath of nature but unknown types of disasters fashioned by their changing social, political, and economic environments (Blaikie et al. 1994).

This historical change forced people to face disaster of their own making (Quarantelli, 1993; Cuthbertson and Nigg, 1987). In particular, there arose the potential risks associated with technological disasters (Perrow, 1984). With most societies rapidly undergoing modernization came the first faltering but consistent steps at alternative organizational forms to specifically deal with disasters. Such socially designed steps remained at the community level (Quarantelli, 1985), however, the underlying theme in this reorganization shifted emphasis in increasing the effectiveness community survival by refining its generic primordial origins into artificially designed organizations.

FROM COMMUNITY TO BUREAUCRACY

Modernization, it seems, was the proverbial straw that broke the camel's back by transferring community-based ''disaster organizing'' into the hands of the nation-state. This process started fairly late in human history—less than 300 years ago—just before the industrial revolution and global population explosion, yet it marked a watershed in the organizational forms of survival with the appearance of specialized suborganizations whose objectives were primarily focused on mitigating, coping, and resolving the emergence of natural and man-made disasters.

This type of specialization reflected the general trend toward adaptive reorganization to modernization. It also fostered the emergence of new definitions of disasters (Gilbert, 1998). One result was that after thousands of years of trail and error, bureaucratic organizations replaced traditional groups and small communities as the main source of disaster organizing. This displacement had a significant impact on what was defined as a disaster. All at once, a combination of organizational, social, and physical qualities associated with the collapse of cultural protection became the key components for disaster definitions (Dombrowsky, 1998). For example, forest fires or floods—once considered natural events—were socially redefined as disasters. Industrial output, once a key in measuring progress, was now redefined as hazmat disasters for producing potential toxic wastes (Edelstein, 1988). The natural cycle of hurricanes, tornados, and floods became ''disasters'' as people defied nature and migrated to those areas associated with this phenomenon. Numbers dead or injured and amount of property destroyed or damaged determined if a disaster did or did not occurr (Gordon, 1982). In most cases, these redefinitions reflect a transition in the belief that man had the ability to more rationally assess the risks associated with controlling the environment and the future (Rogers, 1997).

ORGANIZATIONAL FORMS

To better understand how the traditional organizational adaptive mechanisms that were operative over thousands of years evolved, we must make several assump-

tions. First, we start off by assuming that the primordial group survival behavior remains intact as a viable collective force countering threats against societal continuance (Torry, 1979). This means that it is latent behavior embedded in most types of social groups. These groups may be organic in nature, emerging during times of need (e.g., taking in displaced families or helping after a disaster), or groups already in place in the community under the rubric of general welfare groups (e.g., voluntary ambulance driver, firefighters, search and rescue teams). The key here is a flexible social network interwoven into the community that emerges as an organized group in cases of disasters. Second in importance is that such organizational behavior would be honed over time to maximize efficiency and effectiveness. The time-honored learning curve of experience should, according to this assumption, winnow out what not to do and select behavior crucial for survival. Resident farmers of Iceland know where *not* to build on the basis of past stories of avalanches passed down through generations. Residents of Tiberies, Israel, have learned to plant shade trees on the sides of their homes, which maximizes shade. Builders have learned to design earthquake-resistant homes, shipbuilders safer and more stable ships, and so on. Trial and error over centuries, along with modern technology and information systems, have all been integrated into these social networks. What we *do not* assume is that the implementation of these organizational forms and complimentary behaviors to cope and manage disasters will be consistently rational (Fisher, 1998).

This last point is poignant, for organizations are devices that, because of their human content, contain both rational and nonrational behaviors (Daft, 1998). In order to understand the implications and relevance of this duality for disaster management, the impediments on organizational behavior will need to be examined. To do so, I will first contrast community models of disaster management to those prevalent in complex organizations. Both will be reviewed in terms of the organizational behavior employed to adapt to social disruptions created by the physical environment. This means looking at both ''natural'' organizational social adaptations found in community settings and ''artificial,'' purposeful organizing devises associated with bureaucratic structures.

COMMUNITY MODELS

Communities are organized social units. As an organic social unit, communities have the flexibility to adapt, change, and adopt to their physical and social environments. They represent social assets accumulated by small groups' interdependent relations built from family–clan, friendship, and economic networks. Commonality is based on being ecologically distinct into natural and/or social areas (Hawley, 1950). On this basis, they represent one of the major mechanisms for societal survival, development, and growth. In such communities, disasters are socially constructed normative situations when efforts are made ''to protect and

benefit some social resource whose existence is perceived to be threatened'' (Dynes, 1998). The uncanny way in which collective community action occurs prior to, during, or after a disaster demonstrates the power of organic indigenous organizing (Comfort, 1994; Oliver-Smith, 1986; Schware, 1982). Studies of disasters involving communities point out the varied ways local populations organize not only to help their neighbors, but also to revitalize and reconstruct the social basis of their communities (Drabek, 1986). One such recent study in Japan focused on the emergence of such self-organizing groups in the midst of a technically advanced, densely populated metropolitan region (Comfort, 1996). This occurred even when ''disaster authorities'' were mandated to do this job.

The key to understanding this type of organizing rests at the very heart of basic social processes during which simple interactions lead to normative behavior. These behaviors form repetitive patterns which, over time, are institutionalized. From here, the force of tradition takes over, and with it the inherent capability for what has been recently called self-organization. One part of this process, as I have argued, involves survival. Survival behaviors developed over long periods have also become institutionalized, emerging as organized community group behavior during crises (Dynes et al., 1990; Parr, 1970; Quarantelli and Dynes, 1970). Such self-organizing behaviors in the face of disaster represent one type of emergent community response. As the term community is universal, being ubiquitous in highly urbanized as well as rural-dominated societies, disaster behavior depends on the dynamic social structure of the community. To view community in this context is to tease out those long-dormant survival behaviors that increase survival chances. More important, as these survival behaviors are indigenous and organic to communities in contrast to artificial or exogenous organizational implants, the expected chances for survival and reconstruction of the community's social fabric should be greater when undisturbed. In addition, case studies of how communities utilize their social assets during and after a disaster demonstrate the strength of social groups within communities. A large and varied number of case studies of disasters support this viewpoint (Natural Hazards Research Center, 2000).

ORGANIZATIONAL MODELS

If this is the case, then why has there emerged an alternative disaster management system associated with public administration? To begin to answer this question requires examining the basis for such an alternative organization. As I argued, the shift from community to state brought with it a similar shift of disaster management from the community into complex bureaucratic public-sector organizations. The most palatable reason appears to be that such an organizational framework seemed the natural outgrowth of the modernization process. It reflected the philosophy embedded in science, namely controlled change, and afforded a ratio-

nal approach to disaster management. Such an approach found its way into public administration disaster management as a curious combination of styles. By examining them, we will not only learn how disaster organizing is structured, but the mechanisms, flaws, and constraints built into them.

Rational System Approach

One of the most pervasive explanations for the basis of organizing behavior has emerged from the *rational system* approach. This approach assumes a high degree of rationality in human behavior that is directed toward purposeful goal seeking. Given this approach, the organizing ability of modern man to deal with disasters should generate a foolproof disaster management organization, capable of dealing with every imaginable type of disaster. The emergent structure that would evolve is likely to have classic characteristics of what we call today a bureaucracy: a hierarchical structure, authority associated with the office, defined power relationships, and a top-down chain of command. This approach toward organizing has several variants. One focuses on the scientific, rational utilization of the individual, who is seen as a cog in a well-oiled machine. Frederick Taylor's classic ''scientific management'' approach represents this viewpoint. Another approach sees various types of generic societal authority as the basis for goal attainment in bureaucratic structures. (See Weber's study of bureaucracy.) A third emphasizes the rational use of administrative directives. Henry Fayol's fourteen principles of administrative management exemplify this perspective. In addition, a fourth approach by Robert Marsh and Herbert Simon claim that it is a highly formalistic framework with rational options for decision makers that forms the basis for organizational success. The underlying theme of all these organizational forms is that rational behavior determines the best structure, means, and processes through which the organization attains the groups' goals. Within this ideal structure, rational decisions take place that expedite performance.

Natural Systems Approach

Yet the rational approach in organizing behavior disregarded many nonrational characteristics of people. In a sense the ''ideal'' rational man faced the reality of human social life. Taking this cue, organizational researchers forcefully argued that organizations mirrored the social dynamics inherent in societies. The champions of this perspective developed what is now called the ''natural systems'' approach. These included proponents such as Elton Mayo (human relations), Chester Barnard (cooperative systems), Philip Selznick (institutional), and Talcot Parsons (social systems) (Scott, 1995). Their arguments were simple. The artificial rational system of organizations was contingent upon (but not entirely replaced by) the foibles and frailty of human social relationships. Organizational relationships developed according to the rules imposed by societies and went beyond strict rationality. Love, preference, hatred, and jealousy were all part of

the formula in social relationships. Informal social structures could comfortably live alongside formal bureaucratic hierarchies; informal leaders alongside formal officers. Departmental/personal conflicts of interest could undermine rationally constructed chains of command and authority. In short, the ability to rationally organize did not always guarantee that success was inevitable or that goal attainment would be efficient and effective. Proponents of human resource management considerably enhanced this theme to the point at which employees' nonrational ''needs'' overwhelmed organizational goals. The bottom line was that understanding organizations required unraveling the mechanisms by which social behavior becomes organized. In a large sense, the natural systems approach revived the idea that organizing behavior was a ''natural'' component of society and certainly an inherent means to enhance survival in the face of disasters.

Open System

An extension of the ''natural system'' was appropriately designated the ''open system'' approach. This is because it became increasingly clear to organizational theorists that viewing organizations as closed, independent systems did not match reality. If organizations mirrored the culture in which they arose, this had to include cross-organizational relationships. What evolved was an approach that viewed organizations as subsystems within systems and promoted the importance of the external environment and the interdependence among and between organizations. This perspective found strong support in the writings of Norbert Weiner (cybernetics) and Walter Buckley (modern systems theory). In its large sweep, this approach forced many to see the social and structural dynamics of organizations to be part of a larger set of organized social relationships. All at once, organizational systems arose with interlocking, subordinate, and competitive parts. Cross-organizational relationships appeared in the exchange of goods and services; changes in one subordinate system affected other systems, and internal structure depended on supply and demand made by other organizations. What this meant was that no longer could organizations, whose goals are to confront disasters or emergencies, be seen as independent of their social, organizational, or environmental roots. This meant the possibility of a window of opportunity to reintroduce the community (as a subset of the larger disaster management organization system). The social system approach, however, also highlighted the realistic possibility of interorganizational dissonance (and not only cooperation), which as we will see, has become a key operative element in the way public administration manages disasters (Kouzmin et al. 1995).

ORGANIZING CHAOS

Taking these divergent approaches toward disaster organizing and applying to them the proposed alternative disaster management models—community versus

public administration—we can gain some notion of how chaos is organized and then managed (Figure 1). Ideally, the community model represents the historic primordial-disaster organizing mechanisms for survival. Community-based disaster management would, in this model, organize chaos by involving organic, flexible, and consensual social subsystems. In contrast, disaster management influenced by rational, natural, and open systems would be more characteristic of the bureaucratic public administration system prevalent today (*Public Administration Review*, 1985). Disaster-related chaos, from this perspective, would be quantified and pigeonholed.

The fact is that public administrations overwhelming predominate disaster management in both developed and developing nations (World Health Organization, 1994). In addition, the appeal of public administration to manage disasters is supported by a rational new-science philosophy that claims the ability to control, predict, and manage our material, social, and even religious lives. To this end, the institutional organization of chaos has become identified with public administration (World Health Organization, 1994). Under the rubric of modern science and rationalizing organizations, the natural content and social meaning of disasters was abandoned. What resulted were their artificial classification and conceptual descriptions based on statistical estimates and probabilities (Gordon, 1982). By fitting disasters into the framework of science and by making order of chaotic but reoccurring natural phenomenon, public policy administrators created an artificial but systematic means of controlling, predicting, and managing disasters (U.S. General Accounting Office, 1991). Simultaneously, this perspective also influenced how the potential and actual victims of disasters would be viewed (Quarantelli, 1998). They too could be classified scientifically. They too could be managed. Now damage control could be objectively evaluated and recovery policies dehumanized (Gunn, 1992).

Yet there are advantages in the way public administrations organize chaos. From an academic perspective, such organizing provides the building blocks for empirically testing theoretical propositions. This process sets in motion a means to objectify and collect quantitative data alongside qualitative anthropological material. The results have been fairly impressive based on the recent increase in serious academic and practitioner publications in the area of disaster management. Of equal importance has been the creation of national and global data banks (International Federation of Red Cross, 1997), centers focusing on disaster studies, information clearinghouses, in-depth studies of specific disasters, and laboratory experiments (Anderson and Woodrow, 1989). The great advantage of trying to make sense out of disasters from a physical and social perspective is that it allows us to view disasters from a broad perspective (Kent, 1987), but as I will point out, these advantages in data and information generation, created within the walls of public administrations, can easily go awry within the very auspices of these same public agencies (McEntire, 1997).
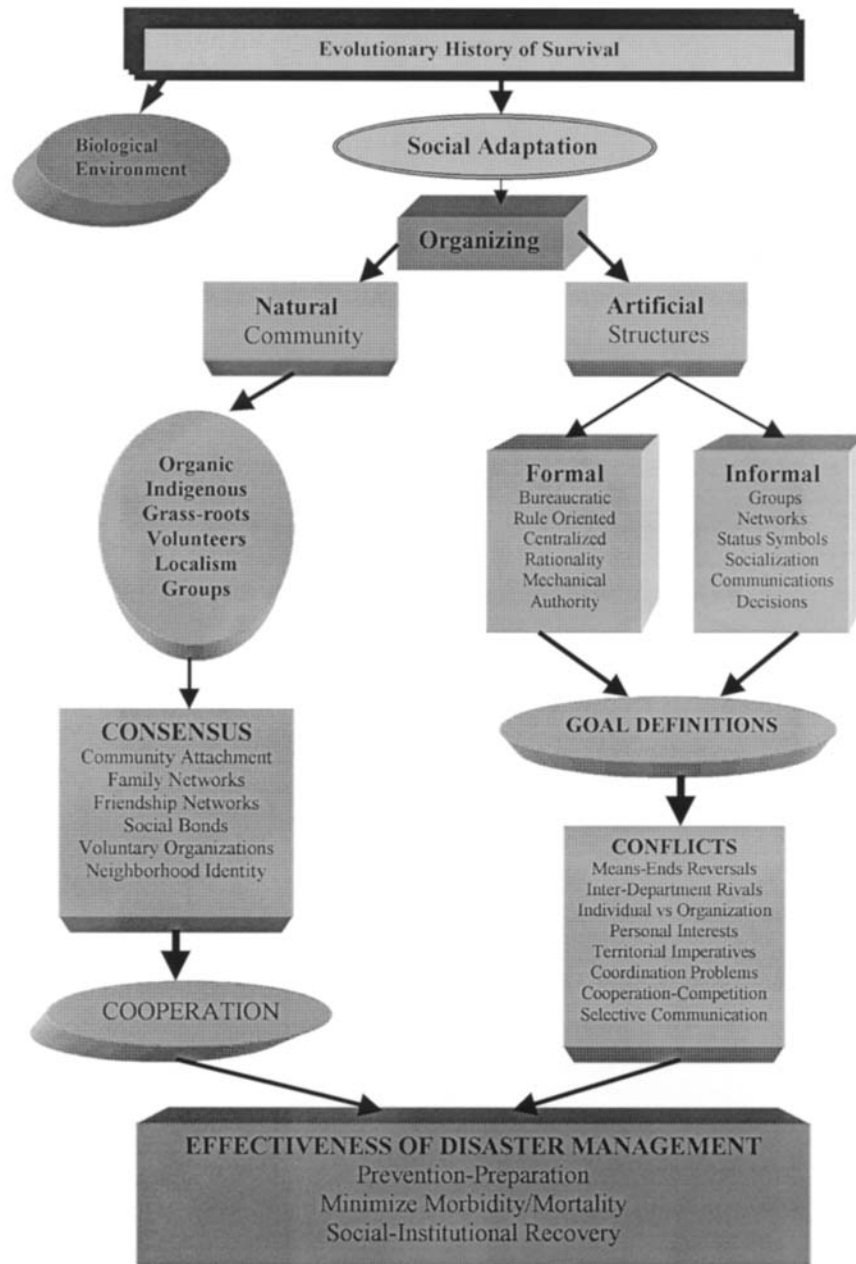
FIGURE 1 Flow chart of the structure of organizing chaos.

INFORMATION AND DISASTER MANAGEMENT

In general, the expansion of traditional forms of public administration has gone hand in hand with the demand for more and better information. Such information seeking has several advantages; not only does it provide a justification for providing public-sector jobs but it also creates information pools that offer a legitimate basis for policy development and operational decisions. Judgments backed up by numbers are, for both politicians and bureaucrats, a more legitimate means to make decisions than ''political'' opinions. In the case of the early development of disaster management as a single issue at federal levels, data collection became a paramount organizational goal. Scientifically dedicated data collection increasingly replaced generic community sources of information. The dedications for quantitative information was accelerated by the fact that disasters are highly visible, require immediate solutions, and do not go away. A major consequence is the immediate and long-term affect on public trust (or disdain) and votes. The result was a feedback loop that led to a need for more data that were better and more accurate (Kelly, 1995). Creating information pools formed primary organizational goals. Some research was even initiated. The assumption was that disasters could be avoided, mitigated, and dealt with more efficiently and effectively when more information was available (Neal, 1993).

One result of these data collection efforts has been the creation of global data banks, centralized electronic library collections, research and training centers, and local information centers. I will now take advantage of these data pools to explore if these efforts have indeed affected how we deal with disasters. Before doing so, however, it is important to examine another approach to ways public administrators have attempted to deal more effectively with disaster management.

NEW PUBLIC MANAGEMENT

The recent development of the New Public Management (NPM) approach to making public administrations more responsive to the potential and actual victims of disasters has brought about a glimmer of hope that such advantages would come to fruition. The basic assumption is that measures commonly employed in the private sector could be transferred and utilized in the public sector (Vigoda, 2000). Primary of these is ''performance'' measures. By obtaining quantitative measures of performance, it is hoped that public sector agencies will be able to have transparent standards by which to measure their effectiveness and thereby be more responsive to the public. In the search for such ''performance'' measures, proponents have argued that full use would be made of related sciences which would then be implemented in practice by using the latest performance-linked managerial techniques. This perspective, however, depends on how ''performance'' is to be measured. In fact it is the Achilles heel of this perspective as

public sector performance measures are a far cry from the bottom line ''performance–profit'' measures inherent in the competitive private sector.

The industrial engineering and organizational/managerial behavior literature on performance measures has to some degree dealt with white-collar occupations—the predominant work group in public sector jobs. But, it has rarely touched the public sector. One reason is that public sector administration is a monopoly-protected labor market where the objective measure, ''profit,'' is derived and dependent on political policy rather than actual bottom line profits. Profit enters public administration only in terms of budgets derived from various public sources (e.g., taxes). Therefore, ''performance'' is limited to attaining political or social rather than economic profit objectives. If and when these political, social, and economic policies do converge, however, public sector disaster management may be successful in preventing and mitigating disasters. The degree to which this can happen remains clouded in a number of issues. The primary one, I suggest, has to do with the organizational structure of disaster management agencies.

DISASTER MANAGEMENT ORGANIZATIONS

While disasters have been coterminous with humankind over the milleniums, non-community-based disaster organizations are relatively new. At the mid-twentieth century, it was nearly impossible to point to specific organizations (or job positions) whose task was to manage disasters (except those that were war- or conflict-related). The only notable exceptions have been local community-based fire and police (and of course militia) organizations throughout the world. Disaster prevention and mitigation remained in the hands of local communities. In the United States, this appears to have remained mainly intact (Mileti and Sorensen, 1987; Stallings and Schepart, 1987). In less urbanized and industrial nations, this pattern continued even into the latter part of the twentieth century. With the Second World War came a surge of interest in both disaster research and prevention (Form and Nosow, 1958; Fritz, 1957). This interest emerged primarily in developed urban, industrialized nations in the West, and was ''imposed'' through the dominance of training programs on less developed countries (Quarantelli, 1986). It seems reasonable to conjecture that the vast organizational experience gained during the war and the threat of nuclear destruction upon the civilian population engendered this thrust of interest. Natural and technological disasters continued to occur and were sporadically studied (Charles and Kim, 1988). For the most part, disasters were seen as the problem of local communities. Within a short period of time, however, the intervention of public authorities at the federal level or by central governments (e.g., the military) became predominant. It was at this point that even local community organizations started to take on the formal bureaucratic characteristics of their larger federal big brother. In the United States, this metamorphosis was even mandated in law (FEMA, 1999b).

Until this point, most disasters were seen as a scientific challenges. Technical solutions were the way in which disasters were defined: by dams floods could be controlled, fires by water distribution points, building materials, and sprinkler systems, earthquakes by building codes, and tornados and hurricanes by weather warning systems. As it started to become clear that technical solutions were not enough and that disasters involved complex social and psychological components, the search for socially based information became paramount (Quarantelli, 1988). Public administrators who had to deal with disasters sought ''cookbook'' solutions (Charles and Kim, 1988; Quarantelli 1997), but typically relied on the existing organizational structure and interorganizational relationships to deal with these problems. The results were, to say the least, mediocre (Granot, 1999; Tierney, 1985; U.S. General Accounting Office, 1991). Falling back to an organizational solution, public-sector disaster managers again sought salvation through better organized information systems at both a national and international level. Embedded in the heart of public administrations was the belief that access to better, more up-to-date, and reliable data would—through their rational organizational structure—provide the answers to preventing and mitigating disasters. When all else failed, compensation became the most often used tool to disguise failures at prevention.

In a short time it became apparent that the ability of government-sponsored organizations to deal with disasters did not live up to this rational scientific promise (Platt and McMullen, 1979). A dearth of studies began to show the downside of public administrative intervention into local disasters (McLuckie, 1975; Hirose, 1979; Heathcote, 1980; Sylves, 1991; Olson et al. 2000). More concern was now put on approaches that favored natural and open system approaches—factors that put an emphasis on the social sciences. It was at this point that social science research (primarily sociology) in the area of disasters began to develop and increasingly affect public–sector public disaster managers in public administrations (Drabek, 1986). Journals, research groups, and professional specialization began to appear so that by the turn of this present century a new professional group called ''disaster managers'' emerged. This group received professional certification, could attain a specialized college degree, and most important, could find employment. The criteria for such certification was initiated and to a large degree controlled by the bureaucratic public administrators who dealt with disaster management, however (FEMA, 1999a).

It can be assumed that the increase of disaster management professionals was driven by market forces; primarily the availability of jobs. These job slots were more often than not created and supported by public-sector funding. Most local authorities have (or need) a position for such professionals (LACDE, 2000). The expectation was that these professionals would simply be clones of their big brothers in federal-level positions. The certification program, however, was to a great extent influenced by social scientists who dominated the disaster research

field and control over academic certification. Disasters were now seen not only through the eyes of the (potential) victims but also within the context of the community's social organization. Disasters were being moved out of the technical sphere and being redefined as the product of the community and its social organization (Quarantelli, 1998). Such a perspective went counter to the organizational standard operating procedure of public administrators (i.e., centralized, formalistic decision making on the basis of bureaucratic criteria). In fact, this process exacerbated the already built-in structural friction inherent in public administrations by trying to move the focus of attention to the victims rather than the organizations' needs. This trend in humanizing disasters was supported by the mass media, which emphasized ''human interest'' stories as well as portrayals of the bureaucratic nature of the disaster management agencies (Fisher, 1998).

GLOBAL DISASTER MANAGEMENT

One of the major symbolic acts removing disaster management from the community to large public administration organizations was the declaration by the United Nations at the end of the twentieth century of the ''decade of the disaster.'' Disaster management became global; financial resources along with the establishment of numerous associate and consortium organizations sprang up. Mass media took up the cause with every major and minor ''disaster'' reported worldwide. Disaster myths were created and perpetuated by the mass media (Fischer, 1998). Until this global agenda was declared, environmental issues were still in their infancy and the number of research or consulting organizations focused on disasters were extremely small (Myers, 1993). The establishment of disaster research units (mainly university-affiliated) and disaster management units in public administrations only became visible in the second half of the century (the late 1950s). By 2000, the number of disaster-related organizations, had grown exponentially. The U.S. government alone has no fewer than twenty-six major agencies and dozens of regional offices dealing with disasters. There are an additional ninety-five specialized units for differing disaster situations. To this can be added eighty U.S. nongovernmental organizations (NGOs).

The distribution of disaster-related *global*-based agencies (NGOs and public) likewise grew, composing over ninety major public agencies with offices throughout the world. This pattern of the globalization of disaster management also strengthened the hold of public administration on the area of disasters. It has also led to typical interagency conflicts (Granot, 1999) and problems of coordination (McEntire, 1997), as well as territorial imperatives, turf wars (International Federation of Red Cross, 1997), and competition (Kent, 1987). What was apparent at the nation-state level—at which public administrations dominated the definition of disaster, who was qualified to be a disaster victim, what help would be afforded, and so on—was now extended at the global level by other

forms of public administration in different guises. As several critical reports have noted, the results have been at the same mediocre levels of disaster management (on a larger scale), where in some cases, such ''assistance'' was more detrimental than helpful (Kent, 1987)!

