

Practical Public Administration: A Response to Academic Critique of the Reinvention Trilogy

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INTRODUCTION

"Laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times."

- Thomas Jefferson, in a letter to Samuel Kercheval, July 12, 1816

The United States was not founded by academic theorists who sat around debating Kantian requirements of the state, nor did they devise technical ways to measure N-1 and 1/N problems and citizen satisfaction with their government. They were courageous leaders who knew unhappy colonists were dumping tea into Boston harbor and refusing to pay taxes to a government they loathed. These leaders knew their government needed to change drastically. It needed to be reinvented, and these leaders were the original reinventors.

Now we fast-forward 200 years. *Reinventing Government*, the first of three books by David Osborne and various co-authors, lays out a plan for public administrators and public employees to change their slow, "leviathan" organizations to better serve their citizens, capturing this same spirit of reinvention. It is necessary for governments to move past "the kind of governments that developed during the industrial era, with their sluggish, centralized bureaucracies, their preoccupation with rules and regulations, and their hierarchical chains of command." (1992, 11-12.) US President Bill Clinton embraced "reinvention" as a way to change US public organizations for the better. Both the Australian national government and the governments of Great Britain, Singapore, and the United States Defense Department have used and modeled reinvention in one way or another to change their organizations.

Although public administrators throughout the world have used reinvention and can testify to its effectiveness, academics have criticized the movement by drawing attention to its lack of proven results through scientific methodology and its supposed lack of adherence to established administrative and organizational principles. Jan-Erik Lane, in his paper, criticizes Osborne for "bypass[ing] ... a large literature

in public administration and management that underlines [sic] the recalcitrance of governments towards lofty reform projects and promises of quick fixes,” stating that reinvention is a “crude and simplistic version of new public management (NPM).”

How can Lane’s research help public managers in the front lines? Does it really matter whether or not public administrators have knowledge of scientific methodology and abstract theories? Osborne simply uses observations of organizations using reinvention techniques in action, which much of academic literature fails to do. The beauty of reinvention is its simplicity. Administrators in the front lines need to react quickly to problems and therefore need practical tools to solve organizational problems.

Why are we writing this response? We write from a depth of experience and knowledge of public administration both in theory and in practice. Ted Gaebler, co-author of *Reinventing Government*, provided a foundation of knowledge and experience to Osborne that extended beyond the first book in the “Reinventing” series. Gaebler has been a public administrator for over 40 years and conducted much of the research for *Reinventing Government* by looking for practical models that public organizations were using in place of outdated ones. He aggregated these success stories, measured by citizen satisfaction, and selected Osborne to document his findings. In the late 1980s, Gaebler oriented Osborne, who at that time was a political writer, towards the world of public administration and the pragmatic practice of its theoretical base.

As a graduate student in the School of Public Policy and Administration at California State University, Sacramento, Alexandra Miller has been immersed in the academic world of public administration theory and has studied academic literature pertaining to the topic, as well as economics. She has also used Osborne’s books as required textbooks in her classes.

We need to confess to our bias since, after all, we are Americans. We are pragmatic, practical, and we seek action. While we may differ from others of diverse international backgrounds, we write from our experiences in American government, particularly local government. Rather than debate age-old theories and philosophies, we actively seek ways to make our organizations better and to delight the citizens we serve. We recognize that many readers view the “reinvention” or NPM approach negatively because of its failure to take root in Eastern Europe. The idea especially appeals to administrators in the United States because of our history and political culture.

Our purpose in writing is two-fold: to incite governments to change and adapt their processes as societies change, and to encourage public administration academia to help governments in this endeavor. While we admire Lane’s work and his devotion to his study, we cannot help but argue that his criticism of Osborne’s works lacks relevancy and credibility. We will first turn to the main points of his argument. His main arguments against the Osborne approach are (1) that citizen value in government cannot be measured; (2) that his message conflicts with established theories about government and public organization, having no foundation in organizational theory or rational choice; (3) that empirical research is a better means to create theories of organizational change, and (4) that the public sector cannot operate according to the logic of private organization.

Lane's Arguments

Cost and Value of Government

Lane makes an important statement that “we value government because it brings us services we need ... [but] we do not want to pay for the extra cost that government tends to generate.” (Lane 2005) Lane also states that there is a need for better indicators on how citizens value their governments. He claims that taxes are not a valid measure because of the collective action problem, and because citizens are currently being pushed to the limits of taxation. It is not Osborne's intent to promote complicated research on citizen valuation of government, but he does bring valuable insight to citizens' willingness to pay taxes and how it *is* tied to their valuation of government.

In the United States in the late 1970s and 1980s, “tax revolts” erupted around the nation to change the way governments raise revenue. In the state of California, property owners passed Proposition 13 (1978), an initiative that froze property tax revenues at 1975 assessment levels and permitted only a 2% increase in assessed property tax value per year. Citizens enact these upheavals when they feel that their governments are not meeting their needs, or that they are not creating a valuable product. An example of why citizens feel this way is the slow response time of all levels of the United States government in effectively responding to Hurricane Katrina.