CONFLICT VERSUS CONSENSUS

The question that I raise here is why public administration organizations have fared so poorly in the field of disaster management. The fundamental answer lies in the built-in conflicts inherent in such organizations. These conflicts have plagued formal complex organizations throughout the ages and have become more acute today with their greater transparency. This built-in conflict stems from the nature of artificially created structures, based on rational systems, when confronted by informal structures that pervade them. On the one hand, the formal structure is bureaucratic and rule-oriented, and centralized decisions based on rational mechanical authority are prevalent. Such a structure demands organizational behavior that is organization-oriented rather than client-oriented, in which bureaucratic structure forms a distinct internal labor market independent of outside competitors and internally rewarded (DiPrete, 1989). In addition, as disaster management agencies are only one (small) but bifurcated unit within a larger bureaucratic public administration, they face a multitude of intra- and interorganizational conflicts–an inability to coordinate or seek cooperation (Hills, 1994), confusion over their role and function by other administrators (Perry, 1995), disparate and conflicting management practices (Sylves, 1991; Cosgrave, 1997), and legal problems of authority (Drabek et al., 1981; Adams, 1981). The most damaging—for the potential disaster victims—is that within such formal bureaucratic structures, effectiveness may come to be measured in terms of interdepartmental power relationships and not services rendered.

This built-in conflict between the formal and informal social structures within bureaucratic public administrations has a number of negative consequences on the effectiveness of disaster management. Placing these conflicting factors within the organizational framework of disaster management's goals creates many of the nonrational behaviors so often associated with organizations (Gordon, 1996). Some of the more distinctive types of conflicts involve disputes concerning means and ends, individual versus organizational goals, territorial (and/or departmental) imperatives, cooperation in contrast to competition, the selective flow of information, and even personal interests versus administrative directives (Daft, 1998). These built-in conflicts have become increasingly more visible and detrimental to disaster management as expectations from the ''victims'' and dependence on such organizations grow.

On the other hand, communities are the natural outcome of human organizing. They are pervasive throughout the world, organic in nature, composed of

indigenous populations, and structured on the basis of family and economic strata (Quarantelli 1998). Communities are not only found in rural areas, but can exist in the middle of large urban centers. Unlike bureaucratic structures that exemplify public administrations, however, a community's structure is kept intact mainly through a social process of consensus building (Ross, 1967). This process is continually renewed through basic social interactions that foster symbolic identification and attachment to the community. Some of these encompass family and friendship networks, social and voluntary group formation, and economic investment and interdependencies. This consensus lays the foundation for cooperative action on the part of its members. Embedded into this process are the time-honed disaster survival experiences gained from the past (as they are socially defined by the community); we thus find an organizational framework on instant alert and well prepared for dealing with and coping after a disaster. This has been most poignant in the generation of emergent norms that have laid dormant during disasters (Neal and Phillips, 1995). Some recent research on how disaster-related decisions are made clearly points out how neighbors and neighborhood institutions affect behavior (Kirschenbaum, 1992). In fact, there has been a recent dirge of papers, books, and even U.S. federal programs that have renewed the efforts to bring disaster management down to the community level (Drabek, 1986; FEMA, 2000; LACDE, 2000). These efforts have built their assumptions on the fact that at the community level, policy decisions are already built into the social structure.

The other side of the coin, however, is that certain types of community-based disasters require external intervention that is only available through public-sector or NGO support (Haider et al. 1991; Haas et al. 1977). Most of these situations are truly mass disasters that affect an entire community and lay waste the social (and economic) basis for coping. It is at this point that outside help is necessary, but as many a case study has shown, external help can create a dependency on the giving organization and may stifle the long-term recovery process. In some cases, the help actually exasperates the situation, especially in cases of drought and flooding. In others, it prolongs the recovery stage by intervening in the social reconstruction of the community (Britton, 1989).

If we now compare the community and public administration models of disaster management, it is thus possible to discern that no one model is truly ideal. Both are needed in certain circumstances to deal and cope with disasters, yet the overwhelming evidence points toward the community model as being best equipped to socially, psychologically, and economically manage disasters. The major reason for this is that disaster management agencies located within public administrations suffer from all the inadequacies inherent in formal structured bureaucracies. This being the case, why do such disaster management units persist in dominating the field of disaster management? What is even more perplexing, as I will now demonstrate, is that such public-sector units have not led to a reduction of disasters or reduced their impact.

MORE AGENCIES, MORE DISASTERS

To put my argument more sharply, the growth and expansion of disaster management in public administrations has not prevented or ameliorated disasters, but may have actually exacerbated them. I have reasoned that the built-in conflict inherent in bureaucratic disaster agencies make such disaster goal effectiveness both a low priority and difficult to attain, and with the dominance of such public agencies in the field of disaster management, organizational behaviors reflected concern for bureaucratic rather then the victims' (and community's) concerns. The results could be simplistically described as ''the greater the number of disaster agencies, the more the number and severity of disasters.'' To support my contention, I will make use of data collected since the turn of the century (1900–2000). These data of recorded disasters, along with the growth of disaster management agencies over the past century, should clarify this proposition. The source of these disaster data was an international disaster database agency (Centre for Research, 2000), and the data have already been utilized by various researchers to analyze disasters in both, Africa (Elberier et al. 1998) and the Arab world (Al-Madhari and Elberier, 1996). In our case, the focus will be on long-term trends so as to reflect the basic changes in the structure of disaster management since the twentieth century and see how they associate with actual disasters.

As we can see in Figure 2, records of *natural* disasters* over the last 100 years show them to be a continuously increasing. Until the 1960s, the number recorded more or less remained stable, between ten to fifty annually. The greatest surge in the number of recorded natural disasters appears after 1960, raising sixfold from fewer than fifty to 300 to 350 annually by 1999. This pattern fits neatly with the growth of disaster management agencies, which occurred after the 1960s. Does this mean that we are experiencing greater numbers of natural disasters or that disaster management units actually contributed to increased numbers of disasters? The answer to these questions seems to be complex but has followed a chain of interrelated events.

This chain includes first and foremost how definitions of disasters are generated. At one time, communities socially defined disasters in terms of their communal physical and social survival. Most repetitive natural events would not even be considered or scrutinized as a potential disaster. Annual flooding, hurricanes, and storms were accommodated by various means to assure survival (e.g., not living in flood plains, choosing temperate climates, building materials). Only extraordinary life-threatening events were considered as disasters. These same ''natural'' events today are defined as disasters to fit bureaucratic organizational

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* Natural disasters include avalanches, landslides, droughts/famines/food shortages, earthquakes, epidemics/floods, scrub fires, and tropical cyclones/hurricanes/typhoons/storms/volcanoes, as well as cold waves/tsunami/insect infestations.
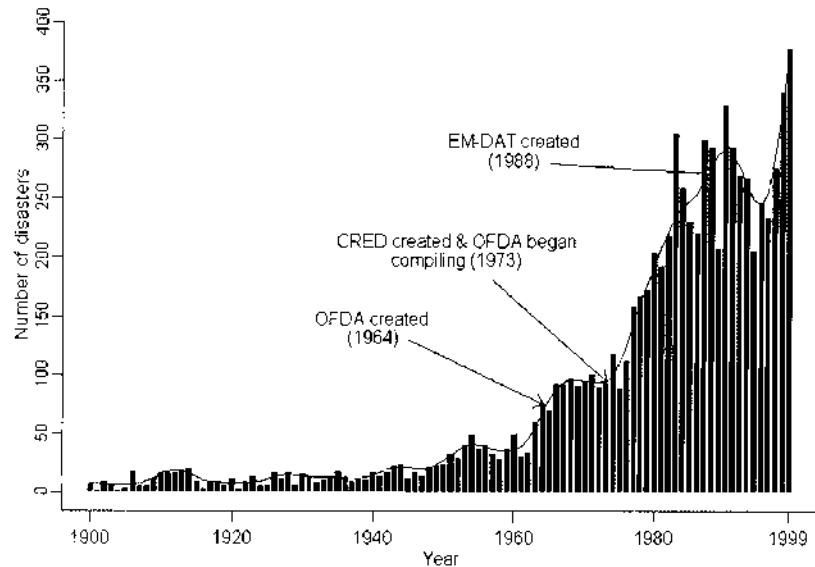
FIGURE 2 Number of natural disasters reported between 1900 and 1999. Source: The OFDA/CRED International Disaster Database.

survival needs. In this case, disaster parameters are defined to a large extent by artificial bureaucratic ''make-work'' definition. Generating disasters justifies an agency's existence, growth, and development. The result, as the data show, has been an increased number of ''disasters.''

Increased numbers of disaster events after the 1960s also involved the interaction of technology with the bureaucratic need for information. Redefining disasters generated *potential* disaster events but technology provided accessibility to them. With increasing sophistication over time in communication technology, locating bureaucratically defined ''disasters'' became more readily accessible and detailed. Weather and communication satellites as well as information and news centers provided the platform for locating and dispensing information on and about disasters. This accessibility was fed by the demand for such data by increasing numbers of disaster management units established in public administrations after the 1960s. By redefining disasters, having technological access to them, and utilizing this accessibility to fill data banks, disaster agencies found the goose that laid the golden egg to justify, develop, and increase organizational power. In both cases, this watershed period—the 1960s—seems to mark a point when the full force of bureaucratic public administration overwhelmed community-based disaster management. As a result, definitions of a disaster developed from

within these bureaucratic structures rather than organically from the communities affected. The result, as the data demonstrate, has been an increase in the number of disasters. And, as I have pointed out, the number of disasters grew along with the number of such disaster management units created.

SEVERITY AND DISTRIBUTION

To say that this match between increased numbers of reported natural disasters and disaster management units was coincidental or artificially created faces another daunting fact. Not only have the number of natural disasters increased, but also the number that are classified as significant has grown. In this case, disasters were measured in terms of their severity by using such factors as people killed, numbers affected, or the (nations') economies dislocated. On the basis of these figures, the number of significant disasters has steadily grown over the last century. (See Figure 3.) It is clear that on the basis of all three measures of disaster severity, the numbers follow a similar upward pattern over time. More specifically, the number of disasters in which at least 100 people were killed, 1% of the population was affected, and 1% of the nation's GDP was lost remained
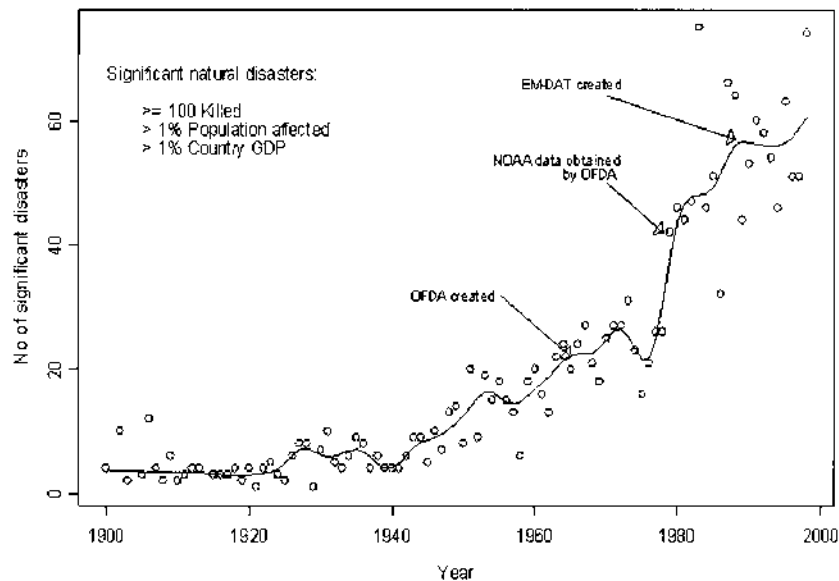
FIGURE 3 Number of significant disasters based on numbers killed, population affected, and GDP loss between 1900 and 2000.
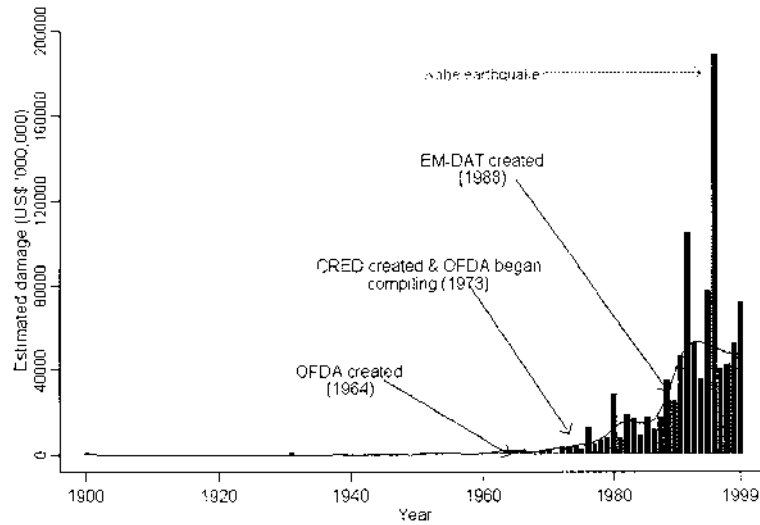
FIGURE 4 Estimated damage reported for natural disasters, between 1900 and 1999. Source: The OFDA/CRED International Disaster Database.

stable until after WWII and then began to steadily increase from five to ten to approximately sixty annual disaster events. This same pattern holds true when examining disaster severity in terms of estimated damage in terms of millions of U.S. dollars. (See Figure 4.) Ignoring the exceptions (such as the Kobe earthquake in Japan), dollar loss damages ranged in the few millions in the 1960s and climbed to the billions by the end of the century. If we add to these data technological disasters (Table 1), we see that here, too, the number of technological disasters has increased 200% from 1970 to 1999 and seems to be hovering at over 200 per year for the last ten years.

Some have argued that this pattern of increased severity and number of disasters can be explained by increasing population size and higher concentra-

TABLE 1 Number of Technological Disasters Reported from 1950 to 1999 by Five-Year Periods

Year	1950	1960	1970	1975	1980	1985	1990	1995	1999
Disasters	4	3	14	28	49	83	219	206	271

Source: The Centre for Research on the Epidemiology of Disasters (CRED), Universite Catholique De Louvain, Brussels.
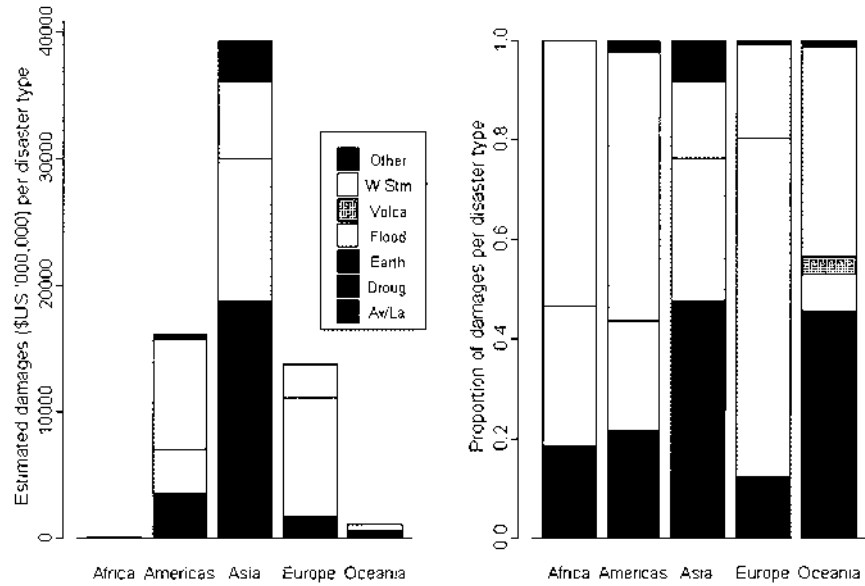
FIGURE 5 Average annual damages from natural disasters during 1989 and 1999 by continent. Source: The OFDA/CRED International Disaster Database.
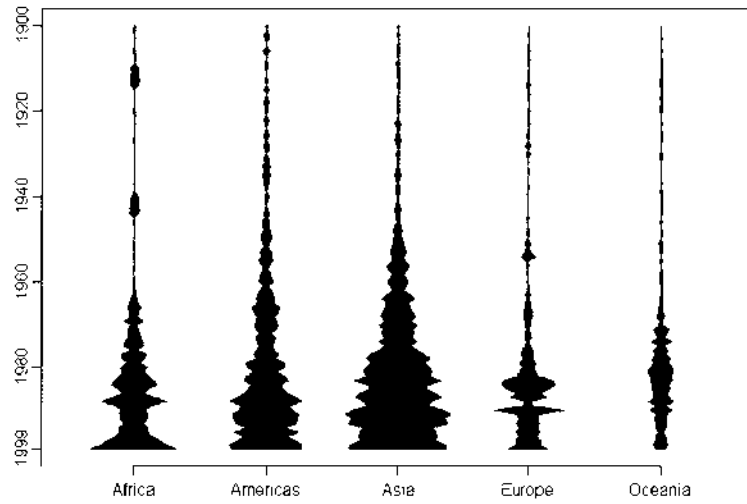
FIGURE 6 The number of natural disasters reported between 1900 and 1999 by continent. Source: The OFDA/CRED International Disaster Database.

tions and density of population distribution. But when regressing some of these factors against disaster severity measures, there seems to be a very ambiguous link (Centre for Research, 2000). These conclusions are based on reported global disaster events from 1964 until 1998, a period when numbers of disasters and population grew intensely. The results suggest that area size (km^2 per nation), when regressed against the number of natural disasters and deaths, show it to be an extremely weak explanatory variable ($r^2 = 0.17, 0.14$). When looking at the impact of population size (country-by-country), a slightly greater but still very moderate coefficient appears ($r^2 = 0.48, 0.38$). Finally, density (km^2 by country) proves to be a fairly good explanation for the number of natural disasters and only moderate for number of deaths ($r^2 = 0.76, 0.47$). Thus, it appears that at least for this time period, area and population size are not very good explanations for the increased number of neither natural disasters nor their severity as measured in terms of deaths. Density, and only in the case of the number of natural disasters, provides a somewhat better explanation. While extremely difficult to obtain more detailed data, the density variables may actually reflect concentrations of population in areas which trigger and exacerbate natural disasters such as flooding, droughts, food shortages, epidemics, and so on.

As can be expected, neither disasters nor public-sector disaster management units are distributed evenly. On the one hand disasters have affected all major regions of the world, but with Asia facing the brunt of such disasters, followed in intensity by the Americas, Africa, and Europe. (See Figure 5 and 6.) The concentration of public-sector disaster management organizations does not seem to be related to the actual distribution of disasters, however. Europe tops the list, having over a third of these global agencies. North America (United States and Canada) houses 20%, Asia 15%, South America 9%, and Australia 8%, with India (5%), Africa (3%), and the Middle East (3%) contributing to the total. What appears is thus an *inverse* relationship between the frequency of reported disasters and the number of disaster management units located in these areas.

We thus see two distinct patterns that help clarify the proposition that ''the greater the number of disaster agencies, the more the number and severity of disasters.'' For one, this proposition generally holds on a global—but not a regional—basis. As we have seen, where disasters are more frequent the number of public-sector agencies to prevent, mitigate, and help in recovery is least. In terms of the severity of disasters, however, there seems to be support for the notion that despite increases in the number of public-sector disaster management units since the 1960s, they have not reduced either the number or the severity of disasters.

CONCLUSIONS

The overall objective of this chapter has been to critically evaluate how public administration disaster management agencies have fared in preventing, mitigat-

ing, and coping with disasters. The recent historical maturity of such public ad-
ministrative apparatuses in the field of disaster management, however, belies the
century-old disaster survival skills that have been embedded in community social
structures. As a result, these time-honored abilities to organize and hone commu-
nity-based skills have been severely disrupted. Partly due to the process of mod-
ernization, community-based survival skills have been transferred out of the com-
munity into public-sector bureaucratic organizations. This process, based on
twentieth century organizational theories, advocated a rational approach to creat-
ing and managing service organizations. This, the argument goes, would provide
the most effective and efficient means to deal with such phenomenon as disasters.
If this were the case, however we would expect a decrease in the number and
severity of disasters with increased numbers of such disaster management units.

Yet due to a built-in conflict between the formal and informal structures
in complex organizations, such lofty goals are nearly impossible to reach. This
is even more so in bureaucratic-type organizations typified by public administra-
tions. If we dismantle the generic term administration, such built-in conflicts
include interagency/department rivalries, endemic problems of coordination and
cooperation, means-ends reversals, distorted communications networks, and of
course power politics. Public-sector disaster management units thus may not fit
the ideal picture that was proposed by their rational approach founders. The oppo-
site may actually be the case, which led me to reconsider the community model
as an alternative approach.

The advantages of the community model for disaster management are first
and foremost their pervasiveness throughout the world. They are naturally orga-
nized, mainly based on ongoing social networks of individuals, families, and
businesses, and they embody a vast historical knowledge of survival skills that
become emergent in times of disasters. In most cases, communities are resilient
and able to accommodate themselves to disasters. It is only when such disasters
are devastating, when all sources of internal help dissipate, that it becomes
necessary to ask for external help. Here again, does this mean obtaining help
from public-sector disaster management units? I (and others) would argue that
community-to-community help would be better.

Yet the dominance of public-sector administrations that control disaster
management units makes this argument a moot point; rarely do communities
control their own destinies. With this in mind, I reviewed the growth and role
of disaster management units in public administrations (both globally and na-
tional). On the one hand, these units represented a way of organizing chaos with
the goal of control and prevention. On the other, they provided job slots for
professionals whose background was primarily in the social sciences. In addition
to the built-in conflicts within public administrations, disaster management agen-
cies thus had their own special types of conflict—advocates of the victims versus
concerns of the organization. To some degree the ''victims'' in this conflict have

made a comeback. Once again, emphasis was put on the community, but not as the generic source of disaster survival. The public-sector organization was simply decentralized, downgraded, and renamed as community disaster management.

But there are those at the cutting edge of public administration who argue that within New Public Management (NPM) lays the foundation for a revival of public administration as a means of tackling society's many problems. They argue to make them responsive to the public they serve, create an accounting system based primarily on private sector performance criteria, and it is possible to make these organizational behemoths both efficient and effective. What I have argued, and the data support, is that public administration *at present*, even if we integrate NPM concepts, cannot manage disasters. For one, private sector bottom line profits are not appropriate in public administrations where political/social policies are measures of performance. But, if we integrate NPM performance-based concepts into the bureaucratic vocabulary, particularly concepts related to ''responsive to'' or ''facilitating'' community needs, it may become possible to improve public sector disaster management. This means measuring public administration performance on the degree to which it provides and facilitates a community to *independently* prepare for, mitigate, and manage its own (potential) disasters. In this way, effective public sector disaster management agencies would be those who received disaster related shopping lists from local communities and provided top quality merchandise.

We thus come back to the basic question and proposition I raised. Given all the inherent conflicts in public-sector disaster management units, have they helped prevent or at least mitigate disasters? Employing a historic disaster data bank, I investigated this question. My basic proposition was that despite the growth in the number of public-sector disaster management units, both the number and severity of disasters have increased. Using data covering a 100-year period from 1900 to 2000 and based on reported disasters, I found this to be generally true! A curious association matching increased numbers and severity of disasters with increased numbers of disaster management units emerged. Until the 1960s, the number of both natural and technological disasters remained fairly low and stable. The main point of departure occurred afterward just when disaster management units started flourishing both in the West and as part of global organizations (United Nations). At this point there was seen a steady strong increase in both the number and severity of disasters.

Can it be said that public-sector disaster management units instigate disasters, increase their ferocity, and boost their human and economic costs, or have these disasters been around all the time and only recently been redefined in terms of the public administration's bureaucratic needs? The answer probably lies somewhere in between, but it is clear that the ''coincidence'' of increasing numbers of disasters associated with the increased numbers of public-sector disaster agencies may not really be sheer coincidence.

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14

Consumer Communications Management and Public Administration
A View from the Business Bridge

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INTRODUCTION

Marketing has been involved in public administration for quite some time. Kotler and Levy (1969) contended that marketing is a pervasive social activity that goes considerably beyond the selling of toothpaste, soap, and steel; witness cities trying to sell themselves to get the right to host major athletic events. Cities and states also actively promote themselves to businesses in the hope of getting them to relocate. By offering their services, cities and states are trying to widen their tax base and increase their income base.

Marketing is much more than acquiring new customers, however. Marketing is also about keeping existing customers. A popular marketing maxim states that it is five times more expensive to attract new customers than it is to retain existing ones. While businesses are learning this lesson the hard way, public administration lags far behind. Defensive marketing (Fornell and Wernerfelt, 1987) has set the stage for organizations to refocus their efforts on keeping the customer. This concept of focusing on the customer is not new; over 200 years ago Adam Smith talked about focusing on satisfying the customer as the reason for the existence of every business. Abraham Lincoln talked about focusing on

the customer when he spoke about government of the people, by the people, and for the people, yet somehow these high ideals translated into inflexible bureaucracies that could not respond efficiently or effectively to public needs. Public administration has become a never-ending source of derision and humor, stereotyped as unfeeling, uncaring, and unresponsive to the people it is supposed to be serving.

Just because citizens do not complain, this does not mean they are not reacting. Lyons and Lowery (1989) point out that consumers may engage in constructive behavior (voice and loyalty) or in destructive behavior (exit or neglect). While business has found it profitable to encourage consumers to voice complaints (Fornell and Wernerfelt, 1987), very few actually do (TARP, 1986). It seems abundantly clear that the number of citizens submitting complaints about public administration would be similarly low. It is also clear that citizens, like consumers, need a responsive organization, capable of quickly moving toward its objectives while maintaining maximum responsiveness to the public, including social sensitivity and public responsibility.

Given the limited amount of resources available to any organization in general and to public administrations in particular, the problem boils down to a simple question. How can I achieve more with less? In other words, how can I achieve better efficiency and effectiveness in public administration while simultaneously satisfying the needs of the constituents both in the short term and the long term?

One possible solution that would increase public administrations' responsiveness to their constituents is consumer communications management. Consumer communications management (Davidow, 1995), an integrated system of handling consumer input, is a collective term used to denote all those activities that an organization does reactively and proactively to leverage consumer communications into customer satisfaction. (See Figure 1.) Some city councils have already adopted policies to improve quality through complaint management (Carney, 1996), which is a step in the right direction. New Public Management (NPM) has already suggested that performance indicators be applied in the public sector (Carter, 1989; Smith, 1993) to facilitate better efficiency and effectiveness of public agencies. Consumer communications management would be the logical next step forward in utilizing an interdisciplinary approach to the problem.

Consumers communicate with organizations for a variety of reasons. They may contact the organization for information, to express dissatisfaction, to receive service, or to ask questions. Given the consumer's communication, the organization's response can determine the consumer's satisfaction (Gilly, 1987). By showing the customer its willingness to handle all communications, the organization is addressing critical issues of responsiveness that determine whether or not the consumer feels it is worthwhile to contact the organization. TARP (1986) found 90% of the reasons for noncommunication to be that it was not worth the time
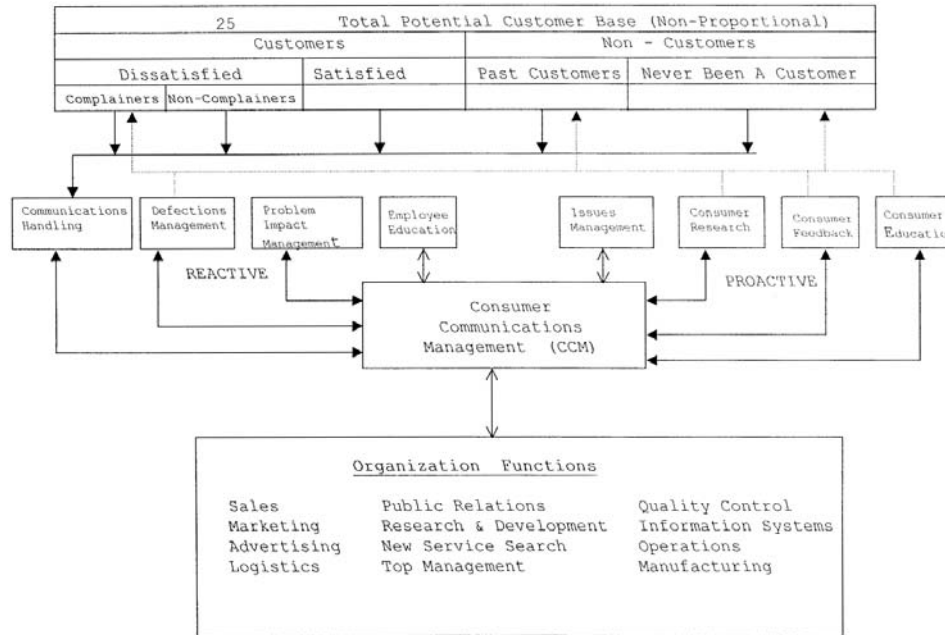
FIGURE 1 Conceptual framework of consumer communications management.

and effort, the organization would not be interested, or the consumer did not know how to communicate with the organization. How the organization responds will have a major impact on the consumer's perception of it (Carlzon, 1987). Managing these perceptions by managing the consumer communications process will be the focus of this chapter.

Consumer communications management has its origins in complaint management (Fornell, 1981; Fornell and Wernerfelt, 1987), which concerned itself with minimizing customer turnover by reducing customer exit and brand switching. The economic rationale was provided by the increase in sales generated by the reduced turnover. While identification of problems and opportunities was an explicit objective of complaint management (Fornell, 1981), it was never shown how this would be viable until the formulation of the present concepts of communications management. Requests for information and other consumer communications were also not typically included in complaint management. Communications management expands on complaint management by also dealing with communications from noncustomers (consumers) who are interested in obtaining information from the organization, thus expanding to include all consumers, and not just customers. In a similar fashion, government must deal with the total

potential citizen base, including potential citizens and past citizens. Communications management includes organization efforts to facilitate voicing of complaints, as well as efforts relating to quality improvement. Fornell (1981) specified three main objectives of complaint management: complaint maximization, complainant satisfaction, and identification of problems and opportunities. These three objectives remain the driving force in communications management as well.

Consumer communications management offers a blueprint for implementing these objectives, allowing for the restoration and maintenance of customer satisfaction (problem solving) and the generation of preventive and corrective feedback (problem prevention) for management (Ruyter and Brack, 1993). These in turn should maximize consumer communications with the organization. In communications management, the reactive response to a complaint is to handle it situationally (micro) and satisfy the consumer. The proactive (macro) response is to eliminate the problem so as to minimize future complaints. These correspond to the two results that most concern the consumer—redress and situation change (Kasper, 1982).

Consumer communications management therefore operates on two different concurrent levels: (1) to handle current communications reactively to ensure current consumer satisfaction, and (2) to proactively eliminate possible sources of future dissatisfaction to increase future consumer satisfaction.

Consumer communications management should encompass eight distinct areas (Davidow, 1995; Goodman and Stampfl, 1983; Reichheld and Sasser, 1990). Four areas deal primarily with the reactive, problem-solving objective; namely, communications handling, defection management, problem impact management, and employee education. The other four areas deal primarily with the proactive, problem prevention objective; namely, issue management, consumer education, consumer feedback, and consumer research.

CONSUMER COMMUNICATIONS MANAGEMENT FUNCTIONS

While a consumer communications management department has eight distinct functions (see Figure 1), consumers can contact only one of them, the communications-handling function. The other seven are internal functions of the communications management department, whose job is to analyze the data and disseminate them to the proper departments. A description of the eight functions follows.

Communications Handling

Communications handling deals reactively with the consumer communications that reach the organization. Most of these communications are complaints. Others are requests for information or compliments. In each case there is contact between

an organizational representative and the consumer, and the resulting ''moment of truth'' (Carlzon, 1987) can leave a consumer satisfied, dissatisfied, or neutral. The key to success is excellent communication between an organization and its customers (Garret et al., 1991). An organization must not only communicate effectively to consumers, but the personnel in communication-handling positions must be highly skilled communicators who can interact effectively with consumers (Garrett et al., 1991). This seems to hold true in public administration as well.

An attempt should be made to satisfy each communicant on a one-to-one basis in order to retain him or her as a customer and prevent negative word of mouth (TARP, 1986). The information received by the organization in real time makes it possible to pinpoint the problem and correct it, with incorporation of the feedback into the planning cycle. Representatives of this function must be very knowledgeable in all areas of the organization in order to fulfill their task. A list of the pressing issues that customers ask or complain about will aid the organization in issue management, new service development, and other related areas. If the inquiry relates to policy, the consumer lets the organization determine the importance of the issue, thus allowing management to choose an appropriate course of action. If the problem is a lack of specific information, for instance, the organization may consider a consumer education program. This function has been shown to be a major profit center in its own right (TARP, 1986; Fornell and Wernerfelt, 1987), based solely on increasing customer's loyalty or repurchase intentions. By factoring in the information received and analyzed by the other reactive functions (profit impact management, defections management, employee education), the organization also obtains a very clear picture of the marketplace and what it has to do to improve performance. In government, this function has been used to solve several problems and to identify possible solutions to customer dissatisfaction (Carney, 1996), yet this very function can be a source of the problem if the complaint is not handled properly. Most of the complaints handled by government are due to poor communication processes (telephone contact, reception points, and written correspondence). One recent study (Carney, 1996) found that 60% of the workload concerned these points, and not points of policy and resources. Most of the complaints budget thus seems to be spent not on solving problems or changing policies, but on dealing with poor communications management in the first place.

Defection Management

Defection management (Reichheld and Sasser, 1990) is the analysis of defecting customers by way of exit interviews and other techniques in an effort to learn what parts of the business need improving. This function seeks out defectors and defection candidates (exit), and contacts them to determine why they left, thus providing the organization management with important information about actual

and possible problem areas. Defection is not just a term for customers who leave the organization, but also for customers who have reduced their purchases from the firm or any dissatisfied customer who might defect in the future. Analyzing the reasons for defection will enable the organization to pinpoint weaknesses relative to the alternatives. Defection management means that an organization must be able to calculate what a customer is worth over his or her lifetime (TARP, 1986; Davidow, 1995) in order to show what the organization is losing if that customer leaves. In local management, this analysis can be done on an individual basis to determine why citizens move away or on the industrial level to determine why businesses relocate. At the very least, by understanding why businesses relocate (loss of tax base), steps may be taken to correct those problems and prevent businesses from leaving in the future. In the best-case scenario, it may even be possible to convince some of those departing businesses to reconsider, thus maintaining the tax base. From an urban planning perspective, determining why citizens leave certain neighborhoods may be a major factor in redesigning existing neighborhoods or in planning new ones to be as attractive as possible to the citizens.

Problem Impact Management

Problem impact management is an internal function that synthesizes complaint and defection information into quality control data for the purposes of determining the most cost-effective way of handling a problem. It is possible to quantify the market cost of any problem, as well as the cost of the solution. A cost/benefit trade-off exists between reducing a problem and the cost of reducing it (Goodman and Malech, 1985).

Complaint data should be aggregated and then analyzed to detect any patterns that might indicate a quality problem. This information can be analyzed by type of problem, place, date, department, or any other variable that might show an underlying problem (Davidow, 1995). This information is quantified by market data and complaint information in order to determine how serious the problem is. Managers can then determine, for example, what the market damage of a malfunctioning drainage system or a poorly planned transit system is, given complaint data, complaint satisfaction, repurchase intent, and word of mouth. Given the cost of the problem, different solutions can be tested for their market impact, and the most appropriate solution chosen. This analysis is crucial in analyzing an organization's strengths and weaknesses. By pinpointing costs and benefits accurately, the potential severity of problems can be reduced. Not every problem is worth fixing. Given the limited resources of public administration, this function allows the calculation of the cost and benefit of every problem, resulting in solving those problems with the highest return first. Utilizing this function would allow a local government to determine whether the drainage system or the gar-

bage collection system needs to be handled first. We are not looking just at complaint incidence or damage caused, but at the overall value of the problem solution. This makes possible a more efficient and a more effective use of resources.

Employee Education

Employee education is an internal function that emphasizes to the employees the ramifications of faulty service for customer dissatisfaction. Companies should create an environment in which everyone is responsible for eliminating customer dissatisfaction. This function enables employees to see communications as opportunities to improve a service. The employees need to realize that the customer is the final inspector and that the customer's assessment of the service, both negative and positive, is an important aspect of a total quality management system (Adamy, 1989). Quality improvement is realized through the quick discovery and quick improvement of defective services or processes. It is necessary for employees to see that their success (and pay) is directly linked to customer satisfaction (Goodman and Stampfl, 1983). The intent is to educate the employees about their responsibility to the customer of preventing mistakes and faulty service. The purpose is to keep the employees focused on the only reason why the organization exists—to satisfy the customer's demands and needs. An important way of developing commitment among public personnel is by providing them feedback to check their quality (Vigoda, 2000).

Consumer communications data should be tracked and visibly displayed, and complaints and their resolutions should be publicized throughout the organization (SOCAP, 1992). Insufficient job training has been cited as one of the root causes as to why customer expectations are not being met (Adamy, 1989). Proper hiring techniques and proper training would allow local governments to prevent half of the complaints (those caused by the process), thus allowing employees to focus those resources on better helping citizens to solve the actual problems. This would also improve the administration's image in the public eye as being more responsive. This has a direct effect on loyalty and positive word of mouth. When public servants are skilled and professional, citizens are expected to feel more comfortable and suffer less stress and strain caused by confrontation with public officials (Vigoda, 2000).

Effective consumer communications management helps the organization to focus on what is really important, allowing it to maximize the use of its resources. While reactive functions are important, they have major drawbacks. First, they require the consumer to become involved. Second, they are targeted at dissatisfied complaining customers, who while important are only a small proportion of the total overall customer base. (Only about 5% of the dissatisfied consumers actually complain.) To reach the rest of the total potential customer base, proactive measures are necessary. These are detailed below.

Issues Management

Issues management is an internal strategic function that identifies long-range problems and opportunities (Goodman and Stampfl, 1983) and develops strategies to defuse problems and take advantage of the opportunities. This function pinpoints those crucial issues that are growing more acute and that the organization will have to face in the future. This is one of management's most important early warning indicators of environmental change. By receiving notice of impending change and the reasoning behind it, the organization is better able to plan and leverage its resources to take advantage of the opportunities inherent in change. Because customer needs and expectations continually evolve over time, delivering consistently high-quality services requires ongoing tracking and responsiveness to changing marketplace needs (Jaworski and Kohli, 1993). Issues management directly relates to the changing environment, as consumer communications management focuses on satisfying the customer's needs. This function, working together with communications handling and defections management, analyzes the threats and opportunities of the environment and makes recommendations on the various alternatives open to the organization. The ability to quantify these alternatives (in conjunction with profit impact management) helps the firm formulate better decisions. This is dependent on the transfer of information between functions and departments (Fornell and Westbrook, 1979). Identifying long-term opportunities and threats should be a major component of any public administration. Knowing where we are going enables us to lock in the resources necessary for us to get there. Palfrey, et al. (1992) suggest that responsiveness and the idea of getting ''closer to the public'' must involve a profound examination of the public's views on a range of issues. This function allows government to determine the public's preferences and priorities for the future, the kinds of services they want or expect, and the things they would like to be done differently. Vigoda (2000) reports that when used appropriately, this information is valuable for every public agency.

Consumer Education

Consumer education refers to all types of communication from the organization to the customer, whether it is service-specific or not. It is the by-product of seeing what information requests are most prevalent or of seeing which elements of the marketing mix cause the consumer problems, and informing them of the solutions. The organization can then determine if the problem is service- or customer-oriented, and what to do about it. It supports customer satisfaction by helping consumers to form realistic expectations of the service (Goodman and Stampfl, 1983). Service and production problems contribute only one-third of all customer dissatisfaction (Goodman et al., 1988), and pre-emptive education is much cheaper than having a dissatisfied consumer. Consumer education can eliminate

a good deal of the dissatisfaction caused at least in part by consumers by explaining the use and misuse of the service. Programs can also be developed to reach consumers who would not ordinarily contact the organization (Kolodinsky and Aleong, 1990).

Consumer education can increase consumer confidence in the organization, positive word of mouth, and the purchase intentions of the customers (TARP, 1981; 1983). On the one hand, it works closely with communications handling and defections management in order to determine the problems, and on the other hand, it works closely with logistics, operations, and management in order to determine possible solutions. Consumer education is a proactive attempt to deal with potential issues before they become major problems. Government needs to ensure that the citizenry knows what services are available and when in order to minimize certain complaints or expectations. This function has a major impact on how responsive the government is perceived.

Consumer Feedback

Consumer feedback is the organization's way of showing the effect consumer input has had on the services and procedures of the organization. This function accomplishes consumer promotions in order to announce service changes (as a result of consumer communications), track new services, and expand the organization's customer base. These promotions directly impact those customer concerns that have emerged from previous consumer contacts, and entail not only new services, but also services still in the developmental stage. The idea behind this function is to give feedback to those customers who have expressed an interest in the organization, allowing them to see the results of their communication, and involving more of the customer base in positive communications with the organization. This function will also organize user groups, whereby service users can get together and share experiences with other users and with the organization. Another function of this group is publishing a newsletter in which consumers' comments, news of new services, and new uses for services are published. By maintaining open lines of communication with the customer, the firm is able to differentiate itself, not only by the customer service it gives, but also by the myriad of new services that it develops in response to customer's needs. Consumer promotions have been shown (TARP, 1983) to expand customer loyalty and sales. This is a cost-effective method of discovering and focusing customer attention on specific service attributes that are important and that will create positive word of mouth, increase customer confidence in the organization, and increase sales. The bottom line is that there is now the potential for better designed services that more closely match the customer's needs. The difference between these promotions and what is commonly called promotions today is in the target market and the intent. Consumer feedback promotions are aimed at a very specific

target market of organization customers with the intent of showing these customers results from previous communications, or involving customers in current promotional activities, thereby increasing their confidence and loyalty to the organization. Regular promotions are run in a very large market in an attempt to win over new customers. Local government could sponsor user groups for the performing arts, libraries, sports events, and so on that fall under their domain. Because these user groups are heavy users of the service, the potential exists for many new service ideas or improvements. All the administration has to do is listen. Posing problems before these influential groups would possibly make for a solution of the problems, or at least for citizens' better understanding of them.

Customer Research

Customer research tracks the satisfaction over time of past communicators to support issue and communications management, training, and education (Goodman and Stampfl, 1983), as well as to pick up relevant new information for new service development and service improvement. The data are not statistically representative of the entire customer population, but show possible problems among a high-involvement group. This early warning system is not intended to replace regular market research, but to pinpoint those issues that may need more detailed research. According to Lyons and Lowery (1989), those citizens who voice complaints are the most involved in the community, with heavy investments. These are people worth listening to, even if they are not representative.

Consumer communications management must provide continuous support for the consumer if the organization wants to achieve long-term customer loyalty. A defensive strategy involves those activities that reduce customer exit and customer switching, consequently costs are typically lower than for offensive strategies, which are geared to winning new customers, because more effort is necessary to create change (switching) than to maintain the status quo. This customer focus makes it costly for a competitor (other local governments) to take away customers (a form of reverse switching costs).

THE IMPORTANCE OF CONSUMER COMMUNICATIONS MANAGEMENT TO PUBLIC ADMINISTRATION

Consumer communications management is thus a key resource that can provide most of the assistance an organization needs to succeed: verification of important customer attributes; service and process improvements for higher-quality and more useful services; information on competing organizations' strengths and weaknesses as well as its own; an early warning system of environmental changes; and a clear barometer of customer satisfaction. It is considered a key source of marketing, sales, and design data, and an aid in holding down costs,

developing stronger relations with customers and actually generating substantial new revenues (Verity, 1994).

Consumer communications management allows governments to enlarge their customer base in several ways: by enabling them to keep more citizens loyal (communications handling and consumer research), by convincing new citizens to buy in (consumer education and consumer feedback), by eliminating problems (employee education and problem impact management), by strengthening the weak spots of the organization (defections management), and by giving the organization the ability to exploit opportunities (issues management). These value-added activities enable the organization to improve its efficiency, flexibility, and effectiveness through better utilization of its information. This is critical for success in an intensely competitive business environment (Menon and Varadarajan, 1992). Consumer communications management allows the organization to achieve two objectives that add value to the value chain: enhancing customer retention, thus adding revenues, and customizing consumer communications to customer needs, thus reducing marketing costs, such as promotions and advertising.

Consumer communications management should thus be a major part of any public administration. Its value added provides internal and external measures of improving public-sector performance, as noted by Smith (1993). Customer focus is the central element of a market orientation, which entails obtaining information from customers about their needs, desires, and experiences in the marketplace. Consumer communications management helps not only to focus this information, but also to integrate it with the organization's resources in order to understand the customer in the organizational context. This allows the organization to respond to individual customers rather than simply presenting the service, all the while maintaining a market perspective. Loyalty is built one customer at a time. Consumer information is analyzed to determine customer preferences, how the administration's resources can be leveraged to meet them, and how they may be affected by exogenous factors. This use of information has been identified as a source of a firm's market orientation and a sustainable competitive advantage (Moorman et al., 1993; Porter and Millar, 1985). While this chapter does not advocate eliminating public controls, consumer communications management will allow a decrease in the level of controls or the need for controls, leading to a more efficient use of public resources.

BARRIERS TO COMMUNICATIONS MANAGEMENT

Landon (1979) stated that it is possible to derive from marketing theory how an organization should manage its complaints department to provide input to redesign services and promotions, but added that many companies fail to take advantage of the information available. The consumerism movement is said to be ''the

shame of marketing,'' because if marketing had been doing what it was supposed to have been doing all along—listening to and serving consumers—the consumerism movement would never have been necessary (Vavra, 1992). Fornell and Westbrook (1984) found that intraorganizational barriers prevent complaints from penetrating the decision-making structure of firms. These barriers, which exist today for complaints departments in business, will have to be overcome if a consumer communications department is to succeed in public administrations.

Increased communications are important for the organization, not only to satisfy the customers in the short term by making them better informed or by handling their complaints, but also to receive accurate data to solve various problems, thus satisfying customers in the long term by removing the source of the concern (Davidow, 1995). Much litigation and monitoring could be prevented if more organizations sought out and acted on consumer communications. Most organizations look on increased communications from the customer as a bad sign, however, a signal that the organization is doing something wrong (Fornell and Westbrook, 1984). It must be stressed that the organization is *not* creating more problems by increasing communications with customers, but simply encouraging more customers who currently *have* a problem or concern to communicate with the organization. While most companies would agree that listening to the organization is important, they often do not provide the customers with the proper forum for doing so. When management fails to understand customer desires, a chain of mistakes is likely to follow: the wrong service standards, the wrong training, the wrong types of performance measures, the wrong type of advertising, and so forth. It is tough enough to satisfy customer desires without the added burden of not really knowing what desires to satisfy (Berry et al., 1989).

Essential to the solution of the consumer's problem is a determination of what the real causes of the problem are (Lewis, 1983). It should reflect a close integration of all communication processing into the decision-making structure of the organization. The consumer communications management department should be encouraged to provide input into all services, make operational or logistical decisions, and should also be given the appropriate authority and status to settle interdepartmental differences among the firm's functional areas that bear upon customer satisfaction (Fornell and Westbrook, 1979). Consumer communications management helps to identify ways to do for customers something that is not currently being done. Consumers' perceptions impact on service image, responsiveness, and loyalty, as well as the organization's reputation and long-term viability. Consumer communications management, through interactive communication with the customers, should reveal how customers feel about the organization's services, how the services compare with those of the competition (from the customer's point of view), and what needs to be improved on in the future (Davidow, 1995). Once gathered, this information must be disseminated throughout the organization.

An organization's best interest is therefore to solicit and maximize customer communications and to respond well to them (TARP, 1986; Fornell and Wernerfelt, 1987). The communication process should be made less prohibitive in terms of time, money, and effort to customers. If the process were easier for the customer, more communications would be received (Morris, 1988). This would help eliminate the ''hassle factor.'' Another aspect of this relationship is one of consumer involvement. By encouraging consumer communications, the organization implicitly encourages customer involvement in the organization, leading to increased customer loyalty. In government, an involved citizenry is a loyal citizenry.

Ideally, the communications management department should be a stand-alone department reporting directly to the CEO and on equal footing with other departments (administration, service, logistics, etc.). Consumer communications management may be viewed as an ''outsider'' by the service and operations side of the administration, however which thus inhibits the flow of information by the creation of an ''us versus them'' feeling (Landon, 1979). A consumer communications management system should be viewed as part of the public policy process, not as an outsider. Information should flow as if consumer communications were a part of the total organization database (Resnik et al., 1977).

Given the existing barriers to information flow in an organization (Fornell and Westbrook, 1984; Gilly et al., 1991), what can be done to overcome them? Landon (1979) suggests that an internal liaison function with other groups in the firm is critical. Fornell and Westbrook (1979) propose a close integration of consumer communication processing into the decision-making structure of the organization. Gilly et al. (1991) suggest determining the characteristics of employees likely to have contacts that cut across professional groupings, and using them to select possible employees for complaint management in order to encourage cross-functional contacts. Another way of increasing information dissemination would be to have all employees rotate annually through the consumer communications management department. This would allow interaction between the regular communications handlers and the rest of the organization, as well as open up important channels of communication. Employees would spend one to three months a year working in consumer communications management in close contact with the customers. This cross-training would facilitate their understanding of the importance of their job for customer satisfaction and for the organization's success, as well as giving them a better understanding of the issues at stake in consumer communications management. Their insights would help develop an organization culture that is customer-focused, and stimulate in them a better feel for the complete picture. Cross-training has traditionally been considered in a job-related context. If we define an employee's job as customer satisfaction, it continues to make sense. This would have the added advantage of increasing an administration's responsiveness and accountability.

Perhaps the biggest problem is created by organizations that have implemented only parts of the whole consumer communications department. By not expanding the responsibilities and duties of the department, they miss major opportunities for cost reduction and synergy. Separately, these functions are individually staffed; together, one person can fill more than one function. A person trained in communications handling must have the same in-depth knowledge of the organization as someone in defections management or problem impact management. They share the same concerns and have the same focus, but the real synergy is in the generation and dissemination of consumer knowledge throughout the organization. Previously, each function could only look at and analyze its small slice of the pie. Consumer communications management allows a complete look at the pie, with no overlap and no missed slices. Most public administrations have a complaints-handling department. By only focusing on the micro-elements and dealing reactively with problems, however, public administrations miss out on the extra value added of the proactive elements of consumer communications management.