The U.S. tax revolts are an important background from which to analyze Osborne's writings. Governments in the U.S. are constrained from generating tax revenue, and therefore must resort to borrowing and deficit spending in order to finance their operations and programs. The question is, “Do we really need all of these programs? Is this what the public wants?” Osborne, therefore, tells governments to ask their citizens what they want from their government, and to educate citizens about what their desired needs cost.

Improving government does not have to mean raising taxes, although this is the eventual outcome of the *Price of Government* approach. ***Improving government means first to involve the public in democracy.*** They are the “shareholders” of the government. They must be the ones to determine how governments should spend their tax dollars. In turn, government officials must educate citizens about the real costs of governments. They must show citizens how much it costs to run their recreation programs, to keep lights on in their parks, to keep criminals at bay, and to fix potholes in the street.

Taxes may be a poor measure of citizen value in government as they currently stand. Academics will forever be searching for the proper indicator of citizen satisfaction. But Osborne encourages public administrators to make taxes a measure of their organization's value to citizens by showing citizens what their tax dollars do.

Changing the DNA of Public Organizations

Lane claims that Osborne's strategies conflict with established theories of organizational theory. He counters the “core strategy” of clarifying goals in a consistent hierarchy of priorities by stating that “organisational goals are complex and ambiguous.” Administrators cannot introduce private incentives because “government

involves social values and vocation.” Administrators cannot emphasize consumer choice because “public goods or semi-public goods must be allocated to all or no one.” Administrators cannot allow for discretion and underline empowerment of employees because “discretion entails a risk for arbitrariness.” Finally, administrators cannot create entrepreneurialism and reduce resistance to change because “all organisations manifest resistance to innovations if they threaten vested interests.” These counter-claims are discouraging for administrators seeking change.

Lane throws around various terms, such as “Kantian requirements of the state,” and “asymmetric game theory,” as he refers to the resistance of leviathan governments to change and to collective action problems the public faces when paying taxes. What he doesn’t see is that Osborne, and practitioners, for that matter, *do* understand these ideas. Osborne addresses the need for Kantian requirements of the state to have legitimacy in rule of law, such as openness, publicness, complaint, and redress, as he explains the customer service aspect of the “Five Strategies.” These requirements are essential to any good, customer-oriented organization. Public managers know this. They know that people are unwilling to pay for government services if they think others will pay, or they don’t feel that they personally benefit from that service.

Any theorist in public administration knows that changing the structure or processes of an organization will change the outputs and outcomes it produces. For this reason, Osborne suggests that administrators change the “DNA” of governments. Since the Progressive Era of the early 1900s in the United States, administrators have overseen government processes that are full of red tape, wrong incentives, and complicated hierarchies. These processes were implemented in order to address the problems of political favoritism, particularly in the large, older cities of the Eastern United States, when public employees were given jobs on a political basis. While many of the concepts of bureaucratic governance have been beneficial in making the public sector more fair and objective, it has gone overboard in many ways and has proven to become antiquated with the current times.

After all, why do government organizations possess these qualities? Did the 100 years of inquiry that Lane speaks of show a reason why organizations are immutable? As we have mentioned, public organizations behave the way they do because of the processes that have been implemented within. But we could also say that public organizations behave the way they do because the public *expects* them to behave this way. Citizens expect to wait in long lines at the Department of Motor Vehicles to register their cars. They expect to maneuver through red tape to receive licenses and permits. They expect to fill out complicated and confusing tax forms, and they expect that no one will help them. Citizens react to these expectations by complaining and showing reluctance to pay taxes. This reaction is demonstrated nearly every election year.

Citizens are results-driven in their opinions of government. Citizens are more likely to pass local taxes that benefit visible public services such as police protection, schools, and parks and recreation. They are willing to pay taxes if they know that lack of funding will cause streetlights to go out, police officers to stop responding to emergencies, and swim lessons to discontinue at the local pool. In 2004, California voters passed Proposition 1A, which changed the structure of California

state-local financing. Cities contributed to this outcome by informing the populace of the results of the recent state fiscal crisis. They showed that the results of decreased financing and a broken fiscal structure would be tangible: less dollars for local public services.

Therefore, not only do we need to change the processes of modern government, but we must also change the public's *expectations* of how modern government should behave. Government should become results-driven because their citizens are results-driven. The private sector already knows that such an attitude creates better business. They see profits rise when they show consumers what their business can do for them. They see profits rise when they produce what research has shown consumers want. Conversely, they see profits fall when they fail to show consumers why they need their services. They see profits fall when they fail to produce a good or service that consumers want.

In the same way, governments need to change their behavior and show their citizens that they provide valuable services in their communities. They need to show their citizens that they can produce the goods and services that they want.