Consumer expectations of organizational response are based on past experience, communication from the organization to the consumer (Gilly, 1987), and word of mouth (TARP, 1986). Dissatisfaction and the probability that a complaint will be resolved also exert an influence on consumer communications behavior (Kolodinsky, 1992). Consumer communication is critical for both parties. While consumer communication to the organization is critical to the consumer's satisfaction, the organization also stands to lose a great deal if the consumer doesn't communicate. The consumer can only get the desired result by contacting the organization, thus achieving satisfaction. Not contacting the organization, or not getting the desired result, causes dissatisfaction, with the ensuing decrease in consumer loyalty. This is manifested by exit or neglect (Lyons and Lowery, 1989). Citizens who are greatly dissatisfied with the municipal handling of their personal issues may very well leave that municipality in favor of another, thus reducing the level of assets and support from the community. In addition, consumer communications can be valuable to an organization by providing insight into problems and acting as an early warning system for performance problems (Diener, 1977). They provide the means necessary to determine the organization's relative weaknesses and strengths, and help the organization focus on its goals and optimize its resources, therefore not only is it in the citizen's interest to communicate with government, it is also (and perhaps more importantly) critical for government to encourage citizen feedback and communication. Implications for public administration would be increased loyalty to the administration, as well as the power of word-of-mouth communications.

By taking the time to communicate, the consumer is demonstrating his or her need to be heard (Resnik et al., 1977), while from the managerial perspective communications are feedback from the marketplace, furnishing important infor-

mation about the level of consumer concerns and dissatisfaction. This communication not only affords the organization an opportunity to deal with the consumer's concerns or reduce dissatisfaction, it offers valuable information to decision makers (Resnik et al., 1977). Consumer communications behavior and organizational communications management are interactive processes, each dependent on the other. The two together allow us to take an interdisciplinary approach to handling public administration issues.

Here lies the power of consumer communications management—in its ability to show and analyze the whole picture in an organizationally unique manner. The department can relate the environment (customers, competitors, and structure) to the internal resources and processes of the organization and give a detailed analysis. This ability to funnel organizational strengths to environmental opportunities and to help protect organizational weaknesses from environmental threats makes consumer communications management a unique resource, yet the key advantage of communications management is not in possessing all the functions but in implementing the knowledge gained. The top research priority of the last decade has been improving the utilization of market information according to the Marketing Science Institute (Menon and Varadarajan, 1992). Again, the advantage is not in having all the functions or the information, but in applying that information to business objectives (Hopper, 1990). Only by creatively using and leveraging the knowledge gained from consumer communications management carefully to manage the interdepartmental linkages can a public administration hope to achieve a competitive advantage from this resource (Porter and Millar, 1985). It is to be hoped that the framework presented here will facilitate breaking down the barriers and assist in disseminating crucial information throughout the organization. The goal is to utilize this resource fully to bring about better efficiency, effectiveness, and economy in government (internal) as well as to satisfy the needs of the people (external).

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Toward Comprehensive Reform of Israel's Education System
Four Major Target Areas

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INTRODUCTION

When debating the role of education in a society's development, some argue that education spearheads progress, while others argue that education follows in its wake. Irrespective of which argument is correct, there is little doubt that teaching and education are crucial for the determination of a society's character and culture. Although the salience of education depends upon values promoted by the state, it also influences those values.

Historically, societies have generally attached high prestige to the profession of teaching and to its practitioners. Nevertheless, numerous factors, such as variations in the rate of development, political regime, and social attributes, have influenced the degree of the status awarded. In the wake of World War II, marked attempts were made to radically modify or reform education systems. Nations rich in natural resources realized that human resources were indispensable to the exploitation of that inherent wealth. Accelerated national rehabilitation and development programs, including investment in individual capacities, came to be perceived as paramount policy objectives.

Several attempts to further human resource development are worthy of note. The ILO position paper *Lifelong Learning in the Twenty-First Century*: *The Changing Roles of Educational Personnel* (www.ilo.org/public/english/dialogue/sector/techmeet/jmep2000/jmepr1.htm) offers a new conceptualization of the issue. On a more practical level, we should mention the reform in teacher employment terms introduced by the United Kingdom in 1998 and 1999 (www.dfee.gov.uk/teachingreforms, 1999).

Creative responses are required when formulating a national educational strategy and allocating the requisite resources. The plethora of performance-oriented research, study teams, and public commissions occupied in rethinking national priorities and translating them into either incremental changes or comprehensive reforms bears witness to education's high place on the public agenda. In Israel, such a process is awaiting proper incorporation within the nation's education policy formation institutions.

From another perspective, various countries have exerted sustained efforts in recent years in an attempt to alter the terms of employment offered to their educators. This trend is grounded in intensification of the link between teacher contributions in the classroom and level of compensation received. International organizations, particularly the ILO and UNESCO, are actively cooperating to promote such change. Their cooperation is expressed in the permanent forum established for data collection on education systems worldwide as well as the reform recommendations the forum has published.

It is worth noting that in contemporary society, teaching as an occupation is characterized by a vicious cycle of minimal professionalization, limited and short career paths, poor salary, few mandatory hours in the classroom, low social status, and high levels of burnout. Although this syndrome typifies the public service sector, there is little doubt that the severity of its consequences for teaching is unique given the scope of demands and indispensability of education in the modern era.

Also to be considered is the size of the teaching population relative to the staff active in other public-sector professions. The very large number of teaching personnel guarantees that any increase in salary, marginal as it may be, will impose tremendous costs on the economy. This is the source of intense pressures exerted on education systems to restrain budgets, especially in societies indifferent to a declining quality of public education. Demands to cut costs have thus introduced varied forms of compensation, especially reduced hours of frontal teaching and overly generous vacations. The process has induced further decline in teacher quality (Klinov, 1993) at the same time that it has contributed to the now-familiar transformation of the education system into an institution marked by low appeal, teacher dissatisfaction, absenteeism (see the next section), burnout, early retirement, and unprofessional behavior. It has also created obstacles to fair compensation of outstanding teachers and of those who fill special functions.

Although this phenomenon is international in character (UNESCO, 1997), numerous comparative studies indicate that conditions in Israel are inferior to more developed countries as well as to countries at similar levels of development (Klinov, 1993; Kramer, 1992). Israel has seen very few serious attempts to introduce meaningful changes in the terms of employment offered to government employees in general and teachers in particular. Two committees should be mentioned in this regard: the Zusman committee (1989), which examined the wage system operating in the public administration, and the Etzioni committee (Ministry of Education, 1979), which inquired into the status of the teaching profession. Although the committees' recommendations were formally accepted, implementation has been fragmentary.

This chapter is based on the authors' direct involvement in the following four areas:

1. *Teacher absenteeism*—This negative trend has been institutionalized throughout the system. We examine the scope of absenteeism, its distribution, and the professional characteristics related to high rates of absenteeism.

2. *An ethical code for the profession*—A code of ethics is one of the main goals of professionalization. Israel's Teachers' Union has initiated the formulation of such a code, whose progress we review.

3. *Reciprocity among partners*: *legislation or agreement*?—Institutionalization of alternative arrangements regarding the status of the partners in the education system are presented and discussed.

4. *Career paths and compensation by task*, *performance*, *and merit*— The reform proposal presented to the Association of Secondary School Teachers by the authors is summarized. The proposal represents a major part of the reform program adopted by Israel's minister of education in the summer of 2000.

Despite the divergent subjects discussed in the chapter, a common thread runs throughout, particularly with respect to the following seven points:

1. *An interdisciplinary systemic approach*. This is necessary because the education system is influenced by—as well as influences—most spheres of contemporary life. According to the New Public Management trend, the study of public systems requires research methodologies and tools borrowed from many disciplines, especially sociology and the behavioral sciences, political science, and economics (Kettl and Milward, 1996: vi).

2. *Comparative analysis*. Comparative analysis makes an issue more meaningful. The nature of the issue's components determines the choice of either or both of two analytic modes: comparison of similar events that have taken place along a temporal dimension in one location

or country (i.e., time-series data); and comparison of identical events transpiring in different countries. Interestingly, such analyses have revealed that the majority of countries are preoccupied with identical or similar issues, depending on their level of development. Nonetheless, despite the relatively daring steps toward reform that have been taken in the developed world, Israel remains modest in its accomplishments in the field of education.

3. *Interaction among partners*. Partnership in public administration, notably in education, has become a major issue occupying scholars in Israel and abroad. This process and the relevant tools receive special attention in our research. The present chapter dwells on the major partners: central government; local government; teachers, principals, and various professional associations; parents and their organizations; and, naturally, pupils and their representatives.

4. *Cost-benefit analysis*. To guarantee effective operation of any institution, systematic follow-up mechanisms are required. In the area of education, these mechanisms should be applied to a range of criteria: social, cultural, economic, normative, and ethical. Cost-reduction considerations, for example, should be weighed against possible negative impacts on quality, which are often latent and difficult to measure.

5. *Built-in control and assessment mechanisms*. These mechanisms are meant to minimize the accumulation of departures and errors on the one hand, and to maximize the impacts of corrective mechanisms on the other. To facilitate making informed decisions about future policy and programs, investment in control and assessment, as preventive measures, should be preferred to post facto corrective measures.

6. *Magnitude of the education workforce*. As one of the largest segments in the nation's workforce, the size of the teaching population has a tremendous impact on such issues as the government budget, employment, wages, and the industrial relations system. For some reason, assessment of performance in the teaching profession has been neglected in Israel. To illustrate, a code of ethics to guide teachers has yet to be formulated.

7. *Long-term strategy*. Contemporary study of society and politics places strategic planning high on the research agenda. It is therefore incumbent upon us to assess what has been learned from past research when elaborating future modes of operation. Long-term strategy for education is therefore a major focus of our study.

These seven points are congruent with the six changes in public administration raised in the first section.

In concluding these introductory remarks, we wish to emphasize that the

higher the level of socioeconomic and political-cultural development, the greater the number of common issues found salient in education systems internationally. It appears that the ''global village'' has universalized what were once local events. This process provides the setting in which we can employ conclusions from comparative analysis of research findings as input for long-term policy formation. Accordingly, we consider it appropriate to argue that intensive international cooperation in this area is vital not only for the progress of research but also for the proper functioning of the public administration. Accepting this position does not diminish the import or impact of sociocultural variables (Hofstede, 1980).

TEACHER ABSENTEEISM: INSTITUTIONALIZATION OF A NEGATIVE TREND

One of human resource management's major concerns is absenteeism, judging from the frequent surveys of the phenomenon published in academic and professional literature. Absenteeism more than interferes with task continuity; it also damages social and moral fabrics. To better understand absenteeism, which is especially detrimental in educational contexts, a systemic approach is needed.

The ethical values of teachers themselves are among the salient factors affecting absenteeism; therefore, an ethical code attuned to the needs of the teaching profession is indispensable for grappling with the phenomenon. Absenteeism is also extremely meaningful for the maintenance of reciprocity among the relevant partners in the educational system. More directly observable, however, is the linkage between teacher absenteeism and incentives; that is, between performance and compensation. Clearly, a differential compensation policy should be adopted.

Despite the size of the affected population and the volume of statistical data collected, few in-depth studies of teacher absenteeism have been conducted in Israel. It therefore appears appropriate to report herein an extensive study on absenteeism in Israel (Globerson and Rivin-Abbeles, 1995) initiated by the chief scientist of Israel's Ministry of Education and Culture and conducted during the period from 1991 to 1993.

Absenteeism is usually conceptualized as belonging to one of two analytic levels: as an organizational characteristic or as a personality characteristic. Here we have chosen to focus primarily on the characteristics of the absentees. Absenteeism is quite high among Israel's teachers. Its rate has often been attributed to the level of women's participation in the education workforce, which has risen rapidly in recent years, and with the associated expansion of part-time jobs. Many women indeed view part-time employment as preferable because it enables them to cope with the conflicts of home and work (Katz and Peres, 1984).

Teaching is popularly perceived as part-time work in spite of the fact that teachers supplement classroom hours with many hours spent at home devoted to

the preparation of lesson plans, review of homework assignments, test grading, and so forth. One outcome of this perception is the common yet mistaken claim that teaching demands a relatively small investment of human resources; hence, lower wages appear warranted (Yizraeli et al., 1988). Another outcome is burnout. Numerous studies have documented teachers' experiences of burnout (Antman and Shirom, 1987) and its effect on absenteeism (Steers and Rhodes, 1978) and stress (Brownell, 1997).

Absenteeism Among Israel's Teachers

In the study reported here, a sample considerably larger (20%) than that generally used in studies on teacher absenteeism was employed. This enabled concentration on relatively small subgroups. The data, gathered during seven time intervals, were based on responses obtained from about 10,000 teachers from all levels and subject areas; of these, about 9,000 were employed in a single school (83% women and 17% men).

For the purposes of the study, two categories of absence were defined: ''no absences during the previous month'' and ''at least one absence during the previous month.'' Additional data were gathered on the following variables: number of absences per monthly, average length of absence, frequency of absence, hours absent, rate of absence (ratio of total number of reported hours absent to number of scheduled hours), and preferred day of absence (per indicated reason).

Scope and Nature of Absenteeism Among Israel's Teachers

Teacher absenteeism displays several characteristics, including the following:

1. *Percentage of absent teachers*: 29.86–42.9% of the teachers in the sample were absent at each of the seven time intervals surveyed.
2. *Rate of absence*: Out of the 705,000 to 830,000 monthly scheduled class hours sampled, between 47,000 and 64,100 hours, representing 6–9% of total scheduled hours per month, were lost to absenteeism.
3. *Reasons for absence*:
   a. 15–27% of the teachers indicated ''sick leave with medical authorization.''
   b. 5–7% indicated ''self-authorized days of sick leave.''
   c. 3–7% indicated ''parenting.''
   d. 4.8–5.9% indicated the global category of ''unpaid leave.''
4. *Frequency of absence*: Among all absentees in the sample, one-third was absent at least twice a month, two-thirds were absent once a month.
5. *Duration of absence*: Duration of absence ranged on average from 15 to 17 working hours scheduled per month. More specifically, the

average duration of absence ranged from 5 to 7 hours per month for the entire sample, or 3.5 days per month per absentee teacher versus 1.5 days per month per average teacher.

6. *Workdays absent*: About 600,000 workdays (or 2 million working hours) were estimated as lost annually to absenteeism.

7. *Frequency of absence*: Among absentee teachers, the interval between one absence and the next ranged from 11.6 to 14.4 days; stated otherwise, absentee teachers were absent an estimated one day every two weeks or one to three days per month (based on an average absence of 3.5 days per month for the entire sample).

8. *Preferred day of absence*:
    a. Short, one-day absences represented 62.6–64.8% of all absences at each of the seven time intervals surveyed. About 20% of these absences began on Thursday, implying that these absences represent an extension of the weekend for some teachers.
    b. Two-day absences represent 10–14% of all absences. The days preferred appear to be toward the end of the week, with a (weaker) tendency toward absences at the beginning of the week. Here as well, absenteeism may represent an extension of the weekend.
    c. Relatively long absences of at least three days represent about 20% of all absences. These are usually related to illness or maternity leave, and are authorized by a physician.
    d. Short physician-authorized absences tend to last one or two days. Such absences occurred mainly on Wednesday and Thursday at five of the seven time intervals surveyed. This type of absence represents 50% of the one-day absences, and 58% of the two-day absences.
    e. Absences without specified cause and unpaid leave represent 14–15% of all one-day absences; a significant percentage occurred on Thursday.

9. *Absence by gender and family status*: At five of the seven time intervals examined, male teachers were absent more frequently than were female teachers, particularly for ''unpaid leave'' (especially among bachelors) and ''sick days'' (an absence that does not require a physician's authorization).

10. *Absence by age*: Older teachers were absent less frequently than were younger teachers.

11. *Absence by wage level*: The lower the teacher's wage, the higher the teacher's absence rate.

12. *Absence by scope of employment*: The more limited the scope of employment, the higher the rate of absence.

13. *Absence by seniority*: Increasing seniority was associated with declining rates of absence.

14. *Absence by rank and function*: The rate of absence was greater in the two extreme categories (high and low) than in the intermediate category.

15. *Absence by school and class size*: The larger the school and the class, the higher the rate of teacher absence.

Approaches to Minimizing the Scope and Cost of Absenteeism

One of the study's major findings is the identification of a ''normative'' pattern of absenteeism, observed at various times and among different groups of teachers. It appears that the longer authorities abstain from intervening, the more teachers perceive absenteeism to be an inherent feature of teaching, anticipated and tolerated by the system. Alternatively, some teachers may perceive their absenteeism as indirect compensation for the poor intrinsic and extrinsic rewards attached to the profession.

The right to exploit each type of absence is anchored in most collective agreements and public service regulations. Support for this contention is found in the number of replacement teachers (about 6,000) and hours (about 40,000 hours per month) allocated in anticipation of absenteeism. Although planning for unanticipated temporary replacement of absent teachers is obligatory for continuity, institutionalized use of replacements at such a scale indicates normative acceptance of this behavior.

The costs of teacher absenteeism, direct and short-term as well as indirect and long-term, manifest themselves in at least three areas:

1. *Economic costs*, usually direct and short-term, incurred by individual schools and the entire education system

2. *Parents' costs*, in terms of the considerable wages and income lost by parents required to stay home to care for their children

3. *Pupils' education costs*, which are incurred when educational continuity is interrupted, the effects of which often spill over from one subject area to another, and which are also expressed in impaired study habits and loss of discipline

Although measures for reducing absenteeism are obviously indispensable for proper functioning of the school, the education system, and partners relationships, we cannot expect to eliminate teacher absenteeism entirely. Methods are available, however, that can minimize its scope. The following are some salient steps worthy of consideration:

1. A return to strategic thinking and policies that reject absenteeism, a step requiring radical revision of overly tolerant standards.

2. Institutionalization of revised regulations and record management. These should contain built-in mechanisms for control and instruments for verifying information.
3. Considering the huge amount of raw data collected on teacher absenteeism and the technical means now available for their analysis, carefully formulated policies and procedures for data collection and analysis are required with respect to:
   a. Individual absenteeism and its causes, for each teacher over time.
   b. Institutional absenteeism by education sector and school.
   c. Geographic absenteeism by district and region.
   d. Seasonal absenteeism.
   e. Absenteeism by category and cause.
4. The findings from comparing verified global data and individual self-reports are to be published periodically.
5. Development and application of comparative, periodic control systems at the national, district, and school level.
6. Given that about half the absentee hours are due to illness, whether authorized by a physician (32–44%) or as sick days (3.5–6.5%), additional analysis of the illness-related absenteeism is required, whether from the perspective of professional illness or preventive medicine.
7. Considering the relationship between incentives and absenteeism, it appears that norms regarding absenteeism have more or less stabilized. Since the 1970s, the dominant trend in human resource management has been the introduction of positive incentives to reduce absenteeism (Baum and Youngblood, 1975). Such incentives must be a built-in part of the organizational culture and ongoing events. In addition, greater involvement by the different partners when establishing the system will motivate teachers to abide by its rules (Glaser, 1976; Globerson and Globerson, 1995).
8. A survey of contracts negotiated with U.S. teachers in recent years reveals that numerous reward systems, whether entitled ''bonus attendance'' or ''perfect attendance,'' have been introduced (www.aft.org/research/models/contracts/teacher/altwrtch.htm). Although Israel's public administration has an incentive system in place, it seems that this system is ineffective in reducing current absenteeism (probably because major rewards are delayed until retirement). A proper incentive system frequently does reduce absenteeism. Findings from an experiment conducted in the state of New York are enlightening. Prior to the experiment, the absence rate in the test district was 7.24 days per annum (Jacobson, 1989a, b; 1991). Due to an experimental treatment that involved giving a special bonus to every teacher absent fewer than seven days, absenteeism fell to an average of 5.9 days per

annum. Importantly, the number of teachers never absent rose from 8–34% (at least during the course of the experiment).

9. Because the majority (75%) of unscheduled absences are short (lasting one to two days), attempts to institutionalize practical responses should be made. These can include regional and/or school reservoirs of replacements, as well as progressive incentive programs aimed at potential absentees with respect to advance notification of absence.

10. Given the impacts on absenteeism of organizational and pedagogical changes, additional teaching hours, enrichment programs, or a new principal, these processes should be closely followed.

11. School principals should be given broader authority to select their responses to absenteeism, such as when to initiate incentive or reward systems, in accordance with the national educational policy.

12. The issue of teacher replacements requires independent analysis. The number of replacements employed tends to be constant, as opposed to the hours absent, which are widely distributed. The magnitude of the recourse to replacements warrants evaluation of the quality of the ensuing pedagogic-educational contributions, such as whether replacements can meet the system's diverse needs (they apparently do not) and the possible availability of alternative mechanisms (e.g., taking advantage of underutilized teaching potential found among pupils, academic staff, retired teachers, and parents with the relevant experience).

13. Also worthy of investigation is the relationship between pupil and teacher absenteeism; school physical infrastructure and absenteeism; teacher (and pupil) absenteeism and class size; subject area and absenteeism; teacher education and absenteeism; absenteeism and organizational culture; and absenteeism and teacher satisfaction with his profession and his school.

The high economic and educational costs incurred by teacher absenteeism demand that the subject be viewed on dual levels, as pedagogic issues to be dealt with by module and as global issues requiring systemic interventions. The latter issues—a code of ethics for the teaching profession, reciprocity among the partners in the educational system, and teacher compensation according to task and performance—will be discussed in the following sections.

AN ETHICAL CODE FOR THE TEACHING PROFESSION

In 1995, the Association for the Advancement of Teaching and Education in Israel formed a study group for the purpose of devising an ethical code for the teaching profession. Members of the group's steering committee included senior

academic scholars, leaders of the professional unions, and officials from various educational institutions. Among its many activities, the team conducted discussions and workshops, interviews, and public opinion surveys.

The study group presented three working papers prepared by three of its scholars, as well as initiated meetings with members of the teaching profession from several schools and teacher-training institutions. Meetings would open with a short introductory lecture followed by a discussion, with teacher participation, on the main issues and alternative approaches to formulating codes of ethics. (See Paldi, 1997, for a brief selection of the suggestions raised.) The position papers provided the foundations for the code of ethics drafted in 1998. That code was later used as the starting point for lively brainstorming sessions held on the subject in about 500 schools throughout the country.

In this section, we discuss several strategic issues touching upon the need for a code of ethics, its formulation, and implementation.

The Need for a Code of Ethics

A common thread running through the codes of ethics adopted in democratic countries is the voluntary character of allegiance to the code's tenets. This aspect differentiates a code of ethics from rules, which tend to be laid down in agreements signed by both employer and employee representatives. A code of ethics is broader in scope. It represents a collection of norms and behaviors adhered to by members of a specific profession. Such a code defines behavioral boundaries, status, responsibilities, and authority. They provide guidelines for decision making. It also protects recipients of professional services from ''unethical conduct.'' At the heart of a code of ethics rest definitions of those reciprocities that link professionals to their colleagues, community, environment, and clients. (For an interesting example of how professional–client relationships can be worded, see Jimshy, 1997, *Drafting a Code of Ethics for the Community Police in Israel*.)

The acceptance and application of a code of ethics contribute to a profession's prestige. Because a code defines limits and enumerate injunctions, professionals can be penalized when their behavior does not meet the standards set (Lebacquz, 1985; Sabar, 1994; Sockett, 1990, 1993; Starratt, 1994; Strike and Soltis, 1992). In addition, a code of ethics can support organizations experiencing an identity crisis. (See for example the decision made by Israel's Kibbutz Movement, www.kba.org.il.) Teaching is certainly worthy of such a code.

Despite their different interests, the partners in Israel's education system have recommended adopting a code of ethics for the teaching profession.

> *The Ministry of Education*—While interested mainly in improving educational quality, curricula, and professional staff, the ministry has expressed interest in a code of ethics, a step supported by other ministries as well. The ministry is not, however, participating in formulating the

code because such a project is among the teaching profession's prerogatives.

The Knesset Education and Culture Committee—After expressing an interest in a code of ethics, this parliamentary committee requested that an outside expert express his opinion, based on extensive fieldwork, as to how practicing teachers can be involved in formulating and implementing such a code.

The Federation of Teachers—Motivated primarily by the need to improve the status and image of the teacher and the profession, the federation has initiated formulation of a code of ethics.

The Association of Secondary School Teachers (the second institutional representative of Israel's teachers)—Although driven by motives similar to those of the Federation of Teachers, the association prefers, for its own reasons, not to actively participate in preparing the code.

Partners—Other stakeholders (local government, pupils, and parents) have taken no part in formulating the code even though some of the code's articles relate directly to them.

Major Questions Raised During the Code's Formulation

Some of the strategic questions raised during formulation of the code are presented herein.

1. *A universal versus a specialized code of ethics*. One advantage of a universal code is its provision of a framework to be shared by all members of the profession. A universal code provides a common set of concepts, behavioral norms, assessment tools, and so forth.

    During meetings with educators in the field, it became preference for an ethical code having a universal character was discerned. Such a code would allow inclusion of articles applicable to the needs of specific sectors and schools without, however, detracting from the force of its fundamental principles.