Lack of Empirical Research

It is at this point that the five "C's" play a role in changing government behavior. Lane claims that Osborne's theories are faulty because they do not rely on empirical research. On the contrary, Osborne's ideas are formulated solely on real-life examples. Some of these examples include New Zealand's Treasury Department, the city of Indianapolis' public bid process, Minnesota's Forest Lake school district, the United States Forest Service, and the City of Hampton, Virginia. These public agencies serve as points of research for Osborne, and they prove that reinvention works. Empirical research is merely any finding derived from observations and experience. Osborne and his colleagues, therefore, have done the necessary work to present reinvention as a model to other public administrators.

Practicing administrators do not have the luxury of time or resources to conduct complicated research to better understand their citizens or their organizations. The best kind of research they can perform is to look to the practices of successful organizations and copy them. Osborne's work reflects this kind of research because these practitioners, not academics, are his audience.

Application of the Private Sector to Public Organizations

Lane claims that government "cannot operate according to the logic of private organisation." He further claims that governments cannot simply shut down as a firm does at a level of inefficiency. Governments must continue to operate despite a lack of profits, for demand for government services is always present. The public sector never reaches a market saturation point as the private sector. Don't these observations make an even stronger case that governments must operate efficiently?

Osborne was not the first to compare governments to private firms. Charles Tiebout published his "Pure Theory of Local Expenditures" in 1956, in which he named citizen constituents as "consumer-voters." Tiebout recognized that citizens "shop" for government services like they shop for consumer goods.

Public organizations, therefore, need to view their services as “firms” in a large market of many providers. Like private firms, “communities are forced to keep production costs at a minimum either through the efficiency of city managers or through competition from other communities.” (1956, 422) City managers and elected officials also recognize that failure to keep costs low and keep consumer-voters happy costs them their jobs. They are very aware of the types of incentives that the market of consumer-voters imposes on them.

Tiebout concludes his influential work by saying that “local government represents a sector where the allocation of public goods (as a reflection of the preferences of the population) need not take a back seat to the private sector.” (424) Reinvention is an updated version of Tiebout’s public choice model, which has influenced the study of public economics for over 50 years. Governments really can adopt private sector practices, and they can improve their operations by doing so. Economic principles, such as incentive and utility maximization, are appropriate to apply to public service delivery, and have been applied to the study of public policy for many years. Osborne does not say that government should adopt all practices of the private sector: public organizations should remain strictly public. However, they can learn from the same economic principles that govern the market and make it run efficiently.

Increasing incompatibility of academia and practice

As we have shown, Lane’s criticism of Osborne’s work hinges largely upon its lack of academic theories and methods. Osborne’s ideas do not fit established theories, such as “asymmetric game theory” or Kantian laws of the state. We do not understand how asymmetric game theory applies in this particular context, nor do we think practicing public administrators care whether or not their management strategies adhere to its tenants. Lane’s careless use of terms provides great evidence that a chasm between the work of academia and practitioners in the field is present and growing.

In the medical field, academics and researchers conduct experiments and test theories in order to help doctors and other practitioners to cure their patients. Why shouldn’t the field of public administration work in the same way? Academics should research and test public administration theories so that practicing public administrators can apply them to their organizations. Likewise, public administrators should have “theory competency” of ideas in public administration to rely on for inspiration and problem-solving in everyday life. Having theory competency “leads to an experimental attitude toward action, an openness toward the results of action, and a flexibility in reassessing the direction a line of action is taking.” (McSwite 2001). Such theories are tools that public administrators can use to solve problems. Public administration academics must provide and instruct practitioners in using these tools.

Courageous leadership is necessary to reinvent public organizations, a fact that academia often overlooks. Administrators need to be visible in their organizations, ensure that they hire employees who will commit to changing the organization, communicate with staff, and demonstrate long-run commitment to entrepreneurialism in the organization.

Administrators can either submit to the entrenched attitudes of public organizational theory that academics claim are immutable, or they can courageously lead their organizations into new territory. They can either refuse to change and meet the needs of society, or they can follow economic and social trends closely so as to improve their service to the public.

Conclusion

Citizens in bureaucratic societies do not feel that their governments meet their needs. Governments must, therefore, change. As technology develops, society changes. We communicate, travel, and live differently than we did 100 years ago. Why do our governments still operate as they did 100 years ago? Thomas Jefferson, an original reinventer, likened an unchanging government to a man that still wears a coat which fit him “when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.” We must remember that the study and practice of public administration should be about the *public* itself. In any democratically-oriented society, the government must serve the needs of its citizens. Citizens are results-driven, and governments must become results-driven. Citizens communicate through highly advanced forms of technology. Governments must become technologically advanced.

“Reinventing government” may be a “crude” theory to academics, but it is proven. Its proponents have conducted empirical research. Most importantly, public administrators are practicing reinvention theories. Do public administrators constantly think about and practice asymmetric game theory in their organizations? Do they worry about reducing “excessive supply” or “X-inefficiency?” We hardly think so. They worry about making sure their traffic lights work to prevent automobile accidents. They worry about providing clean and safe parks for their citizens. They worry about providing enough police officers per capita to keep their communities safe. Reinvention restores hope to those inside (and outside) government that change for the better is possible and may be initiated and fostered by anyone at any level.

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