2. *Eligibility to practice the teaching profession*. The range of opinions voiced can be summarized as two basic options.
    a. Given the profession's prestige, a code of ethics should deal directly with entry requirements. Demanding entry and practice criteria, it is assumed, guarantees the candidates' quality and improves the profession's standing. Almost every professional code of ethics reviewed contains some reference to eligibility; therefore it seems appropriate to enter qualifications for teachers, too. Supporters of this option have suggested methods for determining eligibility, including aptitude tests (skills and personality) and proba-

     tionary employment, as well as feedback and evaluation conducted throughout the teacher's career.

    b. The code should not allow teachers to determine entry requirements. This is an employer's prerogative, carried out in consultation with the relevant professional organizations. Furthermore, lifting requirements is expected to intensify the existing scarcity of teachers. With respect to those affected by the requirements, veteran teachers who cannot meet stringent entry requirements should be treated with leniency during a transition period.

3. *Types of teachers subject to a code of ethics.* During the fieldwork, questions were raised as to whether or not the code should also apply to special categories of teachers, such as computer programmers who also teach, personnel in teacher-training institutions; and temporary teachers. The most common position taken was that a code of ethics should apply to all educators, from entry until retirement, irrespective of their organizational affiliation or specific task. Every teacher will be asked to sign a statement indicating acceptance of the code and commitment to abide by its dictates.

4. *School autonomy.* In the course of the fieldwork, several examples were found of intervention by local political bodies (e.g., municipalities, local and regional councils) on school-related issues such as the appointment of pedagogic committees, pupil suspensions, and relations within the teaching staff and between teachers and parents. Full agreement was expressed regarding the need to relate to the issue within the code's framework as an aid to teachers combating irrelevant interventions. This issue is a clear example of the need for some sort of contract that could clarify issues such as the autonomy to be enjoyed by the school, its institutions, and its teachers, and thereby regulate reciprocities among the education system's partners.

5. *School and teacher involvement in the formulation of a code of ethics.* Numerous teachers voiced interest in being involved in the formulation of the code. Considering the size of Israel's teaching population, the following preliminary steps should be taken to guarantee the code's internalization:

    a. A package containing school-centered activities for teachers and principals should be distributed.

    b. Comments and feedback should be invited.

    c. A workshop on the code should be part of teacher training.

6. *Enforcement of the code.* Three basic views were expressed.

    a. *Elaboration of an oversight mechanism is unnecessary.* A code of ethics represents a set of voluntary professional principles, hence no external apparatus is required. Moreover, adequate teacher re-

view and assessment mechanisms are already available, primarily in employer hands. Teachers need not convert the code into an additional disciplinary tool.

b. *A school-based ethics committee should be convened*. Such a committee would review concrete acts and state its position regarding the ethical character of the behavior. Because the ethics committee would operate internally, among the educational staff itself committee decisions should be viewed as advisory and local in jurisdiction.

c. *A national ethics committee should be established*. Proper tools should ensure that teachers and educators as individuals do indeed abide by the code. The most widely held view stated that the committee should be organized under the umbrella of all teacher representative associations, and should include respected professionals from a range of pedagogic, administrative, and legal specializations.

The Association for the Advancement of Teaching and Education in Israel has taken the position that a mechanism is required to interpret the code: that is, examine the ethical problems and resolve the conflicts covered. This implies that implementation of a code of ethics cannot rest solely on self-discipline. Nonetheless, the association has recommended that during its preliminary stages, enforcement should not entail sanctions. Instead, the system should make do with clarification of ethical dilemmas and arbitration or mediation of conflicts.

The majority of professional associations in Israel (e.g., the Association of Engineers and Architects in Israel, the Israel Psychological Association, the Israel Medical Association, and the Israel Bar) have established compulsory forums and mechanisms for dealing with questionable behavior. It is therefore interesting to note that the present attorney general has recommended that a ''counsel for ethical affairs'' be appointed for every district (Arbel, 2000). For a detailed discussion of the normative, social, and enforcement issues associated with applying a code of ethics in Israel, we refer readers to Aloni (1995, 1997), Lyons (1990), Sabar-Ben Yehoshua and Gavton (1996), and Sabar-Ben Yehoshua and Hashahar-Francis (1999).

Toward Implementing a Code of Ethics in Israel

Worth stressing is the fact that professionalization of teaching is quite dependent on the adoption of a code of ethics freely initiated by the teachers themselves; intervention by any external body, including the Ministry of Education, would be counterproductive. It is essential that the code be backed by all professional associations (in the case of Israel, the two teacher representatives). Multiplication

and overrefinement of differential norms should be avoided, yet the code should also invite other sectors and individual schools to develop their own norms and unique behavioral standards. These can be viewed as special supplements as long as they do not undermine or contradict the main body of the code.

The strength of a code of ethics lies in the fact that the professionals concerned have independently chosen to accept it despite the restrictions it imposes; its weakness rests on the absence of a binding mechanism to deal with digressions. Without sanctions, the code may become ineffective, therefore we argue that creation of an ethics committee is, by itself, insufficient to guarantee individual obedience. The right to protest or petition the committee must be made available to everyone, teachers as well as clients—pupils or parents—who feel hurt by what they perceive as improper behavior. The ethics committee alone would decide on the appropriate channel for dissemination of its findings. In addition, a high-level central ethics committee authorized to impose sanctions (including suspension) should be set up.

When viewing the matter positively, we note that a code of ethics for the teaching profession could institutionalize reciprocities between partners by establishing a framework in which a discourse could be maintained and consensus created. This may encourage others in the public administration to develop their own codes. We also assume that sweeping adoption of a code will convert it into a meaningful declaration of faith, important for influencing the status and prestige of education professionals. In sum, a code of ethics is an indispensable stepping stone toward improving cooperation among the partners in the education system, as will be seen in the next section.

RECIPROCITIES AMONG PARTNERS: LEGISLATION OR AGREEMENT?

In recent years, two legislative proposals aimed at institutionalizing the status of the partners in the education system were brought before the Knesset (Israel's parliament). The first was entitled *Parents' Status in the Education System* (1997), the second, *The Pupils' Rights Law* (1999). Both were rejected. In the following, we dwell on the first initiative. We also present findings from a survey conducted among partners and parent committees (PC) concerning attitudes toward the proposal.

Regarding parents, the Knesset's Education Committee requested an expert opinion on their status in the system (Globerson, 1998). The main findings and recommendations are included here. In preparing their opinion, the authors reviewed policies adopted in other democratic countries. The associated field study covered forty-one schools, including interviews with principals and teachers, pupils' representatives, parents, and PCs. The schools were of different sizes, with

staffs ranging from twenty-three to 240 teachers, and pupils numbering from 120 to 2,400; they belonged to three different levels and were spread throughout the country.

Partner Reciprocities: Guiding Principles

Whereas a profession's code of ethics is an independent, voluntary initiative of teachers and educators, institutionalization of reciprocities between partners in the education system proceeds from dialogue and mutual understanding. In effect, the parties agree that some normative framework to guide their relationships is necessary since opinions may differ over the nature and substance of their shared activities.

The six principles adopted in the analysis of partner reciprocities in the education system were derived from two major sources: (1) the theory and practice of organizational behavior, and (2) the spirit pervading agreements and charters affirmed by Parent and Teacher Associations (PTAs) found in countries such as Canada, the United Kingdom, and the United States. These six principles deserve to be applied universally.

1. *A systems approach* is especially appropriate for an education system and the mode of school functioning. Systems are dynamic networks of interdependent elements, operating at various degrees of openness, and linked to achieve some goal. Tasks must be clearly defined because a system's quality depends on the balanced integration of its elements (Beardwell and Holden, 1997; Ben Yshai, 1996). In the education system, such coordination requires attention to the operative quality of the links between its subsystems on the regional–local and school levels and the reciprocities between the partners involved.

2. *Conflicts of interests* between partners are common and predictable events. Every group naturally tends to arrive at a set of values that suits its own interests yet may contradict the interests of other groups, a process recognized as legitimate. Because full agreement among all partners in the education system and in the school subsystem is illusory, the need for an agreed-upon mechanism to clarify and resolve conflicts arises.

3. *Organizational democracy*, also known as ''joint'' management, is a form of participative management accepted as a remedy for centralistic and authoritarian management. Cooperation and participation of partners in management of the education system is highly recommended.

4. *Division of labor and delineation of authority* are crucial to any organization. The more complex the organization and numerous the partners the more imperative is agreement on this issue. The reasons for agreement are twofold.

    a.   To determine the tasks of each officeholder and unit viewed as subsystems.

    b.   To institutionalize mutual and complementary obligations.

5. *Clear performance standards* are indispensable to system functioning. Standards make it possible to identify irregularities or deviations on the one hand, and to introduce improvements on the other. They likewise represent the surest devise available to minimize damage caused by authoritarianism, rigid control, and outside interests. At the same time, standards provide the basis for agreement and compliance, especially in public agencies.

6. *Built-in mechanisms for control and evaluation* prevent accumulation of errors. Organizations thus require permanent internal review and control processes operating in real time (Globerson and Globerson, 1995). These require, in turn, appropriate organizational structures and management tools as well as interpersonal relations supported by sustained dialogue among the partners.

These six principles can provide operational guidelines for relations maintained among the education system's partners.

The Major Partners

The education system's partners are involved in an ongoing network of close relationships that affect the level and quality of overall system operation. For the purpose of this analysis, the partners are classified into the following five major groups:

1. *The Ministry of Education*, as the main body mandated by the state to define the status and functions of the system's participants, contributes to enhancement of reciprocities among the partners. As part of the central government, diverse means and opportunities are available to a ministry desirous of promoting operative norms, dialogue, and cooperation.

2. *Local government education departments* usually maintain close ties with school principals and PCs. The nature of these relationships depends on the attributes and attitudes of its leadership. When the responsibilities and authority of the partners are muddled, tension is inevitable. Aggressive PCs, for example, tend to intervene more actively in a wider range of areas, including those traditionally outside their sway. The impression created is that many PCs are increasingly aggressive in response to growing empowerment and ties to local government. During individual interviews and group discussions, the majority of local education department heads in fact stated that PCs often exert

pressures regarding what they, the education professions, consider to be irrelevant subjects, thus while good relations between PCs and local government are important, standards are required to delineate each party's duties and authority. Parallel interdependencies and pressures exist between schools and local governments. Despite considerable effort to determine each partner's functions and authority, murkiness often remains in practice. This apparently contributes to the intensive intervention by local officials reported by many principals during the field study.

3. *Principals*, *teachers*, *and their professional associations* are responsible for educational outputs. These partners, who have been trained for years and certified in their respective specializations, often confront different perspectives and conflicts of interest in their interactions with other partners. Many conflicts originate in divergent pedagogic and professional approaches and a range of personal, group, and institutional interests. To illustrate, teacher associations represent and protect membership interests on the local and national level, especially vis-à-vis the other partners. As such, they often find themselves in conflicts over program implementation with other partners.

4. *Pupils* are usually viewed as the education system's ''clients.'' Application of this term to pupils frequently arouses ambivalence, however. In the not-too-distant past, pupils were not thought to be partners in the education process; therefore, they were not consulted. This was even true in institutions of higher learning. For example, in the past, universities never considered involving students in program design, teaching methods, and certainly not faculty assessment. Today, students are members of teaching committees in most institutions of higher learning, and pupils assess their teachers in many high schools. Participation and involvement driven by organizational and social democracy provide an effective ''workshop'' in which pupils can practice good citizenship, thus although the importance of such consultation and involvement in specific areas may be debated, few deny the inherent value of the process.

5. *Parents and PCs*. Parents place their children in the hands of teachers and educators. Because they are concerned that the best of care is provided by the school, numerous local and national parent committees in Israel also represent the interests of children with special needs (primarily disabled children). Also, inasmuch as parents and immediate family members represent perhaps the largest single interest group in a country, they may acquire considerable power. Active parental involvement is a fairly recent phenomenon, although parents have always had expectations and qualms about their children's education. In

the past, principals and teachers were awarded the respect of parents and the community alike due to the social status attached to their roles. This attitude prevented any meaningful expression of parents' views. As democratization spread and barriers protecting the education system crumbled, parents in enlightened democratic countries became sought-after, legitimate partners in the system. The growth in services and costs (despite compulsory education) likewise drove schools to rely on support from parents and their representatives. The introduction of some form of PC was one response to this situation.

Numerous models for parent-teacher relations can be found throughout the world. The partnership has been institutionalized at all levels, ranging from the local school to the city and region structures, as well as in legislation defining the status and authority of the committees. The majority of these arrangements have been created in an integrative context, covering all partners in the system. (A wealth of material on PCs can be found in the U.S. national association's site, www.PC.org.)

It appears that despite the criticism of excessive PC ''intervention,'' few would deny the natural right of parents to influence their children's lives and education. The main problem is therefore of demarcation. Where precisely do the limits of parental involvement lie? Being a parent does not endow an individual with a teacher's professional expertise. Parents and teachers have different skills, which are meant to complement rather than compete with one another.

Attitudes Towards Institutionalization of Partner Relationships

In an effort to clarify the Israeli context, special efforts were made to analyze the attitudes of partners, pupils, principals, and teachers regarding how to institutionalize their relationships. The following are summaries of the major findings:

1. *Parents*. Parents and PCs consistently expressed confidence in the value of good communication among partners. An analysis of the responses from 363 questionnaires (including twenty-seven personal interviews) completed by parents from forty-one schools indicates ample scope for study of this subject, which has far-reaching implications for the school's quality of life. Parents' willingness to contribute contains significant potential for such cooperation.
   a. In parental eyes, the school's contribution to the child is for the most part quite great, especially in terms of enabling internalization of social and moral values (82%), transferring knowledge (72%), imparting good work habits (69%), transmitting information (63%), and creating a cheerful learning environment (62%).

    b.   For most respondents (84%), parental communication with the school was considered quite good at all levels.

    c.   Interestingly, when teachers initiate meetings with parents, the parents are almost uniformly satisfied with the meeting. In contrast, when parents initiate meetings, only 76% are satisfied.

    d.   Although parent–school communication appears to be adequate, the majority of parents indicated the need for improvement in such areas as periodic meetings between teachers and parents (89%), monthly (written) progress reports prepared by teachers (79%), and periodic newsletters sent to parents by the principal (56%).

    e.   Parent committees deserve study on theoretical and practical levels. The majority of Israeli parents believe that local PCs are inconsequential—that they contribute little to their children (66%) or to the school (51%). Significantly, although only 3% of the parents stated that PCs were totally irrelevant, about 30% expressed significant willingness to actively participate.

    f.   Israel's Central Parents Committee has enthusiastically supported legislation aimed at institutionalizing its status within the education system; in contrast, local PCs saw no need for such legislation.

2.   *The National Pupils Council*. Israel's version of the National Pupils and Youth Council is a democratically elected body of fifty. The attitudes expressed by its members on feedback questionnaires and in discussions require special mention. In general, council members agree that principals, teachers, and parents ''do not fulfill their roles properly when it comes to their relations with pupil representatives.'' They believe that adults are still blind to pupils' energies and willingness to cooperate for the benefit of school quality of life and achievement. Their observation about the ''patronizing attitudes'' expressed by adults when working with pupils is important in this respect.

       The council also objects to legislation dealing with their rights. Among the reasons offered were: ''the proposal in general turns the clock back several years. The proposal empties pupil rights and norms of the spirit of cooperation, involvement, and responsibility, and reintroduces former feelings of alienation. Furthermore, the proposal violates the essentials of school autonomy.''

3.   *Principles and teachers*. School principals continue to be dominant personalities vis-à-vis teachers and pupils, parents, and their representatives. Generally speaking, the quality of school–parent relations depends on three central figures: the school principal, the teacher, and the PC chairman.

       One working hypothesis of the field study was that a high correlation would be found between the skills and attitudes expressed by these

three partners and the quality of their cooperation within the school. The attitudes of forty-one of the principals interviewed regarding some major issues are summarized here.

   a.   As a group, principals were quite satisfied with their school's PC (87%), which, they agreed, had significantly benefited the school (79%). Only 5% of the principals desired improvement in their relations with PC members, whereas the number of principals willing to do without their school's PC was negligible. While about one-third (37%) of the principals were convinced that the PC often interferes in pedagogic matters, only a small proportion of principals (13%) was willing to continue to tolerate such behavior. Principals readily admitted that while PCs provided considerable assistance to their schools, they themselves (the principals) gave rather unimpressive support to PC activities in return.

   b.   Institutionalization of communication (response time, programs, protocols, and implementation follow-up) between the PC and the school significantly affects the quality of partner relationships. Principals believe that the quality of communication between the school and the PC differs significantly from the quality of communication between a class and its PC.

   c.   Principals agree that many opportunities for improving communications among the partners could be found. Special efforts should be made in three areas: clear and binding definition of the status and authority of each partner, workshops for PC members, and teacher cooperation with parents.

Steps Toward Agreement Among the Partners

It should be stressed once more that all partners in the education system recognized the need for clear delineation of each partner's sphere of activity. The majority preferred that this goal be achieved—mainly through deliberation—and offered the following grounds for their reservations concerning legislation:

Legislation aimed at one of the partners requires recognition of the rights and obligations of other partners. Such stipulations would automatically enlarge the law's scope beyond what is reasonable.

Still, unknown groups may wish to join current partners in the future. It is therefore inappropriate to ''perpetuate'' partner members in law. For example, should proponents of new trends—be they principals, teachers, or parents—request autonomous representation, their freedom of organization and representation may be improperly limited by a targeted law.

All partners should be encouraged to independently define the tasks they wish to undertake, as well as the related responsibilities, authority, and

>   obligations toward other partners. This comment expresses their view
>   that this is the proper route to reaching agreement. Such a course may
>   encourage the partners to devise a code of ethics in the spirit of coopera-
>   tion. (See the previous section.)
>   In the more distant future, a mutual integrative foundation for legislation
>   may be constructed. In the meanwhile, experience has taught that agree-
>   ment based on deliberation is preferable to compulsory legislation.

The model of ''involvement-participation-identification'' has been reso-
lutely adopted by organizations rich in human resources, especially education
systems. Practice promotes participation, sustains involvement, and enhances
identification. As part of the trend to guarantee quality education in the United
Kingdom, a general teachers council was recently established for the purpose of
improving teachers status. This body's composition is enlightening: thirty-four
out of its sixty-four members are teachers; eleven are government appointees,
including the chairman and the assistant chairman; nine represent the teachers'
professional associations; and ten represent stakeholders, universities, and other
interest groups.

One aim of an agreement concerning partner reciprocities is to confer high
status and broad authority to participants in local social-educational projects.
Agreements enable involvement by groups and partners having special needs,
typically in neighborhood schools and in local government. Recognition of the
desirability of agreement over law does demand consideration of the following
contingencies, however.

>   The process will be long in either event. It will require patience and mutual
>   understanding of the partners' different, often conflicting interests.
>   The majority of partners have expressed reservations if not objections to
>   legislation. They prefer reaching an agreement, a process requiring ex-
>   tensive deliberation and compromise.
>   Agreements are more flexible than laws; they can therefore be adapted to
>   the special needs of divergent areas, aims, periods, and demands.
>   All partners should recognize the right to organize of parents of special
>   groups having unique and varying needs.

As part of the process of agreement among partners, it is recommended
that the following guidelines be adopted:

1.   Recognition of the special and legitimate interests of all partners.
2.   Clear definition of rights and obligations, especially partners' obliga-
     tions toward one another.
3.   Respect for the legitimate rights of all partners concerned.

4. Participation by all partners, including national and local government officials, in workshops and training sessions to enhance group cohesion, study, and internalization of principles discussed.
5. A Supreme National Council, with all partners and other relevant representatives of the public participating, will be established to officially approve the agreement. As a model for local councils, the National Council will draw up regulations governing its activities.
6. The local council is to reflect the attributes of the local population and education system. It would define its own methods of operation, which we can expect will differ from those of the National Council.

In the first section of this article, we referred to one of the major obstacles confronting the education system—teacher absenteeism. We then discussed the need for a code of ethics for the teaching profession and raised a number of arguments in favor of institutionalizing the reciprocities between the system's partners. In the next section, we will discuss factors related to the personal and professional development of teachers and how those factors are linked to individual performance and compensation.

CAREER PATHS AND COMPENSATION BY TASK, PERFORMANCE, AND MERIT

Early in 2000, Israel's Association of Secondary School Teachers announced a comprehensive reform program consisting of four parts: (1) career paths and compensation by task and performance, (2) structural changes in the teacher's work week, (3) reductions in class size, and (4) improvements in the school's physical infrastructure. The Ministry of Education has since embraced the program.

The first part of the reform program was based on research conducted by the authors of this article over a period of two years. This section summarizes the study's major findings and conclusions (Globerson and Ben Yshai, 1999).

The study had three primary aims.

1. To describe and classify all teacher duties as the starting point for improving human resource management as well as job design and suggested job hierarchy.
2. To determine clear-cut career paths conducive to personal, professional, and managerial development of the teaching staff.
3. To support career options and paths by linking advancement to certification, licensing, development and professional training, performance rating, and differential pay.

The research was conducted as follows:

> Formal and informal discussions were held with the association's leadership and Ministry of Education officials.
>
> A comprehensive survey of Israeli and international literature was performed with respect to job mapping, career paths, performance rating, and compensation.
>
> Eight brainstorming sessions were held, attended by 100 participants representing the full range of teaching staff and schools in the system. These sessions produced four major outputs: (1) about 110 jobs were classified (the teacher's essential jobs and auxiliary tasks); (2) about 70 job descriptions were completed; (3) career paths were charted; and (4) teacher preferences regarding forms of compensation were delineated.
>
> Five national conferences for union activists, attended by about 700 participants, were convened; 430 of the feedback questionnaires distributed at the conferences were subsequently analyzed.
>
> A mail questionnaire was also published in the association's journal to obtain additional feedback.

Teachers expressed the view that existing conditions regarding job definitions, professional training, certification, career paths, and compensation are the major stumbling blocks to improving the level of teaching and the teacher's status. They generally agreed that a breakthrough would come about only if added teacher contributions are accompanied by increasing rewards. Isolated improvements in promotion options and compensation have not only been ineffective in advancing teachers as a group: they have even widened the gap between teachers and other professionals whose wages are linked to those of teachers. Redesign of jobs and career paths, they continued, is likely to stimulate personal growth and development as well as reduce burnout. From another perspective, compensation by task and performance can encourage teacher effort at the same time that it enhances the system's perceived fairness. At present, the link between the two is blurry.

The attitudes and findings reported here significantly agree with findings from other studies conducted in Israel and elsewhere. Considerable similarity appears among the problems, attitudes, and solutions adopted worldwide and the directions to be taken in the Israeli case. (See especially relevant publications of the international forum established jointly by UNESCO and ILO.)

Integrating Eight "Autonomous" Modules

The recommendations presented here focus on eight autonomous though interrelated modules indispensable for the requisite reform. Although the modules are

to be perceived as components of one system, some can be implemented independently.

Job Descriptions and Job Classification. During the past thirty years, specialization has become the fundamental response to the escalating complexity of education and pupil needs. Instead of obligating teachers to acquire an expanded range of skills that would lengthen the training process, a series of discrete education and management functions—such as special education and curriculum development—were created. The majority of teachers taking on such responsibilities were often rewarded wage supplements (Ledford, 1995; Zingheim and Schuster, 1995). Staff quality consequently rose (Odden et al., 1995).

As part of this process, a new position was recently developed in Australia and the United Kingdom—*the advanced skills teacher.* Advanced skills teachers are required to take on professional tasks other than classroom teaching, such as counseling other teachers, preparing quality teaching materials, assisting teachers in solving problems, supervising apprentice teachers, and participating in projects with teachers from other schools. This position opened up a new career path for qualified teachers interested in remaining in the classroom. Teachers following this route are exempted from most administrative obligations (SOFWeb, 1997). In the state of Missouri, teachers' responsibilities expand with their progress up the career ladder, as do working hours and wages (Goeller, 1998). In Duvall, Missouri, teachers who take on special duties receive pay supplements (Mitchell, 1998).

Ram (1993) has commented that in Israel ''almost 50% of all teachers fulfill school-related tasks other than teaching.'' Such solutions, however, often create distortions. Eddy and Chen (Paldi, 1997) found that ''teachers working part time or receiving compensation in the form of additional duties were more satisfied with their schools than were teachers working full time and teachers who had no additional school-related responsibilities.'' The Etzioni committee (1979) had in fact recommended a redesign of the system of jobs and tasks as well as promotions (Ram, 1993).

Put briefly, the considerable variation in educational functions and specializations does not adequately reflect processes such as job categories, training, certification, and rewards. The gaps place serious difficulties before any education system attempting to encourage teachers to assume tasks it wishes to advance. (For an extensive discussion on job classification and its implications, see Goeller, 1998; Ledford, 1995; Mitchell, 1998; Odden et al., 1995; SOFWeb, 1997; Zingheim and Schuster, 1995.)

RECOMMENDATIONS. To remedy this situation, the following steps are proposed:

Job mapping and descriptions are required in terms of education, professional training, previous experience, skills, and certification.

New job development is needed to reflect the changing needs of the system as well as to broaden possibilities for personal growth.

Job ranking (functional and professional) is to be determined for each position to permit horizontal personal growth and advancement. These classifications can provide performance-rating criteria for differential pay (Ben Ysahi and Spector, 1988).

It is advisable to classify jobs into the following two main categories:

1. ''Essential jobs''—Functions that encompass the teacher's fundamental responsibilities as educator, homeroom teacher, assistant principal, and principal.

2. ''Auxiliary tasks''—Additional responsibilities that can be discharged by the teacher. Appropriate management of these tasks expands the circle of teachers who can participate in decision-making forums and exert influence, assuming that a rotation system is installed as well. The school thereby reaps the benefits of decentralization while it upgrades the performance capacities of a broad layer of its education staff. At the same time, this mechanism allows a teacher's other skills to be observed. Teachers likewise benefit from job enrichment and growth opportunities in addition to material rewards during the period in which they are assigned these tasks.

Essential jobs thus represent stations along career paths, whereas auxiliary tasks often represent prerequisites for promotion or are themselves stations along a career path.

Career Paths. In attempting to conceptualize how teacher demands are linked to system demands, the most appropriate approach appears to be integrative, with career paths presenting challenges shared by individuals and organizations (Fox, 1995). From this perspective, the organization is responsible for the creation of opportunities for promotion, whereas individuals are responsible for preparing themselves for senior or more professional positions. Obviously, this approach requires that the relevant information is available to both parties. (See the eighth module below.)

Various examples of this approach are available, such as teachers in Victoria, Australia, who are assigned to positions according to a three-level scale. The first level includes teacher trainees, novice teachers, and experienced teachers; on the senior levels we find the previously mentioned advanced skills teachers (SOFWeb, 1997). In the United States, the Carnegie Commission (Mertens and Yarger, 1988) has suggested instituting a four-level professional hierarchy, with the ''teacher–leader'' at its top. Although very few teachers reach the apex, the sheer availability of such a career path opens options for professional growth

and development as an educator without obligating the industrious teacher to abandon teaching in favor of administration.

Hart (1987) documents a successful experiment following this line of argument conducted in the state of Utah. Full cooperation between stakeholders and teachers is pinpointed by Hart as one reason for the experiment's success. Findings indicate that career ladders do contribute to school effectiveness, promote collegiality, and encourage teachers to sustain the impetus of professional development.

Given the network of jobs and career paths currently available in Israel, teachers wishing to devote their lives to teaching are denied any clear-cut or prescribed routes. In such circumstances, teachers interested in advancement are unable to unravel what is required of them and which criteria they should consider when reviewing anticipated rewards. The rewards for special effort or exceptional output remain undefined despite the Etzioni committee's conclusion, stated as early as 1979, that ''the absence of a promotion ladder causes frustration and apathy.... Therefore, one of the [ministry's] highest priorities is to design a professional advancement route open to teachers.'' Also recommended was establishment of a ''joint promotions committee,'' whose participants would include Ministry of Education and teacher representatives.

RECOMMENDATIONS. It is recommended that four parallel career paths—in place of the current single path—should be established: (1) teaching, (2) management, (3) training and supervision, and (4) administration. Each path should include relevant jobs and guidelines for mobility within and between the paths to opening numerous horizontal and vertical career mobility options.

To implement this strategy, the parties should take following actions:

Reach agreement on paths and their constituent jobs.
Link jobs in each career path with the rewards system.
Locate each job on a career path within a hierarchy of jobs and facilitate
   mobility between paths.

It should be stressed that institutional career paths require application of consistent standards throughout the job network operating in the schools. In contrast, variations between schools, coupled with the desire for autonomy, demand considerable flexibility. A balance can be achieved by separating essential jobs, the majority of which are amenable to standardization, from the localized auxiliary assignments, which are more flexible in character.

Professional Training, Development, and Growth. Professional training and continuing development, whether for renewal, updating, promotion, or acquisition of new skills and methodologies, are processes that accompany teachers throughout their careers (Decker, 1993; Fox, 1995). UNESCO and ILO (1997) stress that training and development are inherent needs of any education system,

just as they are for an individual teacher's personal growth. Together they contribute to transforming schools into learning organizations (Decker, 1993; Louis and King, 1993; Yogev, 1997).

Israel has recognized the importance of professional training and development for teachers: ''No individual will be appointed to a position unless he/she has acquired training at the requisite scope and level'' (Etzioni committee, 1979).

Since the early 1990s, Israel's concept of teachers' training has been significantly modified. These changes are expressed by professional training programs whose aims include ''improvement in the professional status and knowledge of the teaching staff'' (Schwartz, 1996). Despite its sophistication, however, planning and assessment of the system's outputs are still inadequate; witness the number of teachers who continue to find certain training courses limited in value.

RECOMMENDATIONS.   Ties among professional development, certification, and promotion should be gradually reinforced. Greater attention should be given to selecting programs and courses that will optimally qualify teachers to obtain training credits and reinforce links between organizational and individual needs.

Certification and Licensing.   Certification represents institutional recognition, based on predefined criteria, of the formally acquired expertise necessary for employment as a teacher in a specific position. In the United States, for example, these standards are determined by the National Board of Professional Teaching Standards, and are assumed to be independent of the (often competing) interests of employers and teacher associations. Alternatively, licensing refers to official authorization to practice a profession. Whereas certification is awarded by the profession, usually for life, a license is generally awarded by official authorities. Licenses must be renewed and can be revoked.

In Israel, certification is generally the prerogative of teacher-training institutions (which grant ''teaching certificates''). This certificate qualifies the holder to receive a license from the Ministry of Education. The Ministry of Education has decreed that the fourth year of study be devoted mainly to supervised field experience. The purpose of the program is to intensify professional experience and is a precondition for certification.

RECOMMENDATIONS.   Job entry and promotion should be made conditional upon the teacher's acquisition of the relevant certification. Job mobility would then be linked to certification once jobs and career paths are defined. This process would provide the foundations for standards determining knowledge, skills, and performance criteria. Introduction of evaluation and control mechanisms to guarantee the quality of teacher inputs (particularly knowledge), and to a considerable degree the quality of teacher outputs, is also advisable. In addition, certification as a condition for assuming major extra assignments should also be considered.

Although certification and licensing are essentially centralized processes, a degree of decentralization can be introduced with respect to revocation of li-

censes; that is, before a license can be revoked, the school's opinion would be taken into account. The cooperation of teacher associations, in the spirit of a professional code of ethics and partner agreement previously discussed, is especially meaningful for the process.

Performance Evaluation. Performance evaluation is a key instrument for controlling systemic and school goal achievement, as well as for motivating continued performance-oriented teaching. Proper application of differential reward systems, for institutional or individual purposes, also depends on the use of such evaluation mechanisms (Clifford, 1996; Goeller, 1998; Nevo, 1994; 1995; SOF-Web, 1997).

Many in Israel's education system supported teacher evaluation and its linkage to rewards (Shor, 1992). The concept also has detractors, however, who base their objections on the difficulty of selecting appropriate criteria and their weights. They likewise stress problems involving measurement of those qualitative outputs that do not easily lend themselves to quantification. Performance evaluation has nevertheless been applied in a few schools for several years, although it continues to be resisted by numerous teachers who (like other employees) view rating as a process meant to undermine their basic interests. Many do realize, however, that when rating tools are unavailable or not used, teachers are denied structured feedback regarding clearly defined goals and levels of attainment.

Most of the countries that have instituted differential pay systems also rate teacher performance. In the United States, the American Federation of Teachers has stressed the importance of providing incentive pay based on performance ratings as a major motivating factor (Clifford, 1996). This position has stimulated the introduction of a variety of rating instruments. For example, the state of Missouri has inaugurated a three-level career path. At each level the teacher's performance is rated according to special criteria. A different approach is applied in the United Kingdom in which participation in performance rating (which awards wage supplements by level of attainment) is voluntary. (For details see teaching reforms, www.dfee.gov.uk.)

One method especially worthy of attention is peer ratings. In Columbus, Ohio, members of a pool of veteran teachers function as counselors and evaluators; their ratings influence the duration of a teacher's employment. This method has several benefits. Being colleagues, the teacher–evaluators are perceived more as providers of support and sources of practical knowledge than as supervisors or school principals. Teacher–evaluators are freed from classroom teaching responsibilities for three years, a period that provides adequate time for renewal, "recharging one's batteries," as well as personal and professional growth (Bar-El, 1998). Another example is the application of an eleven-item instrument for rating such factors as leadership, continuing improvement and organizational

learning, personal commitment and growth, and community involvement. In addition to their other uses, the results serve as basic inputs for awarding an annual performance prize to a school (Moore, 1996).

RECOMMENDATIONS.   Irrespective of the specific evaluation tool used, the following must be considered prior to its implementation:

> The choice of an evaluation instrument has strategic significance beyond its technical considerations.
>
> Rating is not limited to measurement of performance and outputs; it is also a tool for observation of processes and programs in operation (Nevo, 1989).
>
> Irrespective of the intended use of evaluation results, decisions must be made whether or not to make them public, where, and by whom.
>
> To minimize arbitrary judgments, no one person should be solely responsible for carrying out the ratings.
>
> National-level evaluation should be coordinated with local needs by developing, for example, a permanent menu of tools while allowing the school to choose the preferred method or even add tools to meet its needs.
>
> Because performance rating is likely to arouse opposition, its benefits—such as helping teachers attain levels of performance commensurate with higher rewards—should be emphasized (Granit, 1991).

We may conclude that in addition to evaluation performed by the principal peer rating—whether conducted by in-house or external personnel—is most appropriate for teachers in the Israeli system.

Cumulative Performance Points (CPP).   Much has been said about the need to link teacher contributions to a system of rewards. A related issue concerns the policy to be adopted in situations in which a teacher is no longer directly eligible for rewards. For instance, consider the principal who acquires a regional supervisory post. Will he continue to receive rewards for the school administration previously performed? What about the teacher who, after years of filling a variety of posts and assuming many auxiliary tasks within the school, wants to ''lower gears.'' Will all these positions be credited toward his retirement income? Traditional hierarchical systems avoided such problems by instituting linear advancement. Accordingly, wages rose with each move up the ladder and the individual retired from the most senior post filled. The current expansion of job opportunities and career paths enables nonlinear progression throughout the system. This situation demands rewards for cumulative performance, a policy to be encouraged by the organization.

RECOMMENDATIONS.   To encourage teachers to discharge different tasks as well as to persist in their teaching careers, we recommend that a system be

devised in which teachers can accumulate ''points'' if they meet certain criteria (e.g., occupying positions that are difficult to fill, making special contributions to the school, achieving individual excellence). These points, which would be transferable from district to district, could be credited when determining the teacher's wages, eligibility for professional training, and pension rights in the wake of career changes or promotions. One significant outcome of such a method may be that teachers will be encouraged to continue responding to the system's needs. A credit point system could invite flexibility when determining teacher outputs. At the same time, it might reduce teacher sensitivity to extraneous pressures exerted on the eve of retirement.

Differential Pay. The majority of Israel's teachers are rewarded according to three criteria: job remuneration, education, and seniority. For special cases, targeted methods of remuneration have been devised. Teachers working in the periphery or in development towns generally receive wage supplements, income tax relief, and rent support. Still, Israel's education system continues to face difficulties in rewarding or encouraging personal and group excellence, including willingness to perform those jobs that are difficult to fill. Differential pay to outstanding teachers has been introduced to ''repair the sense of unfairness and deprivation felt by those teachers who invest great effort but do not receive suitable compensation'' (Ornstein, 1988, in Sholov-Barkan, 1991).

Israel is far from alone in using differential rewards for superior performance as either direct remuneration or a mechanism to heighten motivation. Education systems in the United States, the United Kingdom, and Australia have introduced a number of differential rewards keyed to specific needs (Kelly, 1996; Odden and Kelly, 1996; SOFTWeb, 1997), including the following:

Competency-based pay is awarded to teachers who acquire advanced skills that can be used for the school's benefit.

Contingency-based pay is awarded to encourage activities or behavior desired by the school.

Performance awards are contingent on output levels. To illustrate with an example taken from Israel, an annual bonus, distributed among the entire staff, is granted to a small number of schools that excel in the achievement of special goals.

Market-based remuneration (in response to supply and demand conditions) is given to teachers who occupy ''high-priority jobs'' or who are employed by several schools on the basis of changing local requirements.

Special student supplements are given to teachers who work in schools characterized by especially high dropout rates, pupils from low socioeconomic backgrounds, or pupils having special educational needs.

Efficiency awards are payments given for initiating cost reduction and savings in the school.

The majority of countries reviewed remunerate teachers for work experience (i.e., seniority pay), although there is a growing tendency to avoid doing so automatically. The United Kingdom, for example, has established a forum to review teacher performance. If performance is inadequate, a pay raise is denied. In such an event, teachers receive the support and trust needed to help them improve the results. The state of Missouri requires five years of (successful) experience in the public schools before a teacher is eligible for promotion.

RECOMMENDATIONS.   In light of the unattractive, noncompetitive wages paid to teachers in Israel and the increasing importance attached to quality education and human resource development, we find it incumbent to improve teacher reward mechanisms. We strongly advocate proceeding along the following avenues:

> *Job ranking*—Differential pay should be awarded the teacher on the basis of: modifications introduced in his job or according to the auxiliary tasks assumed, special competencies acquired beyond fundamental teaching skills, and participation in relevant professional training.
>
> *Performance rating*—Ratings should determine reward levels for successful ongoing performance as well as achievement of defined goals at individual, team, and school levels. We strongly advise rewarding teamwork to reinforce a team spirit.
>
> *Accumulation*—A cumulative point system should be introduced to keep track of tasks and other activities performed in response to school needs. Accumulated points can be translated into either one-time or accrued remuneration.

A central authority should determine eligibility and reward criteria that would be uniformly applied throughout the country. Responsibility for assigning auxiliary tasks to teachers must rest with the school, however, according to local needs and teachers' skills. The differential pay system should continue to take teachers' education and seniority into account, although to a lesser degree than at present. In this context, it would be appropriate to consider replacing the concept of ''seniority'' with ''professional experience.'' Teachers would then be required to prove ''reasonable fulfillment'' of job requirements as a condition for remuneration.

Centralized Information Site.   Teachers require information about positions and careers open to them, how qualified they may be for these jobs, and what prerequisites they must fill before submitting their candidacy. Schools in turn require relevant information about candidates. Establishing a centralized, comprehensive information site is one of the system's top priorities. At present, Israeli principals seeking candidates or teachers interested in changing jobs or schools discover that due to its disorganization, the information system available

does not meet their needs. Existing Internet sites contain a jumble of information, with some sites offering material on employment conditions, and others describing curriculum development programs, hence candidates are usually recruited on the basis of personal initiatives.

The situation is different in those countries in which ministries of education and teachers associations have established orderly sites on the Internet. These sites contain a wealth of up-to-date information on employment conditions, career paths, and positions available by date, region, and school. Information on job prerequisites, professional training courses, and certification is also obtainable.

RECOMMENDATIONS. It would be highly worthwhile to create a universally accessible information site listing job descriptions, career paths, professional training programs, licensing, and positions available. (Access to personal information would be limited to authorized bodies.) Each job description would contain information about its attributes, prerequisites, selection criteria, professional and organizational seniority, training and certification, wages, and other rewards. The site would thus provide information requisite to guide the teacher and the organization in ascertaining whether or not a teacher is suitable for a specific job. Such a mechanism could eventually create a framework for mapping all the system's jobs and mobility options.

CONCLUDING REMARKS: EDUCATION REFORM
IN THE CONTEXT OF PUBLIC ADMINISTRATION

Two different perspectives were merged in this chapter: improving human resource management in the education system and meeting the needs of individual teachers. Contemporary human resource management (Sparrow and Marchington, 1998) has nurtured this combination, which is grounded in the decision to improve organizational outputs and functioning. This decision itself rests on the perceived need to improve responses to consumer needs. In our case, those clients are primarily pupils and their parents. Because the education system's clients are highly dependent on the professional capacities of the service provider, we consider it appropriate to ask ''How does the service provider perceive his role in the provision of professional services to his clients?''

The willingness of the two teacher associations in Israel to harness themselves to enhancing professionalization represents a positive development, given traditional union activities. We may assume that if they persist in this position, the associations and other relevant partners will make progress in at least four areas.

Reduction of absenteeism to a level acceptable for Israel's public sector
Formulation of an agreement covering all the partners in the education
  system that will define basic norms and mutual expectations

Adoption of a code of ethics regarding teacher performance and behavior in the school as well as in relationships with other partners

Determination of career paths that will clarify demands and the associated rewards by level of teacher performance and individual achievement

These four areas of reform represent broader changes taking place in public administration in along at least two avenues.

1. The traditional legal approach (Rosenbloom, 1998), which views ''public administration as law in action'' (Shafritz and Hyde, 1997: 14). As mentioned in above, two laws have been initiated to moderate the relationship between the partners in Israel's education system. It is essential that a more collaborative approach be adopted in its place.

2. This section emphasizes performance-oriented institutional arrangements (see Lynn, 1998: 231), a reform to be adopted by all government agencies (Kettl and Milward, 1996).

Such a reform requires intense cooperation for the following reasons:

1. The education system, together with the interests and power of its partners, is very complex.

2. Promotion of education is a national value shared by central and local government, teachers and their representative associations, parents and pupils, and society as a whole;

3. Agreement exists regarding the need to enhance the status, professionalism, and professional training of teachers throughout their careers to reduce burnout, absenteeism, and turnover and to recruit new, highly qualified personnel.

4. Decentralization and diversification invite local initiatives, a situation that fosters improved event-oriented diagnosis of attributes and needs.

5. The education system can, within limits, stimulate desired processes in other institutions.

No meaningful reform can be undertaken without close cooperation among all parties concerned. To date, such cooperation has surfaced in Israel only in response to legislative proposals regarding the status of parents and pupils. (See above.) At the same time, the Association of Secondary School Teachers has delayed joining efforts to formulate a code of ethics for the profession (see above), while the Teachers' Federation has abstained from embracing any initiative to design a system of career paths and differential rewards. (See above.)

Implementation of comprehensive reform requires that the following conditions be met:

Maximum consensus is to be obtained among the partners concerning reform program realization and outputs.

A steering committee is to accept ongoing responsibility for the reform's implementation. In the absence of a guaranteed implementation mechanism, it is doubtful that the reform can be attempted unless participants agree to its urgency.

A control system to monitor the reform's progress must be implemented.

A balance must be created between reform program stages and target areas at the national, regional, local, and school levels.

Modularity (must be established gradual introduction of reform by activating one or more of its modules as dictated by methodological, strategic, and tactical considerations).

Financing must come from at least one of three sources: (1) currently available funds that can be shifted to other budget items, (2) savings flowing from efficiency measures, and (3) additional financing, whose normative justification rests with rising output.

It must be recognized that a transition period is required in order to internalize changes and minimize potential harm.

Reform of this type can increase the responsiveness of public bureaucracies to citizen concerns (Aucoin, 1995) and help overcome the mistrust that characterized the relationship between administrators and the public at the end of the twentieth century (Rainey, 1990).

The goals of reform are far-reaching; they demand considerable public openness in addition to institutional financial support. As one of the most vital of services, the education system requires sophisticated strategy and methods with built-in controls to secure development and prevent deviations from specified goals. The more comprehensive the reform, the more forward-looking, unconventional, and creative the required thinking. It is too early to ascertain the Israeli partners' willingness and inclination for radical reform. Recommendations for change are, in general, the Achilles' heel of many academic surveys. Nevertheless, the very existence of such a debate represents positive signs for potential change.

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16

Public Management and Governance
Emerging Trends and Potential
Future Directions

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INTRODUCTION

Crises and dilemmas in public administration? So what's new? As this book has made clear, public administration has never had an easy ride, being a practice-oriented subject in an academy that gives more honor to theory, and also an inherently multidisciplinary subject in a world dominated by aggressive disciplinary purists.

Consequently, this final chapter of the book does not seek to give a definitive answer to the question ''What's new?'' but it does look at some key emerging areas within public administration, as evidenced by previous chapters in the book. Moreover, it goes on to explore what's next. In doing this, it seeks to provide an interdisciplinary synthesis, marking out some boundaries and destinations for the new generation of public administration and suggesting some possible road maps to take us on the next stage of the journey.

This chapter identifies different perspectives as well as common lines of thinking in the realm of public administration. It suggests that while public administration is enriched by a variety of social science disciplines, these disciplines

have also maintained an artificial distance from each other, with serious impacts on their ability to explain the behaviors in which they are interested. Where disciplines such as economics and systems analysis have been dominant, hegemonic and narrowly managerialist approaches such as the New Public Management have emerged, often with significant adverse side effects to governance issues in the countries that have pursued this approach. Where narrow political science and legal approaches have held sway, outdated managerial systems have remained in place, often with significant adverse affects to the management of public services.

Consequently, current interdisciplinary initiatives are highlighted in the chapter, and future research avenues are suggested as potentially useful for the evolution of public administration. If they are successful, they may provide more meaningful challenges to the public sector than the rather empty and abstract debates around the New Public Management, and may suggest more fruitful ways of designing public governance processes, implementing public policy, and managing public services. In sum, this chapter starts from Vigoda's espousal in his introduction to this book of an interdisciplinary critical perspective on the state of contemporary public administration, based on a multilevel, multimethod, and multisystem analysis of current developments, and it goes on to propose a critical understanding of governance and government that highlights options for a new generation of public administration in the twenty-first century.

SOME KEY THEMES FOR THE FUTURE

The key themes for the future that are identified in this chapter are as follows:

> *Governance*, not just government—''power to the stakeholders''
> *Stakeholder-based analysis*, not just public sector perspectives
> *Network analysis*—public service and public interest organizations that are joined up, not just stand-alone
> *Self-organizing* within complex adaptive systems, not just ''restructuring''
> *Evidence-based policy and management*—''what matters is what works'' —not just performance measurement
> *Organizational learning and innovation*, not just ''reforms''
> *User and community coproduction*, not just professional and political paternalism

These themes will be explored both in terms of their conceptual foundations and in terms of their meaning in practice for stakeholders in the public sector. They are linked and need to be considered in relation to each other. They are also at different levels of generality, however; the concept of ''governance'' covers all of the other concepts in the list. Furthermore, the final two elements in this list

are essentially instrumental in that they are ways of bringing about some of the other elements in the list.

GOVERNANCE, NOT JUST GOVERNMENT—''POWER TO THE STAKEHOLDERS''

The most critical distinction that needs to be made in the public administration of the twenty-first century is between governance and government. That is not to say that government is any less important than before. The importance of governance has now been widely recognized, however, and public administration has had to refashion itself to respond appropriately.

The definition of governance is not in itself of critical importance, particularly because many practitioners are widely familiar with governance in practice but find it difficult to recognize in the forms discussed by academics, many of which are highlighted by Guy Peters in this volume. It is useful, however, to give a definition in order to focus discussion.

> ''Governance'' will be interpreted in this chapter to mean the set of rules, structures and procedures which give stakeholders some power to influence the decisions which affect their welfare (Bovaird and Loeffler, 2001).

As Caiden and Caiden put it in this volume, ''the intent is to restore to the public what is considered rightfully theirs, to reduce the unaccountable powers of elites and increase the power of the citizenry, to remind public officials, both political and administrative, both within and without government, that the public are the masters not the other way round, and to give the citizenry the feeling that they are in control and that they are the most important stakeholders in governance.'' This use of the term *public*, however, needs to be interpreted in the sense of ''other societal stakeholders.''

This definition of governance applies to a range of different domains of governance (Fig. 1).

> *Public governance*: the set of rules, structures, and procedures that give stakeholders in a public issue or policy some power to influence the decisions that affect their welfare
>
> *Corporate governance*: the set of rules, structures, and procedures that give stakeholders in any organization some power to influence the decisions that affect their welfare
>
> *Local governance*: the set of rules, structures, and procedures that give stakeholders in a local area some power to influence the decisions made in that area or for that area that affect their welfare
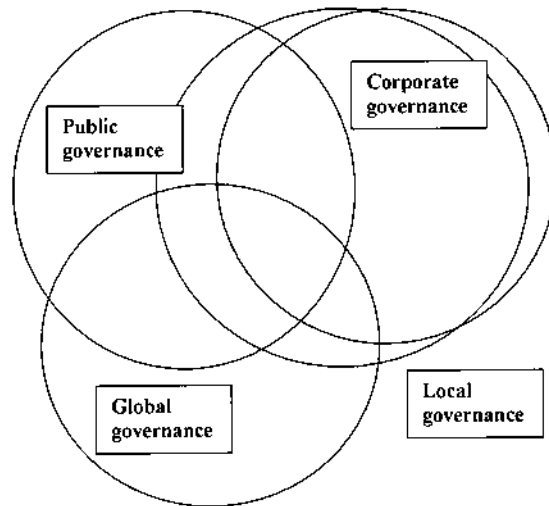
FIGURE 1 The domains of governance.

> *Global governance*: the set of rules, structures, and procedures that give
> stakeholders in international organizations some power to influence the
> decisions that affect their welfare

In Figure 1, these domains of governance are shown to overlap, which is meant
to show that there are no clear hierarchical relationships between the domains
of governance. For example, one activity within the domain of public governance
in any country is to set the rules, structures, and processes that constrain the
actions of organizations and their interactions with stakeholders. In doing so,
actors in the public governance domain shape the domain of corporate gover-
nance. It is important, however, that public bodies not only work within a public
governance framework to set these rules for corporate governance, but they are
in turn bound by the corporate governance rules in carrying out their own actions.

   Clearly, this definition of governance and this conception of the different
domains of governance extend well beyond the confines of government, public
services management, and public policy. Figure 2 maps the relationships among
these fields. The narrowest concept is public policy. While all public policy has
to be legitimated by government, not all aspects of government are public policy.
For example, how a government department arranges the configuration of staff
between buildings does not have public policy consequences (unless it contra-
venes government purchasing policies, equalities policies, or other generic poli-
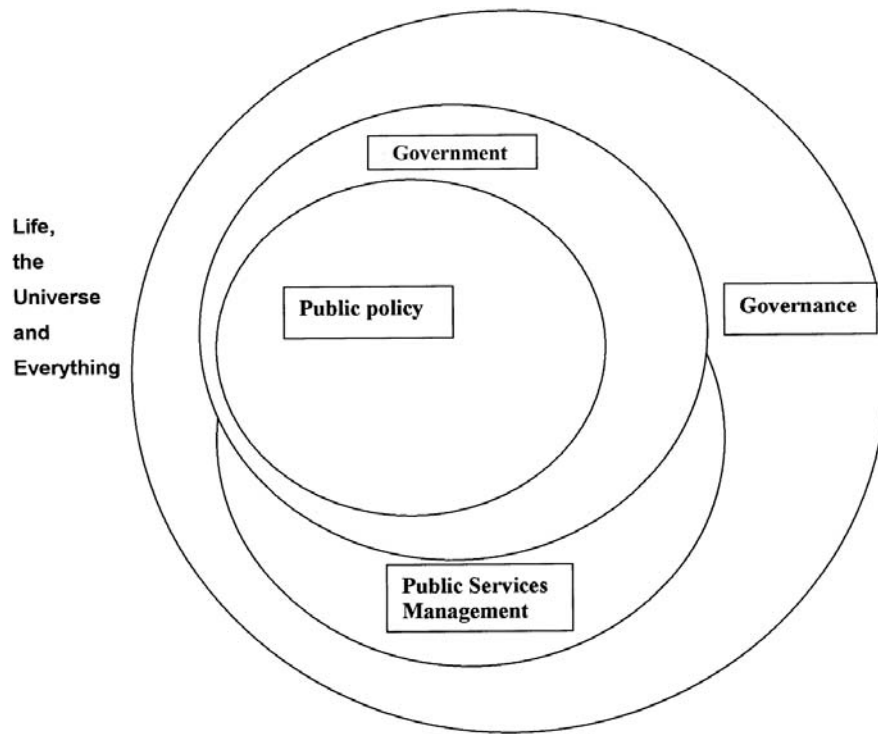
FIGURE 2 Governance, government, public policy, and public services management.

cies). Again, government is not coterminous with public services management: while government is responsible for the public policy aspects of public services and for some direct provision of public services, some public services are run commercially by profit-making organizations. All of these areas—public policy, government, and public services management—are valid concerns of governance, but governance has an even wider scope. It covers, for example, the ways in which private and nonprofit organizations are run and interact with their stakeholders.

Figure 2 therefore portrays a role for public administrators in governance that is much broader than that in the distant past when they needed only to concern themselves with government business, which partly meant the setting of public policy and partly meant the supervision of public services that were delivered directly by agencies of government. Under the new disposition, public adminis-

trators must engage with many other stakeholders in the establishment and maintenance of governance arrangements, taking them well out of their comfortable offices and pitching them into the realities of civil society, the business world, media management, and so on. Moreover, although they have no legal powers to affect superior governance arrangements in different aspects of society, they are likely to be blamed by many citizens and other stakeholders if governance arrangements are held to be unsatisfactory in any way.

This book has covered each of the areas above, and each of the areas of government, public policy, and public services management will remain crucial for public administration into the future. What is now different is that public administrators need to be both more ambitious and more humble than in recent years—more ambitious, because they have a key role in a governance agenda that stretches much more widely than the areas over which they have control. To some, this will be uncomfortably reminiscent of the ''social engineering'' agenda of the 1960s in liberal democracies and the ''new man'' dogmas of state socialist and religious fundamentalist countries throughout the last half of the twentieth century. This level of ambition is necessary for productive change, however; high expectations are a key driver of high performance, whether of individuals, groups, organizations, or countries.

Simultaneously, however, public administrators must be more humble, because they are only one group of stakeholders among many in the governance agenda. Not only has the state been losing power upward to regional structures such as the European Union (EU) and NAFTA as well as downward to local and regional governments (as Peters remarks in this volume), but many other stakeholders are now claiming rights of involvement in what was previously ''state business.'' This is the real antidote to public-sector paternalism and overblown attempts at ''social engineering.'' The public administrator must learn to work successfully in partnership to bring about the changes desired by the voters when they elected the different levels of government. Of course, this is an old lesson; community development was accepted as a task by local public administrators in many countries (if rather half-heartedly) in the 1960s, ''public–private partnerships'' have been a rallying cry in many parts of the world since the 1970s, and ''capacity building'' in civil society has been an explicit goal of many governments since the 1980s. Only slowly has the realization sunk in, however, that partnerships with other stakeholders must really be on an equal footing or that they might even give more power to the nonpublic-sector partner. This entirely changes the spirit of partnership working, and therefore its potential impacts and potential scope.

Public administration in a governance context entails joined-up thinking, joined-up working, seamless services, and a spirit of partnership embracing multiple stakeholders. Needless to say, this vision is still far from reality anywhere,

even in those countries (such as the United Kingdom) that talk about it incessantly. We must therefore ask what the academic discipline of public administration can do to help in its realization.

PUBLIC ADMINISTRATION: INTERDISCIPLINARY OR SIMPLY MULTIDISCIPLINARY?

This book has been structured to reflect three main disciplines that serve today as core sources of knowledge in the study of public administration, namely political science and policy analysis, sociology and cultural studies, and organization management and the business sciences, which have been interpreted to include organizational behavior (OB) and human resource (HR) subdivisions. Behind this triumvirate, however, we can easily spot two other core social sciences, namely economics and psychology. In the following discussion, the category ''organizational management and business sciences'' has not been used explicitly; it is assumed that organizational management is a composite of most of the core disciplines, and business sciences is represented by its contributory disciplines of economics and systems analysis.

In Table 1, the contributions of the five core social sciences to public administration are set out and some of their main interactions are suggested. In the diagonal cells of the table, the core interests of each discipline are represented (and in some cases, some of the main areas of application that are internal to that discipline are also included). In the other cells of Table 1, areas of public administration are suggested that are driven by a lead discipline, informed by elements of one other discipline (listed on the other axis).

For example, the core interests of political science are suggested to be analyzing of political behavior and political parties. Working with economics, however, political science as a lead discipline has given rise to public choice theory (which in turn has generated regime theory). By a different pathway, political science has taken the lead, working with economics and sociology in developing stakeholder analysis. While political science has always been deeply concerned with the success and failure of political parties, the art of winning elections has been studied most thoroughly in psephology, which involves a significant contribution from psychology. Finally, political science has always studied how power, once gained, can be sustained by control systems, whether in government or in other organizations, and how the legal system can be operated to give expression to the will of the dominant coalition in power. Both of these areas of study require an input from different aspects of systems analysis—the use of feedback mechanisms in the case of control systems and the use of the ''rational problem-solving cycle'' in the case of the legislative intervention.

TABLE 1 Disciplinary Background to Public Administration: The Modernist Conception

	Lead discipline				
	Political science	Economics	Sociology	Psychology	Systems analysis
Political science	Political behavior, political parties	Budgeting systems, resource allocation	Organizational culture (ideology), elites (oppression), *self-organizing systems*	Leadership	Policy analysis, *network analysis, evidence-based action*
Economics	Public choice theory (regime theory), *stakeholder analysis*	Macro-economics, market behavior (exploitation), welfare economics, resource accounting	Resource mobilization, social marketing	Motivation, consumer behavior, voter behavior	Evaluation, resource forecasting, *evidence-based action*
Sociology	*Stakeholder analysis*	Equalities (oppression)	Socialization processes	HRM, management of change,	*Network analysis*
Psychology	Psephology (winning elections)	Services marketing	Organizational behavior (alienation)	Individual self-actualization, group dynamics	Games theory, network analysis
Systems analysis	Control systems, legal systems	Strategic management	*Self-organizing systems*	Ergonomics	Operations management, project management

Of course, this is an artificial tool for illustrative purposes only. In most cells, far more areas of public administration could be included. Some areas of public administration should appear in several boxes (and some do), because they arise from the interrelationship between more than two core disciplines. Nevertheless, Table 1 serves to highlight the highly diverse provenance of public administration as a knowledge base and a multidisciplinary way of thinking.

For some entries in Table 1, an alternative perspective from Marxist and critical theory standpoints is suggested (in parentheses). Alternative perspectives are not provided for all the concepts in Table 1, however, as Marxist and critical theory have tended to approach public administration mainly from sociological and political science perspectives.

While most of the cells in Table 1 refer to elements of public administration that have been common for some time—such as political parties, organizational behavior, and budgeting systems—a number of cells (highlighted in Table 1 by *italics*) are relatively unusual and unconventional elements of public administration. They include the following:

Stakeholder analysis
Network analysis
Self-organizing systems
Evidence-based action (including both management and policy)

These are areas of public administration that have already become important, as various contributions to this book demonstrate, but that have not yet been fully integrated into the main body of public administration. Moreover, they are highlighted here because we wish to suggest that these are the areas that provide particularly interesting insights into the future of public administration. The next sections of this chapter will map out some of the ways in which these areas might develop in the future to become more central to public administration.

The key points to make at this juncture, however, are that each of these areas of public administration is inherently multidisciplinary—to a greater degree than most of the traditional elements of public administration—and moreover, each of these areas is closely linked with the others.

The multidisciplinary nature of these areas is partly shown by the fact that they fit into several boxes within Table 1. More important, each area has developed relatively recently and has not been ''claimed'' by one discipline, so that its development has been shared by a wide range of social scientists from across the disciplines.

The relationship between these areas of public administration is highlighted in Table 2. In each cell is a topic that is informed by the interaction of at least two approaches (one of which is identified as the lead approach, although sometimes this is quite a marginal decision). It is immediately clear from Table 2 that it encompasses many of the most exciting new developments in public adminis-

TABLE 2 Interdisciplinary Approaches to Public Administration: A Postmodernist Perspective

	Lead approach			
	Stakeholder analysis	Network analysis	Self-organization	Evidence-based action
Stakeholder analysis	Mapping of objectives, values, and expectations	Power mapping	*User coproduction of services*	*Single-loop learning*
Network analysis	Network building	Interaction analysis, connectivity	*Community coproduction of services,*	*Double-loop learning*
Self-organization	Institution building	Partnership working, coalition building	Collaborative advantage	*Triple-loop learning*
Evidence-based action	Stakeholder-driven evaluation	Partnership-based evaluation	Emergent strategy	Experimentation, innovation

tration during the past two decades, such as emergent strategy, partnership working, network building, and stakeholder evaluation. This chapter will focus on two of these themes, however, highlighted within Table 2, as especially important for the future of public administration, as they have not yet been dealt with well in the literature. These are as follows:

> *Organizational learning and innovation*, not just ''reforms''
> *User and community coproduction*, not just professional and political paternalism

In the rest of this chapter, we will focus on the four key areas of public administration around which Table 2 is structured—stakeholder analysis, network analysis, self-organizing services, and evidence-based management. In addition, we will examine in more depth the two themes identified within Table 2 as especially important—organizational learning and innovation, and user and community coproduction. In each case we will explore the implications of the topic for public administration in the future, with illustrations from the other chapters in this book.

Stakeholder-Based Analysis

Political science has always studied the ways in which different interest groups have interacted to constitute the political arena. What has been new in the past 20 years is the recognition that the various organs of the state may not be the most important (or even in some circumstances, the most legitimate) stakeholders representing the ''public interest'' in a given governance situation. Stakeholder analysis has had a new lease on life since Freeman (1983) put it at the heart of strategic management, drawing on economic and sociological models of stakeholder behavior. Stakeholder-based evaluation has become a minor industry. Furthermore, the very definition of *governance* usually makes it clear that each stakeholder has a potential role to play in the definition and resolution of public problems.

At one level, this means that all public administrators now have to deal with stakeholders who are better equipped to contest their recommendations. In her recent book on the changing approach to policy analysis since the 1960s, Beryl Radin contrasts the Wiladvsky approach of ''speaking truth to power''—which was a two-person relationship between the policy adviser and the ruler—with the current position, in which ''the situation is much more complex. We are a field with multiple languages, values and forms and with multiple individuals and groups as clients'' (Radin, 2000: 51). She suggests that policy analysis now often involves ''dueling'' between analysts working for different governmental and nongovernmental organizations in a highly partisan policy environment.

In order to make sense of this environment, stakeholder-based analysis means that we need to construct social realities through an understanding of how different stakeholders perceive the world. As Newman notes, in discussing the managerialist approach to designing participation around issues that concern groups such as the old, young, unemployed, socially excluded, and single mothers: ''Such groups are constituted as 'outside' mainstream society, represented as modern, affluent, active and, above all, employed citizens. . . . Each of these groups is constituted as the object, rather than the subject, of social action, and tends to lie outside the body of active, responsible citizens to whom exercises in public participation are addressed'' (Newman, 2000: 57–58). Newman draws the conclusion that the politics of diversity cannot be solved in the managerial domain.

Seeking to understand how stakeholders construct their world does not mean that we have to accept their view, only that we commit to understanding it before coming to judgments about how to deal with them. The ''we'' in this analysis can vary from an individual analyst seeking to make policy recommendations, to an individual stakeholder, to the representative of the dominant coalition of interests in a government seeking to forge political agreement with a wider international community on how to defeat terrorism. In each case, a stakeholder-based approach warns against taking a monocular perspective of a problem and its potential solutions. As Nutt and Backoff (1992: 43) suggest: ''Action depends on a coalition of interests . . . . The discussions and interactions in the coalition are carried out to discover ideas and set the priorities . . . to help the coalition create a shared interpretation of interests and possibilities.''

In committing to this level of understanding of stakeholders, we must accept, as Caldwell argues in this volume, that the values, assumptions, and objectives of stakeholders will almost certainly come into conflict and that access to verifiable information may be key in raising the substance of dialogue from subjective opinion to objective agreement upon the factual basis of disputed issues. As Caldwell argues, this will almost certainly require forging new concepts and institutions of governance appropriate to evaluating and utilizing the unprecedented scope and flow of information in technologically advanced societies, all of which will be subject to varying interpretations by different stakeholders.

The road toward a stakeholder-based understanding of public administration will not be easy. As Schwartz reminds us in this volume (in relation to school performance), stakeholder opposition is often responsible for delays in many government and governance changes that are sorely desired by other stakeholders and by the public administrators charged with improvements to systems and outcomes. In line with Schwartz's conclusions, however, policy makers and administrators need to take seriously the attempt to design planning, management, and accountability regimes that take into account the interests of various stakeholders, as well as technical feasibility and institutional constraints.

NETWORK ANALYSIS: PUBLIC SERVICE AND PUBLIC INTEREST ORGANIZATIONS THAT ARE JOINED UP, NOT JUST STAND-ALONE

The concern for a stakeholder-based analysis of the public domain leads naturally to an interest in network analysis, since stakeholders clearly interact in a dense set of networks—kinship, friendship, religious, social, professional, and organizational.

Technical analysis of networks is grounded in systems analysis, which has techniques for analyzing flows across links and interrelationships between nodes in networks. Network analysis, however, also has strong political science and sociology roots. Public policy analysis has traditionally given particular importance to policy networks (Rhodes, 1997), while organizational and institutional theory has concentrated on intraorganizational networks and networks of ''communities of interest'' (Huxham, 1996; Friedland and Alford, 1991). In both cases, these have tended to focus specifically on the working of those networks that were dominated by public-sector officials and politicians (apart from some research into the workings of interest and lobby groups).

More recently, however, there has been a substantial reawakening of interest in the workings of other networks in which public officials and politicians may only be tangentially involved, particularly in the business community and in civil society (Kickert et al., 1997; Bogason, 2000). Many authors in the public administration tradition still maintain that the public sector must be given pride of place in policy networks (Jordan, 1981; Pierre and Peters, 2000). For example, in this volume Vigoda and Gilboa suggest that a central player in all collaboration ventures is public administration, which bears responsibility for coordinating players and directing them toward the appointed goals. In this volume Peters also suggests that governments remain a central—if not the central—actor in providing governance. In his view, however, governments are not as centralist as before, no longer committed to being both the maker and implementer of all policies, but rather likely to utilize a variety of different instruments and institutions in order to achieve their policy goals, partly through building closer connections with the private sector and enhancing the role of civil society. He sees the advantages in this as being not only that it can reduce costs but also that it can make policy more democratic.

A rather different picture is given, however, by set of arguments highlighted by Peters in this volume—namely, that governments may be perceived to have lost control of policies because of the influence of international actors, including the global marketplace, global nongovernmental organizations, and mechanisms of international governance.

Other authors go further, suggesting that even within a single country, some policy networks and ''policy communities'' may become sufficiently cohesive

and assertive to challenge state powers (Marsh and Rhodes, 1992; Smith, 1993), or that some issues can essentially only be solved by self-organizing approaches within civil society. This possibility will be examined in more depth in the next section.

While Vigoda and Gilboa outline the reasons why many pessimists feel that ''collaboration is against human nature,'' most of the chapters in this volume show a variety of ways in which collaborative networks can and do improve the welfare of their members (although, of course, not necessarily the welfare of nonmembers). For example, Globerson and Yshai argue that no meaningful reform of the Israeli education system can be undertaken without close cooperation among all the parties concerned, instancing the cooperation that has already occurred in response to legislative proposals regarding the status of parents and pupils (but demonstrating that in other key areas the lack of a will to cooperate has seriously hindered school improvement initiatives). Again in this volume, Harrison highlights the possibility that policy networks, when they are dominated by such powerful policy actors as physicians, can block initiatives that threaten their interests. He discusses how in Britain hospital physicians resisted governmental attempts to make them accountable to nonmedical managers for the clinical quality of their work, and how in both Sweden and Britain local health purchasers found it hard to formulate plans for reconfiguring hospital services that would not clash with the interests of one or more of their many stakeholders.

The binding mechanisms of these networks are multifarious and are likely to remain so. In this volume, however, Gattiker and Giverson suggest that health care systems may need to change from a combined machine-and-professional bureaucracy into a flat organization characterized by professional networks, which would be tighter or looser, depending on whether professionals were working within the same or in different health facilities. They propose that the factor organizing the connections of networks should be the patient, who would therefore become the center of health care activities, with proper information systems ensuring that all network members related to the patient in a holistic way. This will be explored further when we look at user and community coproduction of public services.

COMPLEX ADAPTIVE SYSTEMS AND SELF-ORGANIZATION, NOT JUST "RESTRUCTURING"

The relationships within most networks are likely to be multiple and complicated. The effects of the action of one stakeholder in the network on the behaviors of other stakeholders is therefore likely to be nonlinear; it will often be either countered or even nullified by the behaviors of others, or reinforced and perhaps greatly magnified. As Caiden and Caiden (in this volume) suggest, public administration can no longer be seen as a one-shot instant photograph of the machinery

of government at work at a particular time but as a continuous video of the complex, ever-changing dynamics of societal organization. Furthermore, no single country can be considered in isolation but as a part of an ever more integrated global society in which no administrative system is immune from the influence and impact of other systems.

In these circumstances, it is much less easy to identify the outcomes from the behavior of any one actor. The overall set of actors in the network must rather be considered to be a ''complex adaptive system'' that is only indirectly influenced by the controlling devices used by external stakeholders to achieve their own aims.

The importance of this approach to understanding organizational adaptation and learning has increased enormously in the past decade (Waldrop, 1994; Stacey, 1996; Battram, 1998). Belief in the power of ''restructuring,'' ''reengineering,'' and indeed, in any deterministic approach to organizational design, has waned, just as in previous decades there was an evaporation of confidence in social engineering and policy modeling. Instead, there has been widespread acceptance of the importance in organizations of emergent strategies, bottom-up leadership, and transmission of tacit knowledge through joint working.

In this intellectual climate, perhaps the most powerfully appealing of all concepts from complexity science is that of ''self-organizing systems.'' Interest in self-organizing communities goes back a long way in social science, and the New Lanark experiment and other similar ''cooperative'' communities have been much studied in political science and sociology. The approach from complex sciences, however (which is very heterogeneous in its provenance but can be seen as a branch of systems analysis), takes a very different approach. It suggests that in some systems with a regular source of external energy, the system is able to find a way to continually adjust and reconfigure itself in such a way as to maintain stability and even to achieve phase transitions without any apparent external coordination or shaping.

The conditions in which self-organizing behavior arises and the mechanisms by which it is sustained are still not well understood. One of the basic mechanisms appears to be the adoption by members of the complex adaptive system of a set of simple coordinating rules, which are implicitly followed, even if not formally set out anywhere (Bovaird and Sharifi, 1998). In this volume Sharkansky suggests a set of ''simple rules'' that are adopted by politicians and bureaucrats to make their lives simpler and to make their work functional. They include such simple ideas as ''Support our members and oppose our opponents,'' ''Serve your constituency,'' ''Do as little as possible,'' ''Threaten—it may bring cheap results,'' and ''Postpone the unpleasant by appeals and other delaying tactics.'' He further highlights routine organizing principles that are commonly adopted in the public domain—working through political parties, moving forward through incremental change, and using readily identifiable slogans. These

too might be ways of allowing the complexities of everyday organizational life to be negotiated by a large number of individuals without recourse to the individual use of cognitive processes, which need to be reserved for the important and unusual events rather than the mundane. As Sharkansky says, ''Those simple rules will guide many actions even of those who enjoy wallowing in complexity. Limiting the issues they must worry about serves to increase the likelihood that the worriers will succeed.''

The agenda that Sharkansky is uncovering may well turn out to be of enormous importance—the mapping of the underlying rules, which may make it possible for organizations to be successful at self-organizing, or more grandly, which may make for functional collective behavior in the basic activities of organizational life.

EVIDENCE-BASED POLICY AND MANAGEMENT: ''WHAT MATTERS IS WHAT WORKS''

Paradoxically, at the same time as one set of pressures from reality has been leading academics and practitioners in the public domain to become more humble about their ability to model and to forecast the changes that will result from interventions, there has been a parallel interest in mapping ''what works, where and why'' (Davies et al., 2000; Audit Commission, 2001). This paradox is more apparent than real, however. Part of the movement to map what works is simultaneously determined to show clearly that we know much less than we often pretend about what works in terms of public policy, organizational design, and management practices. In other words, we can only really make progress in terms of organizational learning if we are prepared to come clean about how insubstantial and unsubstantiated much of our current ''knowledge'' is about what we do. As Sharkansky puts it in this volume, ''We know a great deal about what can influence public policy, but we know very little about the extent to which each potential influence affects specific outcomes.'' Essentially, therefore, evidence-based management asks us to own up to the fact that if public administration is science at all, it is still largely at the stage of alchemy.

This desire to explore what works places emphasis on the development of evaluation and performance measurement approaches, just as the New Public Management did. It is within a very different context, however, and with very different outcomes. The dominant approach to performance measurement in the past 25 years in the public sector has been for control purposes, based largely on a systems view of policy evaluation (the ''rational decision cycle,'' including objective setting, option appraisal and evaluation, and monitoring and review), with contributions from political science (policy analysis) and economics (cost-benefit analysis). This control-based view has the attendant dangers of the ''perverse control syndrome,'' whereby those who are supposed to be controlled are

able to turn the tables on their ''controllers'' by ensuring that the detailed control targets are met, but only at the expense of misrecording and misreporting information and distorting what gets done so that the required ''control numbers'' are achieved, whatever damage is done to the services or the organization (Bovaird and Halachmi, 2002). Other barriers to performance measurement and performance management have been well set out by many authors since New Public Management became fashionable (Carter et al., 1992; Smith, 1995; Schwartz, in this volume).

The evidence-based management approach, however, takes as its starting point a healthy scepticism in relation to the quality of data in previous studies and the degree of confidence that can be placed in their findings. It assumes that there is a constituency for the results of such investigations—whether it be among professionals, bureaucrats, managers, politicians, or external stakeholders (including interested citizens, pressure groups, or service users). It offers the prospect that the evaluation methodologies developed so painstakingly over the past 40 years for the public sector might find a more welcoming home and more systematic usage than has typically been the case in the past.

From a stakeholder-based perspective on public administration, it is to be expected that such renewed interest in evaluation will only be acceptable to the many different parties involved if evaluation methodologies are alive to differing stakeholder values, objectives, and mental maps of how public services impact upon their users and other groups. Stakeholder-based evaluation has become increasingly important during the last two decades (Mark and Shotland, 1985; Greene, 1988; Thomas and Palfrey, 1996; Patton, 1997).

Any movement to increase use of systematically gathered evidence, however, begs the question as to whether in fact public service organizations really are plausible candidates for becoming ''learning organizations.'' In Schwartz's contribution to this volume, he shows why there is still room for doubt on this score, with a quote from Kramer (1993: 10): ''Some of the dilemmas in securing accountability were epitomized for me in the reply of an official to my question as to why the government seemed to require so little information from the VNPOs it funded: ''If we knew more, we'd have to pay more.''

ORGANIZATIONAL LEARNING AND INNOVATION, NOT JUST "REFORMS"

Since Senge (1990) and Pedler et al. (1991), there has been enormous interest in organizational learning, which has been equally evident in the public, private, and voluntary sectors. The roots of this approach to understanding organizational change are deeply buried, not obviously relying on any single social science discipline, and moreover, analysis of organizational learning has been clearly influenced by the emerging areas of stakeholder analysis, network analysis, and

self-organization. A key aspect of organizational learning is the innovation process within and between organizations. Innovation analysis has similarly been interdisciplinary since its inception.

Innovation in the public domain in past decades has taken many forms, but has usually been weak within each of these forms. A book personally endorsed by Tony Blair, the British Prime Minister, has stated: ''The space for innovation is minimal, the incentives are feeble, the personal rewards uncertain, and the payoff from success comes only in the long term'' (Leadbeater, 1999: 208—cited in Newman, 2000). These comments were specifically aimed at the United Kingdom, but they have been echoed in many other countries. In this volume, for example, Golembiewski and Miller refer to the ''hallowers'' of the state, who believe that all should be left as it is.

As Newman (2000) points out, there are understandable reasons for this. Innovation in public services is more difficult than in business, because the control and accountability mechanisms constrain risk taking and entrepreneurial action. Furthermore, innovation frequently requires users as well as service providers to learn new tricks. This tends to be far more difficult for some sections of society than others, so that innovation can be inegalitarian in its outcomes (Pollitt and Bouckaert, 2000). Pollitt and Bouckaert go on to suggest that public service managers often face a trade-off between innovation and at least one of the other values about which stakeholders care strongly, such as stability, continuity, predictability, trust, and egalitarianism. It is therefore not difficult to understand why it has been weak in many specific contexts.

At the same time, the public sector in many contexts and in many countries has explicitly embraced the model of the ''learning organization'' (Ranson and Stewart, 1994). Osborne and Gaebler (1992: 150) claimed that in the United States there was a new breed of entrepreneurial public service organizations that were learning organizations: ''They constantly try new things, find out what works and what doesn't and learn from the experience.'' They particularly emphasized the role of performance measurement and evidence-based management as essential in realizing a learning organization, yet as Joyce (1999: 99) points out forcefully: ''Organisations, including many in the public sector, seem to find it difficult to elicit or make use of the potentially enormous contribution of intelligence by their ordinary members.''

One of the most common forms of innovation has been the pilot or demonstration project. This often lasts over 3 to 5 years, frequently with matching funds from an external source (such as another level of regional, national, or international government). These pilot projects have often met a sad fate—evaluated as successful in their own terms, but largely ignored by the mainstream programs to which they were an alternative, so that they essentially die after their funding stops (Bovaird, 1994). Part of the reason why these pilots and experiments may have foundered after their initial phase is the tendency for the public sector to

attract more ''risk-averse'' employees than the private sector (Bellante and Link, 1981, cited by Snir and Harpaz in this volume), which they suggested might be because the public sector offered greater job security than the private sector. Snir and Harpaz suggest that their own research findings can similarly be explained by the willingness of public-sector employees to trade the opportunity for higher wages offered by the private sector for the greater job security and more convenient work hours offered by the public sector.

Another form of innovation has been the program of forced changes; for example, when central government imposes a new legislative framework on service managers at regional or local levels (an example of external coercion) or when a new chief executive or chief officer imposes an organizational restructuring upon taking up a new job (internal coercion). This latter approach is sometimes dignified with the term *organizational transformation*, although clearly ''traumatization'' would sometimes be an equally appropriate description.

These traditional approaches to innovation clearly face some challenges when the organizations that wish to innovate are in dynamic multisector contexts, working in partnership rather than isolation, so that they tend to

Be driven by multiple objectives (not necessarily including profit-making), so that learning processes have to be rich.

Seek to build collaborative rather than competitive advantage, so that learning has to be interorganizational, not merely intraorganizational.

Operate in complex environments in which value created for some stakeholders may be perceived as value destruction by other stakeholders. As Caiden and Caiden suggest in this volume, instead of searching for the universalistic one best way, the emphasis has to switch to diversity, experimentation, accommodation, and adaptability.

The pilot project may still be the most suitable mechanism for learning, but now it needs to be set up in a much more imaginative framework—perhaps with the possibility of being absorbed into mainstream programs that are run by less risk-averse staff. Organizational restructuring may be appropriate, but only with inputs from all relevant partners, and evaluation studies may be needed to track what works and why in the improvement programs, but now the criteria need to be set and monitored by the partners, not by a single agency.

One of the problems of organizational learning is that it tends to work best when the results suggest program expansion rather than termination. In a multistakeholder environment, in which democratic political processes are respected but potentially interminable, policy and program termination is extremely difficult and embarrassingly rare (Bardach, 1976; Daniels, 1997). Rising to this challenge will be central to the success of public administration in the future; being good at things depends upon being good at stopping things.

Part of the reason for this inability to ''learn how to stop'' often derives from a lack of knowledge in public organizations about the very variable that is most important to most stakeholders—the quality of the activities being funded. As Peters suggests in this volume, public accountability to service users, citizens, and inspectorates increasingly stresses the mundane yet crucial questions of the amount and quality of the public services being produced and the quality of service delivery. The widespread weaknesses of our information systems in this regard are deeply embarrassing. In the absence of any convincing quality measurement, stakeholders are free to simply insist upon their own judgments. Indeed, professionals sometimes claim this is a critically important part of their tacit knowledge and expect the right to judge by themselves which services provide quality and which do not. The quality management movement in the public sector since the late 1980s, however, has shown how dangerous it can be simply to ask professionals or managers to report on quality; they, too, often do not know about quality in its many different dimensions (Walsh, 1991). In many situations—many more than we have typically accepted in the past—it is now widely accepted that service users should be intensively involved in helping the organization to learn about the quality of services it delivers, and the communities served should help public organizations to learn how the quality of life might be increased by public interventions. While this can partly be achieved by participation and collaboration exercises, as shown by Vigoda and Gilboa in this volume, sometimes it requires a more radical engagement of users and citizens in the coproduction of public services and public policy.

USER AND COMMUNITY COPRODUCTION, NOT JUST PROFESSIONAL AND POLITICAL PATERNALISM

The growing interest in viewing the provision of public services from the perspective of complex adaptive systems, discussed above, has led to exploration of the different ways in which public service systems might be or might become self-organizing systems. This has led to a strong renewal of interest in user and community coproduction, a subject originally mooted in the late 1970s (Lovelock and Young, 1979; Zeleny, 1978; Ostrom et al., 1982; Normann, 1984; Percy, 1984). As with complex adaptive systems, this area of study has been interdisciplinary from the start, with a significant input from stakeholder-based approaches to organizational behavior and from network analysis of social behavior.

In this volume, Davidoff lists among the key activities of customer communications management the activities of ''issue management'' and ''customer research,'' both of which are meant to alert the public service organization to the long-term challenges and demands from customers with which it will have to cope. This may not go far enough, however. Given that customers and citizens, just like staff, ''may not know what they know'' (Polanyi, 1967), purely analyti-

cal approaches to issue management and customer/citizen research may neglect the tacit knowledge that citizens and services users have about what works and what does not work and which needs are being met and which are not. In such situations, citizen and user coplanning and comanagement of services may be especially powerful in allowing this tacit knowledge to inform public policy and public services management.

There are several different strands to the argument behind this approach. *First, there is the argument that some services only work if the user is heavily involved in their coproduction.* This is most obviously so in the case of education; usually the people ''being educated'' will only be ''successful'' (e.g., in terms of reaching the desired level of results) if they pay attention in class, interact with the ''teacher,'' and do the necessary homework. It is even true, however, in services such as acute health care, in which the professional input often seems dominant; a person with a very serious heart condition is much more likely to have a successful outcome from surgery if he or she works with the surgeon by preparing for the operation (keeping to a careful diet, not drinking alcohol, not smoking, etc.), going into the operation with a strong desire to come out alive, and committing to a rigorous rehabilitation process (keeping to a proper diet, avoiding alcohol and smoking, following a fitness program, and keeping a cheerful disposition).

Even the relatively passive use of Websites to find out information about hospital and community physician services (phase 1 of ''E-health'' in the terminology of Gattiker and Giverson in this volume) may miss the point about constructing an appropriate relationship with citizens who wish to be healthy. By concentrating on acute care provision and how to access it, they may miss what is really needed in a health-oriented services system as compared to an illness-oriented system. Health Websites (or free telephone call centers for health advice, as in the United Kingdom) may allow patients to make valuable diagnoses of their own health and allow them to take appropriate steps to reduce risks, cope with pain, or even to regain health levels. Indeed, these information services may be regarded as a substitute for face-to-face health care by many members of some groups such as the unemployed, teenagers, and ethnic minorities, who are reluctant to subject themselves to the intrusive questioning and insensitive treatment at the hands of staff in public service organizations, people whom they may stereotype as ''middle-aged, middle class, chauvinistic know-it-alls.'' The challenge to public administration here is to renegotiate the relative roles of professionals, managers, and users; the professional must come to terms with a less paternalistic outlook on ''ignorant'' customers.

Second, in recent years it has become recognized that the service systems of which local authority activities are a part can only be successful if the communities to which they are delivered are well organized and prepared to make use of them. (This is also true of some central or regional government activities, but

typically to a much lesser extent.) Here it is not users but rather other members of the community who are typically ''coproducers'' of services, so that the success of the local authority depends on the characteristics of the community itself (Bovaird, 1994).

A clear example of community coproduction is public safety, which is only really possible if the community is prepared to keep a careful watch on threatening behavior within the neighborhood (sometimes to the extent of intervening in certain instances in which the risk is not high) and to report to the police any information that might help in the arrest of offenders, even when they are neighbors (or even more controversially, when they are family). Another important example is street cleaning; clean streets cannot be assured by good street cleaning services, only by widely held and strongly expressed social conventions about the unacceptability of dropping litter and letting dogs foul pavements. In this volume, Kirschenbaum also gives the example of disaster management, in which traditionally the entire community would participate, so as to reaffirm and strengthen social bonds, clarify the division of labor, and most important, set in motion practical means to overcome the disaster. (Indeed, he suggests that the takeover of this function by the public sector has perhaps reduced the community's capacity to deal properly with disasters.) Perhaps the most powerful expression of this, however, is the old African saying that ''it takes a whole village to raise a child.'' The main challenge here is for politicians, who must learn that it is not ''their'' organizations and policies that are central to the achievement of quality-of-life improvements in local areas; it is only through partnership working that really effective changes in quality of life will be possible.

Finally, some services are actually mainly delivered by members of the community, with the public agencies playing only complementary and supportive roles. This is particularly true of social care of the elderly (mainly delivered by the children, neighbors, friends, or volunteers) and of young people with disabilities (mainly delivered by their parents). Here the challenge for the public sector is twofold. First, public agencies have to become more expert in getting the current key players to pay attention to what the public sector can offer (particularly its knowledge base and its advice on ''what works, where, and when''). This is essentially a public-sector marketing task. Second, public agencies have to be prepared to share more of the ''interesting cases'' with those people in civil society (and sometimes in the private sector) who are able to deal with them but currently lack the resources (or sometimes the legal right) to handle them. For example, the small proportion of social care in the United Kingdom that is paid for by the public sector (perhaps covering around 5% of all cared-for people) is largely devoted to helping people with advanced dementia, the worst mental health problems, and the most severe disabilities. These clients are ''interesting'' to the social care profession, and there is little dispute that these professionals often do a good job with these difficult cases. This means, however, that little attention is paid by the public sector to ensuring that those who care for the other

95% of cared-for people get the proper help they need on how to undertake that care. It also means that there has been an underdevelopment of mechanisms (now available in many other countries in Western Europe) by means of which these ''difficult cases'' can remain in the community helped by family, neighbors, and each other, with support from public-sector professionals who play essentially an enabling role.

Earlier in this volume Vigoda and Gilboa raised the question as to whether or not collaborative behavior is alien to human nature. This clearly could be refashioned to suggest that community coproduction is unlikely to be sustainable. Also in this volume, Kirschenbaum argues the opposite, at least in the specific arena of disaster management that he has studied. He suggests that

> unlike the bureaucratic structures that exemplify public administrations, a community's structure is kept intact mainly through a social process of consensus building. This process is continually renewed through basic social interactions which foster symbolic identification and attachment to the community. Some of these encompass family and friendship networks, social and voluntary group formation and economic investment and interdependencies. This consensus lays the basic foundation for cooperative action on part of its members. Embedding into this process the time honed disaster survival experiences gained from the past (as they are socially defined by the community), we find an organizational framework on instant alert and well prepared for dealing with and coping after a disaster. This has been most poignant in the generation of emergent norms which have laid dormant during disasters.

Consequently, as Vigoda and Gilboa note in their chapter in this volume, research has shown that collaboration has been successfully utilized in recent years in many local governance fields, such as homelessness care, pollution control, ecology, and environmental protection ventures.

In each of these three arenas in which user and community coproduction are important, there are still major barriers to change from the side of professional and political paternalism. Twenty years of consumerist ideology and customer care practice have not yet entirely changed the hearts and minds of the providers of public services—or convinced the recipients. Indeed, there is still a strong undercurrent of support for the argument that post-1945 welfare states have been founded on the development of a ''client-dependence'' culture (Shakespeare, 2000), or in Andre Gunder Frank's term, the development of underdevelopment. This leads to the question ''Who needs the welfare state most, the recipients or the providers?'' The importance of the insights about user and community coproduction is that they suggest that we have grossly underestimated the role that users and citizens need to play in the polity, and by the same token, we have misconstrued the role of professionals, managers, bureaucrats, and politicians.

At the same time, we need to heed Amado's warning in this volume that citizen–consumers may not have the skills, knowledge, or perspectives that public servants have, and that they are likely to demonstrate poor understanding of the full range of choices and technologies to solve social problems. Consequently, they may unintentionally push for services that are not beneficial for them and might waste organizational resources. This could produce frustration among public servants, who might find that they cannot manage consumers' needs effectively. (This is well typified by the example in Schwarz's contribution to this volume of the refusal by Israeli school principals to share decision-making authority with parent and community representatives on school councils on the grounds that they felt such a move denigrated their professional authority and risked ''nonprofessional'' decision making by parents and other laypersons not trained in education.) Furthermore, it might turn consumers into cynical and distrustful citizens. The challenge is to ensure an ethical balance in which citizen–consumers can negotiate properly on their own behalf in coplanning and coproducing public services, while politicians and public servants ensure that proper technical advice is available to all parties and that the final decisions made embody proper attention to the concept of distributive justice (i.e., a fair and equitable distribution of organizational resources among all those in need, whether or not they are involved in the coplanning and coproduction processes).

LESSONS FOR PUBLIC ADMINISTRATION—FUTURE DIRECTIONS FOR PRACTICE, TEACHING, AND RESEARCH

This chapter has argued that the constant flux in which public administration has found itself is not going to abate. Quite the contrary—the trends that we have seen emerging are likely to lead to radical changes in the tasks that public administrators address and therefore in the ways in which they behave. Consequently, radical changes will also be necessary in the ways in which they are educated and trained, and naturally, these changes will have major repercussions also for the research agenda.

The potential future directions for public administration that emerge in this chapter can be summarized under the seven key themes that have been considered in the chapter.

Governance, Not Just Government—''Power to the Stakeholders''

In the new era of ''public governance,'' public administrators already need to be expert in pleasing many stakeholders, not just their ''political masters'' and higher-level managers. Governance is already of the people and by the people in a way that ''government'' never can be. It is also still the case, however, that

we can only understand its likely ramifications in a very shadowy way and we can be confident that the current approaches to governance will seem very amateurish in the fullness of time. Practice case studies are coming thick and fast, but not all of them provide encouraging stories of good practice. Practice may make perfect—or may reproduce, reinforce, and embed some of the faults of past systems.

Education and training for governance is likely to be different from past university courses in ''government'' or ''public administration.'' It is in the essence of governance that it involves joint responsibility for judgments on complex, multiple-objective activities, negotiated with a variety of other organizations. Where judgment and negotiation around ill-defined agendas are central to an activity, there must be at least a prima facie case that the learning should focus on exposing and understanding the tacit knowledge around which real life partners will center their negotiations. This is hardly the stuff of undergraduate university courses. Where it is handled within a university education context, it seems likely that partnership working with the wide range of partners in public governance will be necessary, if those participating (*students* seems an odd word in this context) are to be given a proper understanding of what is involved.

The research agenda in governance is rather better formulated. Since practitioners have been enacting governance for a considerable time before academics found out about it, there is still a mapping exercise to be done. Exactly how are governance practices different from the government practices to which we had previously been accustomed? How far can governance practices go in terms of engaging different stakeholders? How can inter- and intrastakeholder conflicts be handled within a governance context? Which of the key governance issues (e.g., transparency, honesty, stakeholder engagement, accountability) are the most difficult to pursue within a multistakeholder perspective? What roles can government at different levels play in this new governance arena? While the chapters in this book help to partially answer these questions, it is clear that we have a long way to go before we can be confident we have a plausible answer to them.

Stakeholder-Based Analysis, Not Just Public-Sector Perspectives

We have argued that stakeholder-based analysis means that we need to construct social realities through an understanding of how different stakeholders perceive the world, without necessarily accepting their views. The implied commitment is that we will understand the views of different stakeholders before coming to judgments about how to deal with them.

This is a tall order for professionals, bureaucrats, and politicians, each of whom has traditionally relished the power vested in them by the democratic legiti-

macy of their organizations. Not only will practice have to change, but new ways will have to be found of sensitizing public administrators to the perspectives of a wide variety of stakeholders. Again it seems unlikely that traditional university courses will be the appropriate mechanism for this; rather, it seems likely that in due time the boundaries between public administrators and other stakeholders will have to become less well-defined—through mutual recruitment from each other's ranks, through secondments, and through partial sharing in each other's tasks.

The research agenda in relation to stakeholder analysis is also daunting. It will involve a much more rounded appreciation not only of how different stakeholders relate to government on key public issues—this has been a well-trodden research field—but also how they relate to each other, how sensitive they are, and how prepared they are to accommodate the different perspectives held by groups with which they often disagree strongly.

Network Analysis—Public Service and Public Interest Organizations That Are Joined Up, Not Just Stand-Alone

The measure of change needed here is well illustrated in the Gattiker and Giverson contribution to this volume, in which they suggest that health care systems may need to change from a combined machine and professional bureaucracy into a flat organization characterized by professional networks. They propose that the factor organizing the connections between networks should be the patient, who would therefore become the center of health care activities, with proper information systems ensuring that all network members relate to the patient in a holistic way.

For practitioners, there is a danger in seeing the recent emphasis on networks as just a validation of their age-old practice of having lunch with people they want to get on their side. It means much more than that; it means power sharing, one of the most loaded terms on the political agenda. Unpalatable though it may be to many public administrators, the incentive is clear; if they do not accept the need for power sharing (at least in public arenas), they are likely to be bypassed by the networks within which the key decisions are increasingly likely to be made.

The implications for education and training would appear to be that it should be done for and with all the key partners in networks and not just for individual partners. While some ''in-house'' navel gazing may be valuable in order to form clearer views of the stakeholder's own interests, all really exciting educational work is likely to be done on a shared basis with stakeholders from whom new things can be learned and with whom new things can be achieved.

The research agenda around networks is already very full, as any current

academic conference on public administration will show. It is still the case, how-ever, that most academic study of networks has been ''from the outside in''; there is still a great ignorance of how networks really operate. At one level this is shown by the near bankruptcy of cartel behavior theory in economics. In the political science and public choice fields, the naïvité of many of the models of gaming behavior in competitive and collaborative action is similarly worrying. The Vigoda and Gilboa chapter in this volume provides a useful map here, but it shows that much recent research on partnership working and collaboration has concentrated on how it has been initiated and for what reasons rather than how it has actually been organized on an ongoing basis. It is rather sobering to find that subjects that appear to take collective action as their chosen subject seem to have so little interest in finding models to explain how it can work in practice.

Self-Organizing Within Complex Adaptive Systems, Not Just ''Restructuring''

Part of the attractiveness of the concept of self-organizing systems to public ad-ministrators is that it appears to offer the prospect of ''more for less''—more impact on the quality of life in the real world for less work done ''within the walls'' of the bureaucracy. The concepts emerging from complexity theory are still very ill-defined, however, and their practical application is still uncertain.

For practitioners, the apparent payoffs from exploring this set of ideas is temptingly high and could turn out to be of enormous importance. It involves, for example, the mapping of the underlying rules, which may make it possible for organizations to be successful at self-organizing. This can be expressed more grandly as the behavioral rules in organizations that might make collective behav-ior more functional in the basic everyday activities of working together. While some organizational cultures appear to embody such rules, at least in the sense that they seem to an outsider to be able to undertake common activities unusually simply, even automatically, it has been very difficult for management researchers to uncover what the underlying set of rules might be to help organizations to achieve this—never mind to discover if different organizations need different, custom-made sets of rules. The suggestions made by Sharkanksky in his contri-bution to this book are stimulating, but more work clearly needs to be done in this area.

The research challenges in relation to self-organizing social systems are equally large. One major direction that deserves exploration is the elaboration of the conditions under which organizations can acquire the ability to organize themselves to achieve certain systemwide goals without the imposition of exter-nal policies, standards, or templates. A different direction is the exploration of how we can evaluate policies, programs, and initiatives in a complex environ-

ment, in which interrelationships are by definition highly unpredictable, so that there is no easily available counterfactual for evaluative purposes. It is possible, but far from clear, that the evaluation of public interventions into complex adaptive systems may need to restrict itself to exploring whether the underlying rule set has been understood and whether the changes to the parameters of the system were undertaken with sufficient understanding of how they would alter the range of potential outcomes—a much less ambitious task than is currently set for evaluation and evidence-based management in many public sectors around the world.

Evidence-Based Policy and Management—"What Matters Is What Works"—Not Just Performance Measurement

The evidence-based management approach starts from a healthy skepticism about the degree of confidence that can be placed in the findings of previous research into policy and management practices in the public sector. It assumes that there is an interest in knowledge about what works among professionals, bureaucrats, managers, politicians, and/or external stakeholders (including interested citizens, pressure groups, or service users). It offers the prospect that the evaluation methodologies developed over the past 40 years for the public sector might at last find a welcoming home and be more systematically used than has been typical in the past.

From a stakeholder-based perspective, such renewed interest in evaluation is only likely to be acceptable if evaluation methodologies are alive to differing stakeholder values, objectives, and mental maps of how public services work in practice. It is still unclear, however, if any stakeholders in the public sector really welcome systematically gathered evidence about what works.

The research agenda has recently kicked in with a will to back this movement in public administration. There is clearly enormous relish for showing to policy makers and managers what the current knowledge base says about what is effective and what is not. It will be important for the research community to remain realistic at this juncture, however; we are still very unsure about the capacity of practical public administrators to absorb lessons about how many of their beliefs are simply "conventional wisdom" rather than "proven fact" and about their capacity to accept evidence that overturns their recent public statements.

Organizational Learning and Innovation, Not Just "Reforms"

Public organizations have particular problems in learning since so many policies and programs are declared from the outset to be the answer to all the prayers of those in distress. Where such strong initial promises of success have been made, it is often said that public programs are "doomed to succeed" when the final

evaluation results come in; nothing short of success will be acceptable to politicians and top managers.

Organizational learning is a prerequisite to the long-term satisfaction of stakeholder expectations, however. This has been recognized even in the private sector, with the development and widespread implementation of the balanced scorecard, which gives similar weight to the achievement of learning and innovation objectives as to the achievement of financial and customer-oriented objectives. Projects in the public sector that are designed as learning mechanisms must now be set up in a much more imaginative framework than before, which tests the achievement of multiple objectives, including quality-of-service outputs and quality-of-life outcomes.

Organizational learning in a network environment requires inputs from all relevant partners—what we might term ''learning partnerships,'' and the lessons from evaluation studies need to be relevant to the whole partnership, not just to single agencies, so that partnerships can track ''what works and why'' in their programs. This means that governmental (and EU-wide or U.N.-wide) evaluations should cease asking individual partnership members to justify their separate contributions to partnership projects; partnerships must be evaluated on a systemwide basis, not as a host of bilateral activities.

User and Community Coproduction, Not Just Professional and Political Paternalism

We face a paradox in public administration. The existence of the public sector is only justified if users and communities cannot fend for themselves, yet public services usually only show high performance if users and other citizens in the community work with the services to ensure that their value-adding potential is fully realized. User and community coproduction are thus vitally important to a successful public sector. Nevertheless, there are still major barriers to the acceptance of this approach from the side of professional and political paternalism. Twenty years of consumerist ideology and customer care practice have not yet canceled the ''client-dependence'' culture that characterized post-1945 welfare states. Practitioners need to consider more seriously whether we have grossly underestimated the role that users and citizens can play in the polity, and by the same token, whether or not the role of professionals, managers, bureaucrats, and politicians needs to be rethought.

In summary, then, we have tried to argue that public administration is not only subject to major trends that are bringing significant changes, but that it faces options that proffer even more radical changes in the future.

For the foreseeable future, public administration will remain a battleground on which different stakeholders will doggedly fight for the power to pursue their own agendas. It will not necessarily be a zero-sum game. As Peter Bogason

(2000) has recently argued, in postmodern conditions, multiple stakeholders can mutually join in the social construction of ''win–win'' situations in the public domain.

There are warning signs, however, for those public administrators who refuse to pay attention to the signals that portend major upheavals in their environment. In any habitat that is subject to major change, the most vulnerable species is the dominant one, be it the professional, the manager, or the politician (or the academic?).

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